Re-engaging gone away customers

May 5th 2020
Behavioural science

The systematic study of human behaviour

A blend of disciplines which individually lack something—economics, psychology, neuroscience, and sociology
Our approach

- Behavioural principles
- Customer workshops
- Monadic test
- Communications guidelines
## Daily life in 2020

<table>
<thead>
<tr>
<th>LIFE STAGE</th>
<th>Pre-family</th>
<th>Younger family</th>
<th>Older family</th>
<th>Post-family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Developing careers</td>
<td>Adjusting to life as a parent trumps all other pressures in life</td>
<td>Stability and instability</td>
<td>Retirement is getting longer, and concerns about money and funding retirement become far more salient</td>
</tr>
<tr>
<td></td>
<td>Moving home regularly</td>
<td></td>
<td>For some characterised by divorce, career change and changes in household composition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Retirement a long way away</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### LIFE ADMIN
- Life admin is digitally focussed
- Doing things for the first time and learning to prioritise
- Family-related life admin takes centre stage
- Familiar tasks e.g. renewing insurance done on autopilot – can be too busy to challenge prices
- Building a refined sense of what’s important
- Adjusting to new tasks and challenges around retirement
- Cynical of tasks which seem a waste of time
When moving home, few people think to notify their pension provider about their change of address

Organisations people notify of change of address – unprompted (%)

- Doctor / Dentist: 85%
- Gas / Water / Electric: 67%
- Bank: 66%
- Council / Local authority: 40%
- TV / internet / Phone: 32%
- Employer: 30%
- Post Office / Mail: 26%
- DVLA: 23%
- HMRC / tax: 14%
- TV license: 13%
- School / university: 9%
- Credit card: 6%
- DWP: 5%
- Amazon: 4%
- Pension provider: 4%

Question(s): B1. Please imagine you’re planning to move house in the near future. Which people or organisations would you notify of your change of address? Please write in the first 5 people or organisations you would notify as a priority. Base: all respondents (2,000)
The gone away issue perplexes people – they don’t empathise with providers or understand why the impetus is on the individual to act

“I got my pension through work, so I assumed they’d keep it up to date”

“I’ve had the same mobile number for 15 years, surely they’d have that?”

“If I’m still paying into it, I don’t see what the problem is. I haven’t lost my pension”

“I don’t see what I get from doing this. I just keep paying into the pension as usual, right?”

“I’d expect them to email me – I can’t see why it has to be a letter, it makes it seem like I’m not their customer”

“...they should be giving me information, not the other way round?”
Barriers
There are three hurdles to overcome

We need people to:

Open the letter
Avoiding a) ending up on the ‘deal with later’ pile, risking being forgotten b) being judged to be a circular / a marketing communication

Believe the letter
Concerns around scams mean that some may dismiss the letters – people infer legitimacy and suspicion signals from the letters which providers can build on

Act on the letter
The letter must convince people they need to act in a short timeframe – but without alarming people. It is a balance.
Recipients have a ‘sixth sense’ for authenticity
*This is a nuanced process which they find hard to articulate*

### Norms and legitimacy signals dictate engagement

<table>
<thead>
<tr>
<th>Norms for letters from financial services companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Long</td>
</tr>
<tr>
<td>- Formal</td>
</tr>
<tr>
<td>- Refer to legislation/regulation</td>
</tr>
<tr>
<td>- They provide confidential information rather than request it</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legitimacy signals build credibility consciously &amp; unconsciously</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Branding/look &amp; feel</td>
</tr>
<tr>
<td>- Organisational marginalia</td>
</tr>
<tr>
<td>- From a Senior “Job Title”</td>
</tr>
<tr>
<td>- Generic recontact</td>
</tr>
<tr>
<td>- Verification</td>
</tr>
<tr>
<td>- One clear purpose</td>
</tr>
</tbody>
</table>

### AVOID ‘SUSPICION SIGNALS’

Conversely, some elements provoke concerns

- Unknown sender
- Asking for information – not providing it
- Deal with a single individual
- Short
- Conversational / emotive language
- Urgent
- No verification
The test letters are all significantly more likely inspire action within a week than the control letter.

Question(s): C2. How soon after receiving this letter would you get in contact with the pension provider?
Base: evaluating Control (399), Test 1 (399), Test 2 (396), Test 3 (406), Test 4 (400)

**Significant differences vs. Control (95% c.i.)**
The communications guidelines focus on 4 ways to optimise gone-away letters

01 Visual cues
02 Content
03 Tone & language
04 Call to action
TRINITY McQUEEN
AWARD WINNING MARKET RESEARCH