

More than words

► **Laura Blows explores how words used can trigger an emotive response, and how the pensions industry can use this to its advantage within its communications**

“A rose by any other name...”
Would smell as sweet, true, but if, instead of ‘rose’, the flower was called ‘stenchweed’, it’s unlikely that they would be queues of people buying bouquets of them for Valentine’s Day. Words matter.

Emotive impact

Language resonates and words can have a strong emotional connection. Even two words/phrases with the same meaning can have a vastly different impact.

“As well as having a literal meaning, certain words conjure up memories, emotions and images because of the way we have come across them in our life so far,” Quietroom lead writer Simon Grover says. “For example, ‘seaside’ will resonate with most people as a positive idea that automatically generates associated ideas. Other words don’t have these associations. So ‘coastal region’ means exactly the same as ‘seaside’, but has none of the same positive associations.”

Even the subject of ‘pensions’ can trigger an emotional response. For instance, Ferrier Pearce’s social networking tracking tool found that 55.2 per cent of people tweeting about pensions feel sad, 7.3 per cent feel angry and 3.9 per cent feel scared.

“Your emotions affect the decisions you make, far more than most people realise,” Ferrier Pearce senior client relationship manager Laura MacPhee states. “The same part of the brain is responsible for emotion and decision making. Neuroscientist Antonio Damasio carried out research on people with brain damage that meant they could not feel emotion, and found they couldn’t

make decisions either.

“So what does this mean for pensions communications? It means that when we are talking to people about pensions we are talking to people who are feeling sad and anxious, and these feelings will affect the decisions they make.”

Choice words

Having this knowledge can enable the tone of the communications to be tailored accordingly.

For instance, MacPhee explains that if members feel they lack control over their pension saving, they could be told about the ‘flexibility’ and ‘choices’ they have. Or if they are worried about losing money, highlight the security measures in place.

But of course, not everyone will respond to messages in the same way.

“Different sectors and people will respond differently to words and phrases,” Gallagher Communications director Matt Frost says. “This emotional connection can vary from generation to generation, from sector to sector, and even from individual to individual – and that’s why it’s essential to tailor communications to the target audience. Know your consumer. Because when you know what makes them tick, you’ll know how to engage them.”

However, while acknowledging that everyone has their personal preferences, and will have different emotional reactions to some words, with groups of people preferring different ways of phrasing things, Grover says that this is just ‘detail’.

“Broadly, people like everyday language, short words and short sentences,” he adds.

Particularly popular are verbs, he

states, especially “short, powerful ones” such as ‘start’, ‘stop’, ‘tell’, ‘ask’, ‘move’, and ‘keep’. This focuses the message on the person, and are what is used in everyday speech.

“If you talk like your audience talks, they’re more likely to listen to you and to respond positively,” Grover explains.

Invesco Consulting head Scott West agrees that focusing on the person is effective, making the use of pronouns important – with ‘you’ and ‘you’re’ generally working well.

A few years ago, Invesco’s research began finding negative reactions to superlatives and adjectives. In other words ‘sales-speak’.

“The sense was that ‘if you sound like a salesman, you’re trying to sell me something,” West explains, with phrases like ‘our differentiator’ or ‘we’re the only ones who’ proving unpopular.

Sales-speak may be disliked, but messages full of legalise and jargon do not fare much better.

“When communicating information about pensions, the process often begins with the legal, actuarial elements – and this filters through,” Frost states. “To engage people, communications need to resonate. They need to be meaningful; to use recognisable language that informs and persuades, rather than technical language that confuses and alienates. Whilst the information provided might be technically correct, focusing purely on the details won’t have the desired effect.”

He summarises it succinctly thus: “We need to move away from the corporate BS.”

Engaging messages

It’s hardly surprising that Invesco’s research found that one reason for the lack of pensions engagement was simply because the language used “was not very engaging”.

Its research involved participants listening to messages and turning up a dial when they liked, trusted and believed what they were hearing, and down when they did not.

By not having time to think about their responses, the instant feedback was based on emotion, helping to uncover the gut reactions to messages.

It found that people were more engaged by messages about growth-based investment strategies, rather than ones about protecting against risk.

“They are not engaged by the notion of their retirement schemes ‘treading water’. They are engaged by the potential for growth. That’s why they invest. Somehow the retirement scheme providers lost sight of this,” West says.

In terms of specific words/phrases, ‘contributions’ proved popular by 55 per cent of respondents, as opposed to ‘salary sacrifice’. Forty-five per cent preferred to be called ‘employees’, with just 33 per cent wanting to be called a ‘member’. ‘Transparency’ as a term led to confusion, with many of Invesco’s respondents guessing that it referred to hidden fees.

However, the pension industry is becoming ever-more aware of the psychology of language, Invesco UK institutional sales director Stephen Messenger believes, “and certainly better than other financial industries”.

Put to use

Quietroom has seen evidence of the impact word choice can have.

“We got 80 per cent of the members of a DB scheme to respond to a tricky issue by asking them to ‘vote’ rather than ‘choose,” Grover says.

“We did that because we knew that demographic of members would respond positively to the idea of taking part in a group activity and making a responsible decision about something that affected other members as well as them. ‘Voting’ feels sociable and responsible. ‘Choosing’ feels solitary and less significant,” he explains.

This understanding was also used in its work with the launch of the simpler annual statement.

For example, the statement talks

about ‘what you saved’ rather than ‘what you contributed’ – because ‘saving’ resonates very positively with most people, Grover says.

“Without having to explain, it’s implicit in ‘saved’ that the money remains yours, rather than ‘contributed’ sounds like it might be something you’re giving to someone else. We did lots of things like this. And then, crucially, we tested it with real people, and refined it,” he adds.

While good efforts are being made

within the pensions industry to recognise the power of words, Frost warns that “there is a tendency for pension communication to align with the values of those who issue it, rather than those who receive it. A key part of this is speaking to the audience in the way they would like to be spoken to.”

Or as West puts it: “It’s not what you say; it’s what they hear.”

➤ **Written by Laura Blows**

❏ 10 phrases to avoid

• ‘Dream retirement’

Why: Respondents sceptical can really help them get there. Lose credibility.

Use: ‘Comfortable retirement.’

• ‘Low cost’

Why: Consumers know that low cost can mean cheap, defective or unreliable.

Use: ‘Cost efficient.’

• ‘You are in the bottom quartile of savings compared to your peers’

Why: Fear, guilt or peer pressure causes short-term paralysis and long-term cynicism. A disincentive.

Use: Messages about members’ progress towards their personal retirement goals.

• ‘Salary Sacrifice’

Why: Sounds like losing money.

Use: ‘Contributions.’

• ‘Many people find they can contribute more to their scheme by, for example, simply reducing the number of cappuccinos they buy each week’

Why: Recommending forfeiting instant gratification never works.

Use: Messages that highlight gains, such as company-matching, tax benefits and long-term growth.

• ‘Autopilot’

Why: Could cause concerns over a loss of oversight and control.

Use: Messages that highlight the benefits of automation while stressing no loss of control.

• ‘Access to institutional investments’

Why: Respondents generally do not know what this means.

Use: Messages about employers being able to negotiate better scheme fees for members.

• ‘The risk of pension poverty’

Why: Members are not motivated by fear tactics.

Use: Positive messages about the benefits of any contribution increase.

• ‘Compounded growth’

Why: Industry jargon to members.

Use: Plain-language ‘growth’.

• ‘With lifestyle strategies, you don’t need to worry about.....?’

Why: Don’t tell people what they should or shouldn’t worry about.

Use: Messages about how can work together to navigate challenges and options.

Source: Invesco’s ReDefined Contribution Scheme, 2018