PASA eAdmin Working Group

eAdministration engagement strategy Guidance

March 2023

Acknowledgments

PASA is grateful to the authors of this case study, the members of the PASA eAdministration Working Group (EAWG) and their employers.

1. Introduction

The evolution of retirement savings towards DC pension arrangements means we need to engage with savers so they can actively managing their pension savings. Traditionally DB scheme savers could simply join their company pension scheme and take no further action until retirement, when they would start receiving a monthly payment. As a result, these schemes focused their communications strategy on compliance requirements or specific events.

Times have changed and engagement strategies are evolving to meet modern needs. One key factor is the introduction of flexibility in the way people save and access their savings. The way people absorb information and make decisions has become mostly emotional and time driven. A good engagement strategy integrates the saver with digital and technology models and provides many benefits to the arrangement and the saver by reducing exposure to financial and regulatory risk and developing positive saver interaction.

An engagement strategy plays an important part in a successful digital programme, especially in our industry where engagement is low. This Guidance is designed to assist in the development of a modern engagement strategy by identifying and detailing six areas which should be considered for inclusion. The minimum expected standard within each consideration is detailed, together with suggestions on how to improve them further to the 'optimum' level. This approach is suitable for all scheme types and sizes, and allows them to progress on their journey from varying starting points.

The six areas are:
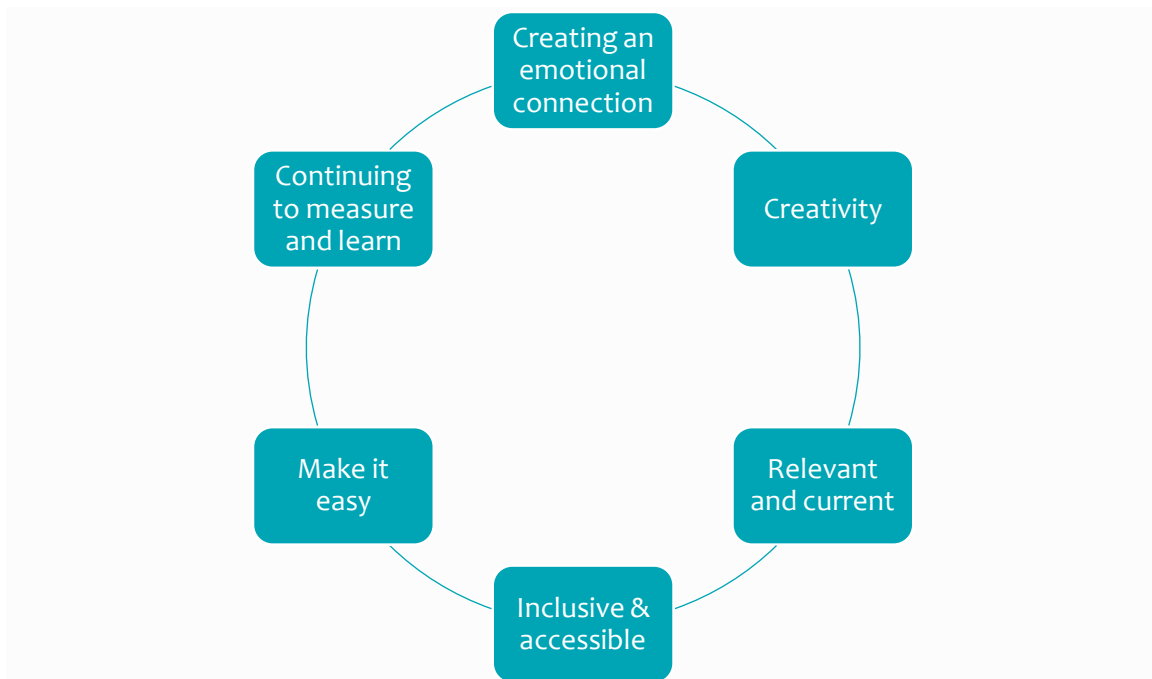
2. Engagement strategy

Building and maintaining trust, loyalty and commitment is one of the biggest factors to address when designing a successful engagement strategy. Loyalty is hard to earn but very easy to lose. Behavioural science[1] tells us our emotional mindsets can overpower technical knowledge when we're faced with making decisions. Even with robust processes in place, the emotional mindset of a saver can impose a risk to the success of their retirement outcome. For example, if someone is invested in a lifestyle strategy where they're exposed to equities and these are falling in value – rather than wait this out, they may switch their investments to cash because this feels 'safer' in their opinion.

Savers generally want to be treated as individuals and expect a personalised experience. However, traditional, and legacy methods of data capture, retention, and manual administrative processes have led to unreliable data and high costs. This means savers don't get a seamless and joined up experience. The introduction of pensions dashboards is designed to introduce standardised administrative processes and an improved user experience.

To provide personalisation, a provider needs to know the saver's history with the provider and employer, preferences for communication, accessibility needs and how the saver likes to interact. This then needs to be presented back to the individual in a way which makes sense. The ability to capture data is key as this helps utilise data from saver interactions across platforms and draw conclusions to be turned into positive action or response.

Individuals are consuming large amounts of information through a range of sources and platforms. Engagement strategies must account for a saver's access to and consumption of other sources of information. If we create engagement strategies which don't recognise where they sit within a saver's universe, we risk even lower engagement levels. If the power of the emotional mindset and the need for a personalised experience isn't accounted for, there's a risk business objectives won't be met. Encouraging savers to adopt digital solutions relies heavily on the engagement strategy in place. If savers don't value the experience, they'll ignore it and the investment placed in a re-engineered process is wasted.

An engagement strategy provides the goals, objectives, strategies, and metrics to provide savers with the support and resource needed to achieve a positive outcome in a timely and creative manner. This will help mitigate commercial business risk and build a greater understanding of savers to open the doors to innovation within a digital space. We've detailed the areas for consideration in your strategy below.

Creating an emotional connection

It's important for individuals to understand the purpose and benefits of what they are engaging with. This comes from a 'System 1'[2] mindset, where financial decisions are made based on instinctive, emotional, fast, and reactive emotions, as opposed to a 'System 2' mindset which is more logical, rational, and slow. Hence, by creating an

---

[1] Behavioural science describes the study of human behaviour in how emotions, the environment, and social factors can influence decision making and choices.

[2] Daniel Kahneman "Thinking, fast and slow"

emotional connection you're feeding the saver's emotional needs so they can begin making logical, rational, and slow decisions.

You can create an emotional connection between savers by:

- Personalising the experience and helping your savers personalise it for themselves too
- Building confidence and overcoming the saver's natural passivity
- Supporting savers through making decisions
- Rewarding savers when a positive action has been taken
- Creating connections to join the information together for the saver

Examples

Minimum	Optimum
✓ Personalised saver portals ✓ Retirement modellers and tools which stimulate similar results to a saver's annual pension statement to help a saver's decision making ✓ Integration with pensions dashboards ✓ Availability of educational content ✓ Educate as you communicate	✓ Use of emotive language to convey empathy and understanding of individual needs ✓ Retirement modellers and tools which build a story for the saver and relays this back to the saver as a personal document or video ✓ Providing relevant educational content directly to the individual relevant for their current needs ✓ Personalised video statements to help individuals understand their benefits. To include the ability to change the data and calculation output ✓ Adapting digital content to meet user needs using an individual's digital trail[3] ✓ Use of empowering and nurturing language when an individual has completed an action ✓ Use of financial wellbeing content and tools to provide support for wider financial needs E.g.: helping with debt, saving for a house or inheritance planning ✓ Give savers a reason to engage with new content

---

[3] A digital trail, sometimes called a digital shadow, digital footprint, or an electronic footprint – refers to the trail of data a user leaves when using the internet. It includes websites a user visits, emails a user sends, and information a user submits online. A digital trail can be used to track a user's online activities and devices.

Creativity

It's easy to forget how complicated the pension world can be, so don't over engineer how we engage with savers. Communication should feel friendly and inviting - using strategy, design and content.

Consider how to present the information on digital platforms. By working with behavioural scientists, these principles can be applied to consider the positioning of information, presentation, and the use of language. By using these principles, information can be presented to make savers take notice and aid their user experience.

Creative application of language and design should focus on helping the saver process the information. All to help savers see what's in it for them. This can be achieved by breaking up content between words and pictures.

Examples

Minimum	Optimum
✓ Distinct brand for easy recognition it's related to their pension provision ✓ Utilising design experts to ensure you are following best practice digital design and accessibility guides ✓ Using behavioural science research to design for the user ✓ Include images and diagrams to explain complex information	✓ Short form media, such as gifs, to spark interest ✓ Medium form media, such as 90 second video or a blog, to educate on topics ✓ Longer form medium, only used to provide savers with detail ✓ Using behavioural science research to create a communication matching an individual's approach to processing information ✓ Adapting your brand and style to specific cohort of your audience ✓ A style guide to establish consistency across all mediums of engagement with individual

Relevant and current

People are making lifetime decisions about their savings based on the information presented to them, so it needs to be both relevant and current. Old, or technically incorrect information, can lead to negative opinions and diminished trust.

If the information and guidance presented is too generic and vague, it makes it harder for the saver to understand the relevance. Engagement and understanding can be achieved by illustrating how the information applies personally. Savers can be supported by personalising real time information where possible with helpful and targeted content featuring signposting to trusted sources. Always ensure the data presented is both current and correct, so it can be trusted and relied upon.

Examples

Minimum	Optimum
✓ Annual health checks carried out on content	✓ Increasing the regularity of health checks on content
✓ Information and content are reactive to changes to legislation	✓ Personalised signposting to user's needs and requirements
✓ Provide signposting to external resources for everyone	✓ Contextualised educational material available to support an individual in their decision making and not relying on external sources
✓ Any annual health checks carried out internally on data to be reflected to the saver in real time	✓ Personalised content applied through programming to only show information relevant to the saver
✓ Functionality to confirm personal data	✓ Real time personalised data held and presented
✓ Personalised data presented is updated on a regular basis (e.g., monthly, quarterly, or annually)	

Inclusive & accessible

No two savers' needs for information, processing and access will be the same. Plan to develop and use a range of engagement channels and media, which allow savers to choose how best they wish to learn and understand information. Information focused via one channel or media causes restrictions for savers with different needs. It's also important to adopt best practices for digital platforms and apply accessibility guidelines and standards, such as the international WCAG 2.1 guidelines to avoid restrictions.

You can seek feedback, ideas, and preferences from your savers to ensure you can understand their needs on how they wish to be communicated and engaged with.

It's important to use everyday language to make the content accessible to all, regardless of demographic backgrounds and possible vulnerable characteristics. The timing of when communications are issued may not be optimal timing for your saver. However it's very difficult to know when this will be. Digital trails can be used to present information relevant to savers or a simpler approach could be maintaining a regular drumbeat of communication.

Examples

Minimum	Optimum
✓ Shorter sentences and use of plain English	✓ At every point of user interaction, check the saver's satisfaction, if needs were met and suggestions for improvement
✓ Provide an explanation when technical language is used	
✓ Create communication to meet accessibility needs	
✓ Identify different cohorts/segments/personas of audience, either completely or for specific projects	

✓ Send information only relevant to identified segments/cohorts of savers ✓ Use of space to break down content ✓ Use of infographics to explain content ✓ Individuals to have access to communication format which meets their accessibility needs	✓ An omnichannel[4] approach to sending communications to reach your audience ✓ All content personalised to different cohorts/segments/personas[5] ✓ Individuals have a choice of how communication is presented based on their accessibility needs ✓ Signposting to available applications and technology to help vulnerable savers understand and process the communication ✓ If paper communication must be issued, add QR codes to allow savers with vulnerabilities and neurological differences to access the information in their preferred format

Make it easy

Presenting information easily to savers allows those who aren't confident with technology to engage. It builds confidence by making the benefit feel accessible and provides a better digital user experience. This is likely to lead to better saver engagement and build confidence in the tools and the pension benefit. This principle should be applied and demonstrated consistently across any digital platforms and communications.

Savers are more likely to engage and change their behaviour if it's considered as something easy to do. This can be done through regular educational content which is broken down into clear small steps and demonstrates the ease of adoption. By sharing thought provoking content or insights with savers, you can allow savers to become part of the journey and eventually build communities which demonstrate to one another the ease and possibilities of adopting positive changes.

Examples

Minimum	Optimum
✓ Clear signposting on how to complete forms ✓ Guides to simplify and breakdown a process for the individual ✓ Frequently asked questions ✓ Annual digital newsletters ✓ Generic email campaigns to encourage positive behaviour or education	✓ Forms should be intuitive to the individual's needs and don't require manual intervention ✓ Using an omnichannel approach to spread the same message at different times ✓ Use of technology to send automatic reminders when an action's required

---

[4] Omnichannel is a multi-channel approach to communication and sales seeking to provide savers with a seamless experience, whether they're online from a desktop or mobile device, by telephone, or face to face. It provides regular contact and consistency in tone of voice and message.

[5] Personas are fictional characters which are used for representing different types of users for helping with a website, brand, or product. It is considered as part of interaction design or a user-centred design.

	✓ Use of technology to send positive affirmations when a positive action has taken place
	✓ Email campaigns sent to target specific groups to encourage positive behaviour or education
	✓ Use of technology and Natural Language Processing ('NLP')[6] to create a conversational question-and-answer layer over your existing data with question answering

Continuing to measure and learn

As part of any successful engagement strategy, a series of metrics need to be established to measure success and identify challenges which allow for continuous learning and upgrades.

Metrics can be established to measure key behaviours you wish to change, and these can be filtered across to become core objectives of campaigns and deliverables. The successes and learnings from any campaign or deliverable can then be used to further improve the saver's experience and create products and processes to further aid their experience.

Methods of measurement can range from using your website's analytics to track behaviour, monitoring the quality of queries received from savers, or tracking the outcome of any action focused campaigns. One method which has seen positive outcomes is the use of A/B testing, which is also known as split testing, and it refers to a randomised experimentation process wherein two or more versions of a variable are measured. This method may be used to find an optimum approach which works for your savers – whether it's running an online process or the email communication they best engage with.

To assist administrators, providers and Trustees in assessing their own engagement strategy for each of the principles covered, Appendix 1 sets out a simple method assigning a Red, Amber or Green (RAG) status for each principle. This can be used to rate your scheme against each principle's minimum recommended examples and then to rate again in 6 months to see measure progress.

---

[6] NLP strives to build machines which understand and respond to text or voice data, responding with text or speech of their own—in much the same way humans do.' eAdmin WG Jargon buster

Examples

Minimum	Optimum
✓ Establish overarching key measures and metrics with regular reviews	✓ With every communication establish a behaviour measurement and set metrics to assess this
✓ Find a tool which works for you to monitor and capture saver interactions	✓ Adapt your approach with the learnings you have seen from each campaign
✓ Capture both qualitative and quantitative measures	✓ Create an information hub for your audience from the data captured from campaigns
✓ Identify and segment your audience to create a series of personas	✓ Split testing[7]
✓ Survey or poll to understand audience's needs	✓ Regular surveys and polls to understand audience's needs

3. Conclusion

Striving for a successful engagement strategy won't only lead to better outcomes savers can feel good about, but will also become the driver for risk mitigation, digital innovation, and a seamless, adaptable saver journey.

It's important to set an appropriate engagement strategy to integrate both saver and digital elements to achieve:

- the best possible experience to provide a good outcome for the saver
- the utilisation of platforms to integrate efficiently and effectively with relevant and current data
- compliance with regulatory and legislative requirements
- continuous learning and striving for innovation with measures ad metrics

Our personal and professional worlds are becoming more digitised, and the pension benefit needs to maintain the momentum with Pensions Dashboard being a key driver for change.

Moving to a more automated and digital environment necessitates pension firms to recognise the challenges not only for tomorrow, but for the foreseeable future. Better saver outcomes is the key objective and measurement for the success of our industry. Engagement principles and methods used in the past need to evolve and adapt to a more digitised and automated environment using updated principles and methods.

---

[7] Split testing is a method of conducting controlled, randomised experiments with the goal of improving a website metric, such as clicks, form completions or purchases.

Appendix 1 - RAG status & Your Engagement Strategy

Principle	Minimum	Optimum
Creating an emotional connection		
Creativity		
Relevant and current		
Inclusive & accessible		
Make it easy		
Continuing to measure and learn		

1   **Green = on track = ticks 80% of recommended items**

- Fully meeting the recommendation at an appropriate level for your organisation.

OR

- Recommendation is on track to be achieved in next 6 or 12 months.

2   **Amber = being managed, needs to be closely monitored = ticks 30% - 80% of recommended items**

- Partially meeting the recommendation at an appropriate level for your organisation.

OR

- Recommendation is on track to be achieved in next 6 or 12 months.

3   **Red = cause for concern, action required = ticks less than 30% of recommended items**

- Not meeting the recommendation at an appropriate level for your organisation.

OR

- Recommendation is not on track to be achieved in next 6 or 12 months.