



# Communicating pension freedoms

A guide to communicating pension freedom options to your members.

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## OVERVIEW

# A GUIDE TO COMMUNICATING PENSION FREEDOM OPTIONS

Lemonade have commissioned 2 large pieces of research:

1. Analysing pension freedom options from the member's point of view
2. Analysing pension freedom options from the scheme point of view

From the member's point of view, we tested 4 different styles of communicating their options to see which one was most effective with this

audience. The second research then showed us what was happening at a scheme level and provided a broader overview of the state of the members'.

The following guide brings together what we learned and will hopefully give you some useful pointers when it comes to creating your pension freedoms communication strategy.

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## GOAL SETTING

# WHAT ARE YOU TRYING TO ACHIEVE?

Before undergoing any type of communications project, a sensible idea is to start off by defining some goals or objectives from the campaign.

Our 2018 pension freedoms research showed that only 17% of companies believe their members **UNDERSTAND** pension freedoms and the same number know **WHEN** then can afford to retire. ROI can help determine the business case for starting a comms campaign or can be used as the ultimate goal as increased member understanding could create real

savings for the business. On the other hand, you may have a more paternalistic approach and simply want your members to be more informed/educated.

## TOP TIP!

Analyse your audience before you start, that can be via surveys, interactions with websites etc, find out what they are doing, what is their knowledge like etc. That way, you'll have a number to begin with and hopefully will be able to report an increase in that number at the end of the project.

## EXAMPLE GOALS

- Improve members' knowledge by XYZ%
- Increase website traffic by XYZ%
- Increase engagement through targeted comms XYZ%
- Decrease number of inbound enquiries by XYZ%



I find the idea of retirement quite frightening. There's a lot of responsibility – I know there are people that retire and think it's great but I'm sure it's going to be quite boring at times.

- Employee



DEFINE AUDIENCE

# WHO ARE YOU TRYING TO REACH?

It may seem obvious, but we need to define our audience and the reason being is that we can start to tailor our comms to that specific audience.

Our research shows us that if you start to communicate pension freedoms to members who are 5 or more years away from retirement, you are 2.5 times more likely for members to understand **WHEN** they can afford to retire.

So we need to somehow identify those members who are "nearing" retirement.

**TOP TIP!**

There are many ways of defining this group but below are some popular ways to do this:

1. All members who are 5 or more years away from state retirement age
2. All members who have reached age 50 (5 years before they can take their pension)

## TYPICAL CHARACTERISTICS

Age 50-70

Home Owner

'Traditionalists'

Multiple pension pots

## OUR INSIGHT

- Some are worried how they will spend their time
- Find the process overwhelming
- Retirement is a serious subject
- High earners want to ensure they can continue enjoying the lifestyle they have now

## FURTHER SEGMENTATION



### LOCATION

This may be useful if you are planning on communicating via face-face seminars.

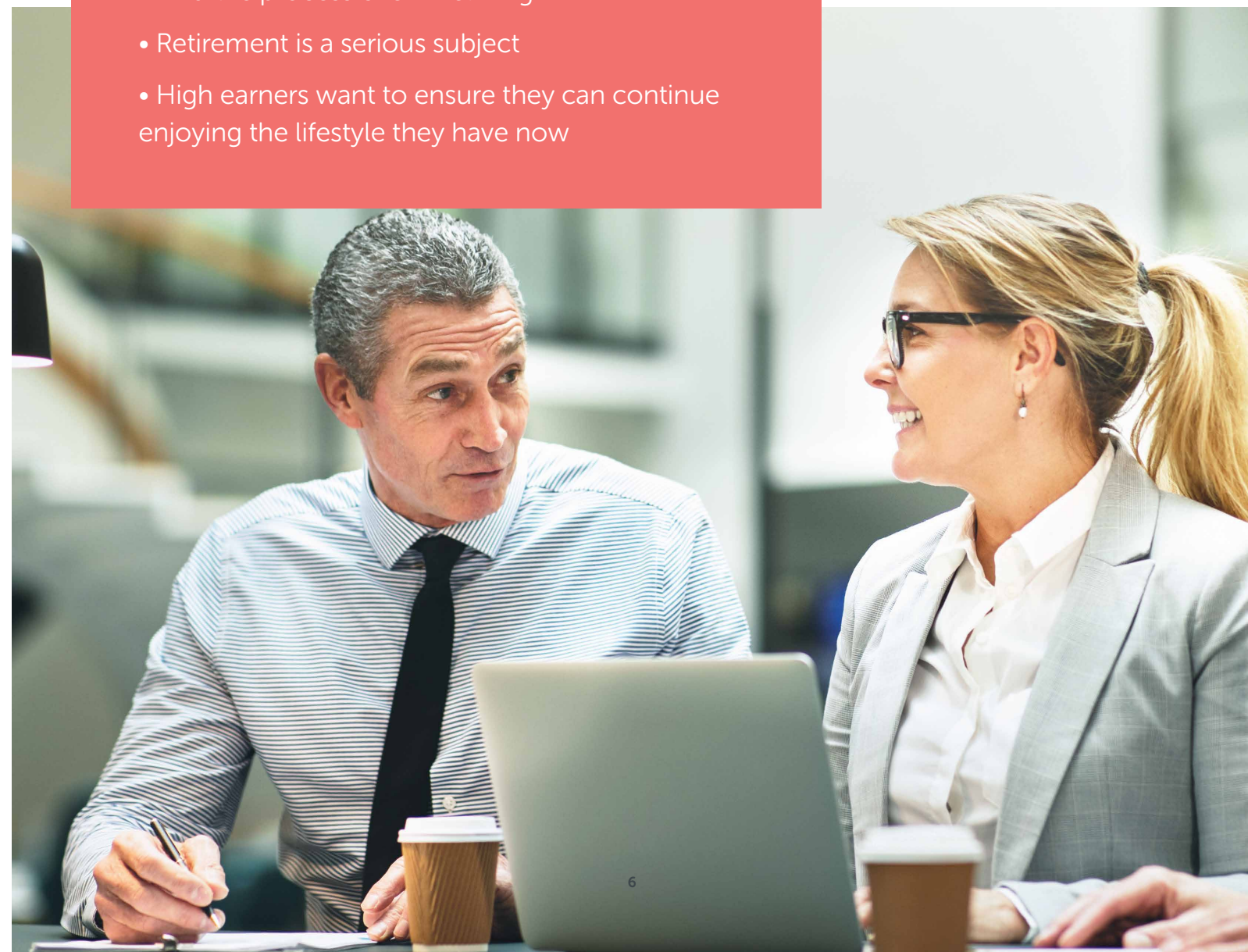
Does one location receive better attendee levels?  
How can you increase these?



### TECH AVAILABILITY

This may be useful if you are planning on using digital comms such as emails or directing to a website.

Who has email access?  
How do we reach those who don't?



KEY MESSAGES

# WHAT ARE YOU TRYING TO SAY?

Key messages will underpin all of the information that you broadcast in your campaign and will ensure consistency across your strategy.

Your key messages are not simply explaining about pension freedoms, you need to ask yourselves the following -

- What issues are most important for your target audience?*
- What are the FAQ's of the audience?*
- What actions should the audience take?*

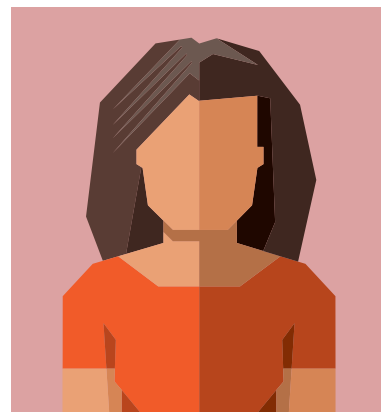
**Examples of key messages**

- "we are here to support"
- "Take action now"



## TRADITIONALISTS & BOOMERS

- Grammar is key
- Tone must be respectful
- Will often give time to reading a communication thoroughly
- No slang, be professional



## MILLENNIALS & X'ERS

- Use of informal language is preferred
- Be direct and straightforward
- Don't waste their time - don't use 100 words if 30 will do
- Avoid "corporate speak"

EXERCISE

# VOICE TONE

With a multi-generational workforce, we can often slip into the trap of using the same tone of voice across all groups, but for pension freedoms, it's important to remember our target audience.

contrast, the older generation like their communications to come across in a more formal style as this was the norm when they started their working lives and many have kept this ideology throughout their career.

**Casual V Formal**

Tone of voice is an area which shows great contrast amongst the generations. Young audiences tend to enjoy a more casual style of communication, which is often jovial even when talking about serious matters. In

Our research showed that the 'Regular Guy' \* tone of voice was the clear winner as this was clear, informative and gave the user the feeling of trust.



This would definitely stand out in my inbox

- Employee referring to Jester\* style communication

This could be something to consider if you are struggling to drive traffic.



This is more in tune with what I'd expect it to be - you need to take pensions seriously

- Employee referring to Regular Guy\* style communication

When it comes to actually positioning the information, we'd still recommend that you stick to the 'Regular Guy' style.

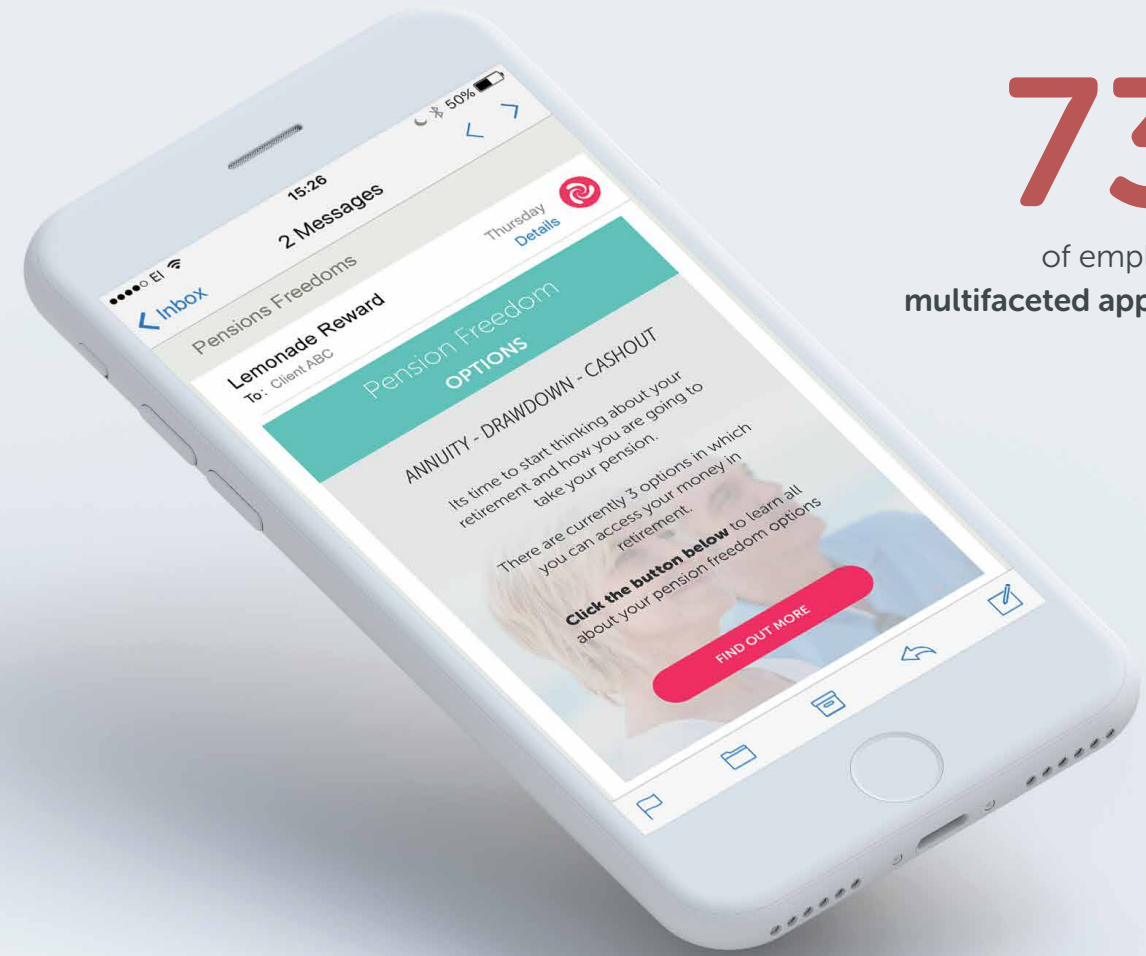
COMMS CHANNELS

# HOW TO GET YOUR MESSAGE ACROSS

It is well documented that the different generations have obvious preferences in terms of how they digest or receive their information.

- Traditionalist** - Let's have a conversation
- Boomer** - Call me
- X'er** - Send me an email
- Y'er** - Text me
- Millennial** - Tweet me

It's important to bear this in mind and even though all of the generations are more than familiar with the other's preferred medium (although perhaps some of the old school are still struggling with social media) if you can communicate to someone in their preferred style, you are far more likely to get positive engagement.



**73%**  
of employers think a **multifaceted approach is best**

Where an adviser is available, the members' **understanding of when they can retire is boosted by**

**76%**  
Our research supports this

**||** If they're going to give me some of these options, then if I decide I'd really like to explore this option, then I'd want some financial advice to explore what that would really mean for me.

- Employee



IMAGERY

# CREATE POWERFUL VISUALS

From our 2017 research we found that imagery played a large role for framing the content of the message, whether that was an email header, a website background image or poster.

There is plenty of research showing that imagery improves our engagement and ability to retain information over text only broadcasts. It can help us to connect on an emotional level and in some cases, if your image content is strong enough, it can do the talking for you.



## 1. PICKING THE RIGHT TYPE OF CONTENT

Our 2017 research on pension freedoms analysed 4 types of imagery -

**CLEAR WINNER!**  
Straightforward, relevant, familiar. However, somewhat uninspiring.

Not serious enough, loses credibility.



**JESTER**  
(fun, playful)



**ADVENTURER**  
(bold, independent)

Confusing imagery and sentiment - felt it was for a younger audience to explore the world.



**REGULAR GUY**  
(open, approachable)



**CAREGIVER**  
(selfless, thoughtful)

Too generic, too old and boring.

## 2. CALLS TO ACTION

Calls to action can be seen as a form of marketing and if you ask any marketer, visual marketing's number 1 goal is to inspire the audience to take action. So we should ensure that all comms include a clear call-to-action (CTA), whether this is - Log on to our pension website / share with a colleague / view your options on our new tool etc..

Bold, clear and relevant CTA's can help you spread the word and encourage your audience to become an advocate for you - do this using the right type of imagery and you won't have to ask them.

## 3. COLOURS

Ever thought about the branding aspect of your comms, are they the same as your corporate identity?...Do they need to be?

Colours evoke different emotions for us i.e. red for danger. But what about the other colours, what do they mean and can this impact your comms?

<b>OPTIMISM</b>	<b>FRIENDLY</b>	<b>EXCITEMENT</b>	<b>CREATIVE</b>	<b>TRUST</b>	<b>PEACEFUL</b>
Clarity	Cheerful	Youthful	Imaginative	Dependable	Growth
Warmth	Confidence	Bold	Wise	Strength	Health



ROLLOUT TIMEFRAME

# HOW TO STRUCTURE THE CAMPAIGN TIMELINE

Now that we have started to piece together all the elements of our comms strategy, it's time to develop a rollout timeframe which can be tricky.

Every organisation is different and their rollouts will vary widely but the key takeaway here is to start early, be consistent and as with any comms rollout, make sure you plan well in advance otherwise timeframes will constantly slip.

You can break down the cycle of the rollout into 3 different stages:

## TOP TIP!

Having consistency with your messaging can be difficult and time consuming, we would encourage you to look into automated messaging services which can send out broadcasts on key trigger events such as:

- End of Tax Year - utilise your allowances
- Birthdays - one step closer to retirement
- Annual - a fresh look for the coming year



## EDUCATE

**KEY AIM:** RAISE AWARENESS

**Comms Focus:**  
Start thinking about things;  
Understand options; Watch Videos;  
Visit the FAQ's



## ENGAGE

**KEY AIM:** UNDERSTANDING MONETARY VALUE OF EACH OPTION

**Comms Focus:**  
Use online tools; Ask questions; Retirement is just around the corner; Attend seminar/focus Group; Take survey



## EXECUTE

**KEY AIM:** DECIDE ON FREEDOM CHOICE

**Comms Focus:**  
Speak to adviser

WORKING LIFE

RETIREMENT





## ANALYSIS &amp; FEEDBACK

# HOW SUCCESSFUL WAS THE CAMPAIGN?

When completing the campaign it's crucial to analyse the results against your campaign goals to see if it was successful or not. Gaining audience feedback along the way will also give you great qualitative results which could potentially be more impactful than data driven stats.

However, if you have websites/portals/videos/tools then these will all be able to kick out useful data such as views/clicks/subscribes/contact requests etc..

These may all be obvious results and when it comes to pension freedoms, we want to measure the effectiveness of campaigns on user results. In other words, have our comms changed user mind sets?

## 3 OPTIONS COMPARISON

Our research showed us that traditional annuity choices are now the least popular amongst the freedom options, which could be to do with good communications explaining about the pros of using drawdown or cashout.

But is this the same for your scheme? Is there a heavy weighting on which options your members choose?

Do you have M.I. on what options members choose?....If not, you are not alone as 43% of schemes we surveyed do not have this information, but we would suggest starting here.

## OUR CONCLUSION

Creating a simple message around pension freedoms is never going to be easy. Most pension literature seems to be written by pensions professionals for the benefit of pension professionals. If you want real people to understand and engage you may need to reconsider your approach. If you have access to a great comms team you are in the lucky minority, if not the first step towards pension freedoms should be to find one.



## BRAND ARCHETYPES

# CATEGORISING YOUR BRANDS PERSONALITY

Lemonade wanted to test which "style" of communicating would go down best with the audience, so we carefully picked 4 different styles or brand archetypes.



## THE JESTER

**Goal:** To have fun

**Strategy:** To live in the moment and not be too serious

**Key Attributes:** Joker, Playful, carefree, Joyful, Original, Teaser and Foolish

**Greatest Fear:** To come across as boring

**Why we chose this?...**Pension freedoms is a particularly challenging subject matter to get across, so we thought a light hearted approach might stand out from the crowd of pension information and add a touch of entertainment to retirement planning.



## THE EXPLORER

**Goal:** To experience a more authentic and fulfilling life

**Strategy:** To journey, seek and experience new things

**Key Attributes:** Searcher, Adventurous, Wanderer, Restless, Independent, Self-Directed, Self-sufficient and Values freedom

**Greatest Fear:** To be trapped and conform

**Why we chose this?...**Retirement can be seen to many as a great journey they are about to embark upon. We thought aspirational imagery of places they've had on their "bucket-list" would help add the perspective of what they want to do with their money.



## THE NORMAL GUY

**Goal:** To belong

**Strategy:** Be down-to-earth and develop solid virtues

**Key Attributes:** Everyday functionality, Honesty, Dependable, Straight Shooter, People-oriented.

**Greatest Fear:** To be left out or stand out from the crowd

**Why we chose this?...**Simple, straight talking and no nonsense wording felt like it could cut through to the core of the messaging and would gain the user's trust.



## THE CAREGIVER

**Goal:** To help and care for others

**Strategy:** Protecting and doing things for others

**Key Attributes:** Altruistic, Selfless, Nurturing, Compassionate, Empathetic, Supportive and Generous

**Greatest Fear:** Selfishness and Ingratitude


**Why we chose this?...**We felt that the audience would want a virtual "hand holding" approach, offering empathy throughout and to hone in on the fact that we are here to help them.





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