

In September of this year, Hymans Robertson unveiled research suggesting that the pensions sector has finally embraced technology when it comes to member comms. In a survey of defined benefit pension trustees, the consultancy found that 59 per cent of respondents said that digital communications should be used to engage with members' needs – up from 5 per cent in 2020.

The survey confirmed what many have suspected; lockdowns and the resulting working-from-home phenomenon have acted as a tipping point for online and electronic scheme communication. Not only has the traditional envelope desk drop been made redundant for almost 20 months, but the financial implications of the Covid-19 crisis has forced companies to cut costs, one of which was sending pension information through the post.

Speaking about his company's findings, Hymans Robertson head of member outcomes, Ryan Markham, says that although there was a growing trend towards digital before lockdowns became a tool of government, the past year has brought home how valuable digital communications can be in reaching members at a critical time. "A great example is using digital communications to give re-assurance to members on service or pension payment continuity during lockdown, as well as highlighting the increased risk of scamming activity. We found that schemes who had invested in digital held up far better than those that hadn't. We expect the learnings from Covid-19 to accelerate the trend to digital and for DB scheme in particular to start catching up."

Digital-led communications agency Making Giants partner, Marliane Owen, echoes Markham's assessment. "The industry has been slowly moving towards a more digital approach to communications, but the pandemic has certainly accelerated that move. Almost overnight, the only way that we were able to communicate with people outside our



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Summary

- The Covid-19 lockdowns have increased the take up of digital technology to communicate with pension scheme members.
- Digital comms can provide up-to-date information to members and provide accurate member-behaviour data to pension schemes.
- Despite the digital comms growth, paper comms still have an important role to play, still being favoured by many pension scheme members.

Lockdowns have been the tipping point for the pensions industry to finally embrace digital comms to members, but technological adoption will not spell the death knell for traditional comms just yet

homes was through the internet. As a result, we've seen massive levels of take-up for digital communications across all demographics."

This unprecedented adoption of digital avenues has opened up new opportunities in member engagement, argues Gallagher MD of the UK retirement practice, Roger Hattam. The pensions communications agency has

been encouraged by the fact that the laggards have now accepted digital as the leading platform through which to communicate. "Not simply because it is cheaper and faster," he says, "but because it opens up a world of opportunity to bring the message to life in a way that a printed piece of paper dropped through the letterbox, which gets put behind the clock for six months, doesn't."

Gallagher often helps schemes to attach a video or modelling tool to a digital message that enables members to interact with their scheme. “It drives a call to action,” explains Hattam. “You can actually click a button and amend or tweak something right away, rather than coming back six months later, when the letter has turned yellow, and the time frame to act has expired.”

Another major benefit of digital is that it allows schemes to better trace what members are opening, reading and acting on. All in all, says Owen, the situation is a win-win for everyone involved. “Not only do our members want to receive their communications digitally these days, but they can also prove a more manageable and cost-efficient medium for pension managers and trustees,” she says. “Without the costly printing and postage bills that have long been associated with benefit statements and annual newsletters, digital communications enable schemes to invest their time and money in alternative means of reaching members, like videos and social media.”

Delivering the goods

When it comes to digital, Markham says that there are a range of approaches that schemes can take. These will depend on the demographic of the membership and the trustees’ engagement strategy. Member email addresses are a great way of keeping in contact and promoting digital channels, while microsites, online video, personalised videos and apps all have a role to play too.

However, there is no point launching a digital campaign without some clear goals. Landscape creative director and founder, Ryan Sales, says that without a strategy for content and measurement, schemes will simply be shooting in the dark. “The platform needs to be right for the scheme with the ability to upscale and evolve,” he says. “Content needs to be attractive and relevant to the channel, so if you just lift and shift the newsletter article online you’re missing an opportunity.”

Markham agrees. Schemes need to make the digital experience significantly better than old school forms of communication if they want to encourage digital adoption. “Attaching what used to be your printed newsletter as a PDF attachment to an email is not going digital and, it could be argued, is significantly worse than sending a printed copy through the post that at least draws attention to itself by landing on the doormat.”

He also suggests that the resurrection of the QR code due to the prevalence of the government’s Track & Trace system could work in schemes’ favour. Prior to Covid-19, the QR code was going out of fashion. Now, however, people are much more used to the idea of scanning a printed code with their phone to access digital content.

The best part of digital for communicators is the analytics and insight says Sales, which provides a clear window into what members want – and how they are behaving. This vital data can then be used to increase engagement and potentially lead to better outcomes for members.

But is the industry actually geared up to provide widescale digital comms? “It’s in a better place than it was 18 months ago,” says Owen. “But there’s still a way to go.” A big hurdle that the industry faces, according to Owen, is administration systems that cannot facilitate or integrate with digital communication solutions. That is something the industry will address, but it will require investment and time.

Finding the right balance

Although digital is now clearly in the ascendancy, this does not mean that paper will be phased out any time soon. As Gallagher head of digital, Sam Charles, points out, a scheme has to have a nuanced approach when it comes to reporting to members, particularly when you have a diverse workforce. “There might be a huge subset of your staff who are factory or manual workers, or

checkout staff,” says Charles. “Or because of the nature of the work, there may be a high staff turnover.”

As a result, the most reliable way of passing on communications is doing so manually, as there may be no reliable means to contact them digitally. In addition, supplementing digital with print can have great value in a multi-channel approach. “People are so overwhelmed with emails and apps on their phone,” explains Charles. “It is such a crowded space that print can also be a differentiator at times, if done well. It can actually be the thing that grabs your attention and makes you go online and signposts you in the right direction.”

Hattam adds that paper may be quite a while away from disappearing from pensions communications for one very obvious reason – many members still want it. “It goes back to strategy and demographic,” he says. “What is really the best method for that person? That should be the overriding driver. And by definition you are communicating with some of the oldest people in the country [*who may typically prefer paper communications*]. Ultimately, if we regard ourselves as marketers in terms of communication, then the first principles of marketing is know your audience and know the channels that your audience reach in order to give them the message that you want to influence them with.”

Nevertheless, he adds, that does not mean that schemes should not continue to pursue their digital strategies – and even try and convert members away from being overly reliant on paper.

“We live in a world where people have got used to audio, visual and other aspects of things, even at quite late demographic in life,” he says. “I think we should challenge ourselves and challenge the industry to not think simply in terms of binary options in the way that we communicate to people.”

 **Written by Marek Handzel, a freelance journalist**