

# Consumer engagement: lessons from overseas

**Pensions Policy Institute**

**24 May 2017**

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**Head of Investment Strategy,  
European Defined Contribution**

**State Street Global Advisors**

# Chair's Welcome from Morten Nilsson

**PPI Governor**  
**CEO, NOW pensions**

# Consumer engagement: lessons from overseas

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# We'd like to thank...

The following for sponsoring the Consumer Engagement series:



# Consumer Engagement: lessons from overseas

1. Introduction & overview of financial wellness
2. Summary of lessons for the UK
3. Engagement underpinned with financial wellness
4. Engagement around automatic features
5. Specific methods used to engage groups
6. Objectives and target group focused campaigns
7. Signposting to improve financial wellness
8. Conclusion

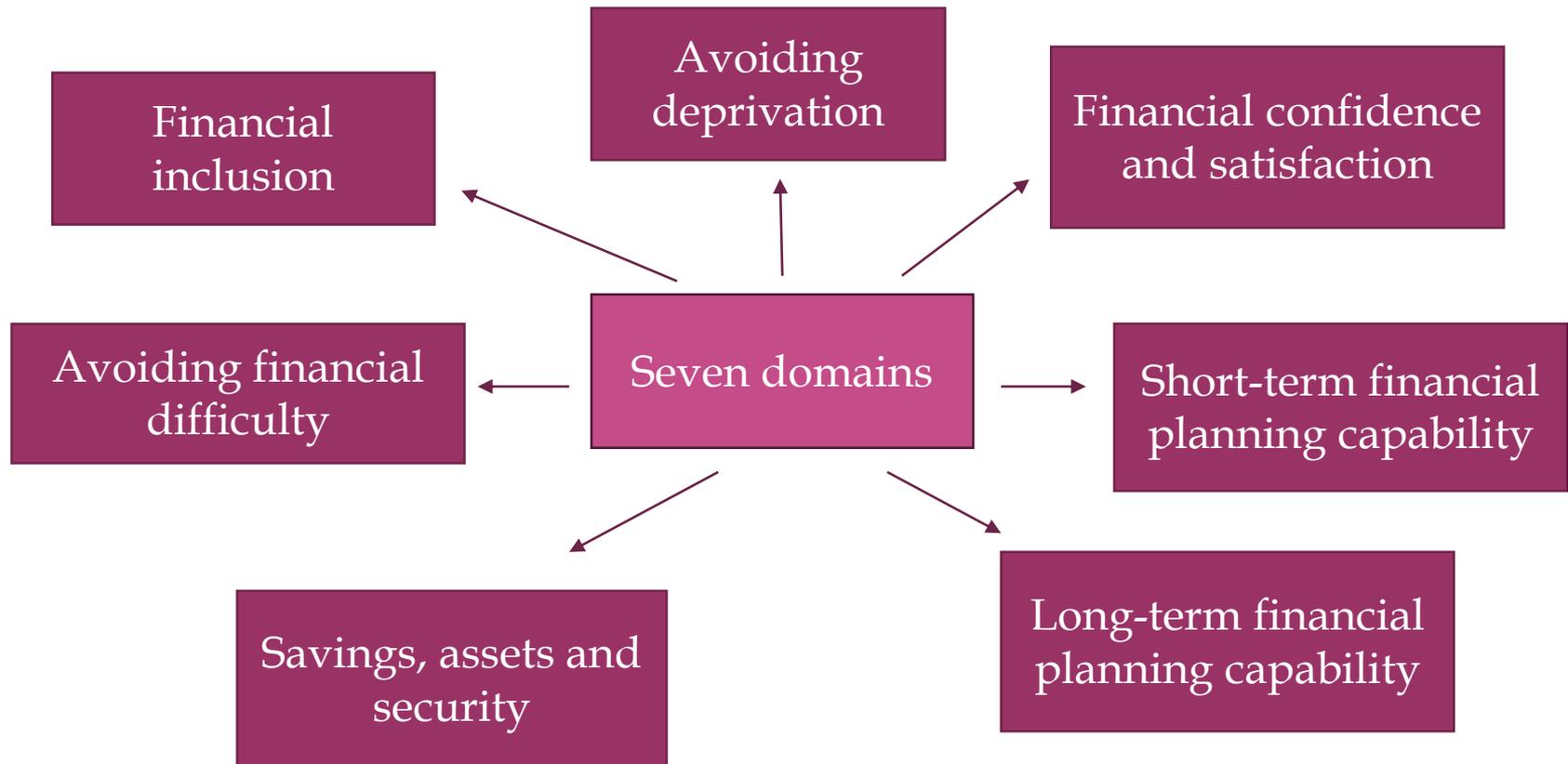
# 1. Consumer Engagement: lessons from overseas

- Multiple ways of harnessing behavioural factors to encourage consumers to engage
- Comparing countries is useful for revealing issues that may go unnoticed in a within-country analysis

# 1. Consumer Engagement: lessons from overseas

Approaches	Country examples
Retirement planning programs	Brazil
Awareness campaigns and events	Croatia, Netherlands, Romania, UK
Automatic enrolment	Australia, Canada, New Zealand, Italy, UK, US
Automatic Escalation	Philippines, US
Smartphone applications	Australia, India, US
Pension dashboards	Australia, Denmark, Netherlands, Sweden

# 1. Engagement and financial wellness



# 1. Engagement and financial wellness

- Holistic approach to examining financial and lifestyle choices
- Related to the input stage of decision making
- **Choice architecture:** how choices are designed and framed
- Different way to engage with consumers and communicating options and choices

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## 2. Summary of lessons for the UK

1. Approaches to engagement can be underpinned with financial wellness
2. Employers can foster engagement and financial wellness around automatic features
3. Specific methods can be used to engage particular groups of consumers
4. Campaigns and services are more effective if built around clear objectives and target groups
5. Signposting could be a condition for improving financial wellness and engagement

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### 3. Engagement underpinned with financial wellness

- Thinking beyond pensions towards lifetime savings
- Pensions provide an initial hurdle to communication
- **Brazil:** Pension planning a subset of overall retirement forecasting
- Linked to various aspects of lifestyle planning

### 3. Engagement underpinned with financial wellness

- **Brazil:** Increase in the implementation of employer-sponsored retirement education programs
- Fast changing retirement landscape affecting the retirement choices of older workers
- Information related topics including active ageing and planning for health and social care

### 3. Engagement underpinned with financial wellness

- Comparison of three different types of retirement planning program
- Twenty civil servants aged between 53 and 67 assigned to either a testimonial, short or extensive program
- Topics covered included financial planning and retirement income as well as health, social networks and active ageing

# 3. Engagement underpinned with financial wellness

Program	Summary
<b>Testimonial</b>	<p>One meeting            Three hours in duration            Topics: retirement experience            Speaker: experienced retired civil servant            Format: group discussion</p>
<b>Short</b>	<p>One meeting            Three hours in duration            Topics: financial planning, health, leisure, family, social network, volunteering, active ageing            Speaker: professional expert            Format: group discussion, educational activities</p>
<b>Extensive</b>	<p>Thirteen meetings            Each meeting three hours in duration            Topics: financial planning, retirement income, health, leisure, family, social network, volunteering, social security, active ageing            Speaker: professional network            Format: group discussion, educational activities</p>

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## 4. Engagement around automatic features

- **Countries:** US, UK
- Employers could congratulate employees for being added to a pension scheme
- Automatic enrolment: alerts on policy changes can affect individual financial well-being
- Automatic escalation: employers can enable employees to make decisions about how to use their extra income

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## 5. Specific methods used to engage particular groups

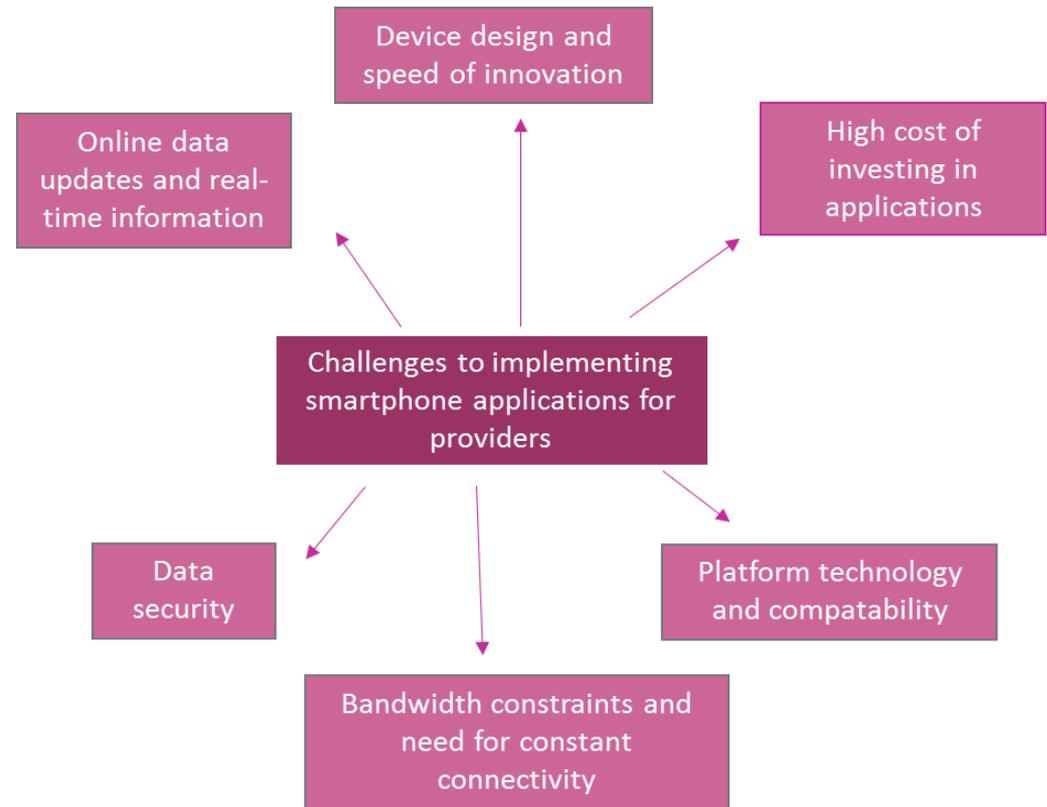
- **Countries:** the Netherlands, India
- Multi-channel approaches enable financial planning and prompt behaviour change
- Use existing data to assess life events reached
- Link financial well-being messages to HR data to harness key events e.g. bonuses and pay increases

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# 6. Objectives and target group focused campaigns

- **India:** Defence Pension info smartphone application
- Example of platform compatibility, data updates as challenges for implementing applications



## 6. Objectives and target group focused campaigns

- **Positive feedback:** simple to understand and navigate, personalised information
- **Negative feedback:** problems logging in, data on recent payments unavailable
- Age group using smartphones 15 - 24
- Mismatch in target group and service

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# 7. Signposting to improve financial wellness

- **Countries:** Brazil, the Netherlands
- Collaboration and input between multiple stakeholders could be a condition for improving financial wellness and consumer engagement
- Retirement education program organisers could signpost to other agencies that can provide support and information

## 8. Conclusion

- Pension information communicated as part of overall financial wellness enables individuals to better understand their financial situations
- Pension engagement campaigns more effective when they vary in format, channel and delivery between groups
- Clear campaign objectives around the financial concerns of the target groups enable a link between information offered and favourable behaviour change

**Mark Williams**

**Deputy Pensions Board Chair**

**Institute and Faculty of  
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**Head of Risk & Research**

**The Pensions Regulator**

# Alistair Byrne

Head of Investment Strategy,  
European Defined Contribution

State Street Global Advisors

# Q & A

**Thank you for coming**

**Please join us for  
refreshments**