



RETIREMENT COMMUNICATIONS

# The Experience Revolution

Latest trends in participant experience design



**Broadridge**<sup>®</sup>

## Executive summary

There is a revolution underway in the retirement industry.

It's transforming how we engage participants...taking us from communications to experiences that energize interactions and maximize retirement readiness.

New technologies are empowering consumers and giving providers new tools to engage participants. Expectations are changing. Consumers want a unified experience across channels, with proactive communication and customized interactions.

The experience revolution is already underway. Many providers are now delivering innovative participant experiences in a scalable, cost-effective way. And so can you. This in-depth report examines the latest trends and provides practical strategies that will help record keepers and plan sponsors capitalize on the revolution.

### Here you'll discover:

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THE FOUR RULES OF CUSTOMER EXPERIENCE

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DRIVING FORCES BEHIND THIS INDUSTRY TRANSFORMATION

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WAYS TO TRANSITION FROM 'COMMUNICATING' TO 'EXPERIENCING'

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WHICH TEN CAPABILITIES ARE BEHIND TODAY'S BEST PARTICIPANT EXPERIENCES

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PROVEN STEPS TO BUILDING AN EFFECTIVE PROGRAM

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 HEADLINES HIGHLIGHT CHANGES IN ENGAGEMENT
 

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**FINANCIAL WELLNESS:**  
Coming to an office near you

*Participants Welcome More  
Contact with Plan Providers*

Mobile transaction capabilities expand for 401(k)s

*Plan Participants  
Want Estimate of  
Lifetime Income*

**employees want custom  
benefits communication**

**WHAT PARTICIPANTS REALLY WANT**

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## Are you still communicating with participants the old way?

The retirement industry has been communicating with employees about their retirement plans for decades, spending billions of dollars trying to get workers to pay attention to their retirement. A lot has been learned over the years: Participant communications have seen somewhat mixed results, with even the best programs only producing incremental upticks in participation, savings, and investment diversification.<sup>1</sup>

What's different now is that this incremental improvement is no longer enough. Today's providers are taking a whole new approach, focusing less on 'communications' and more on 'experiences.' This type of revolutionary thinking has already proven its worth among high-growth consumer brands. (Just think about what Amazon has done in retail, Uber for taxis and Starbucks for coffee.) Those who can connect with customers in a sustainable and meaningful way are building their brands at the expense of those who cannot. And now, this revolutionary thinking has come to the retirement industry.

Today's consumers do not want 'communication'. They want personal guidance. They want to do things when, where, and how they prefer. They want things easy and convenient. And they want the whole experience to be enjoyable.

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*Rather than trying to make employees smarter about investments, we need to create a smarter dialogue about how plan providers can help them achieve their income goals.*

Source: [Harvard Business Review](#)



## How does customer experience apply to participants?

Over the past decade, customer experience as a discipline has become part of the mainstream. According to Forrester, “Marketing traditionally has focused on getting the customer from awareness to purchase, but the customer journey encompasses many more experiences, which can offer rich opportunities to deliver marketing messages at points where they are receptive to deepening their relationship.”<sup>2</sup>

### THE FOUR RULES OF CUSTOMER EXPERIENCE



The focus on customer experience has coincided with the rise of the digital marketing organization. While its origin is in the design of ‘user experiences’, it has since been embraced by many industries and many companies. McKinsey & Company illustrates how digital experiences can influence how customers perceive brands and how these perceptions translate into buying and advocacy behaviors: “Companies that are achieving digitization at scale have found a better way. They have developed a distinct structure that enables them to digitize their most important

customer experiences at scale and at speed—in a consistent way, with consistent resources, to produce consistent results. In doing so they transform much of the rest of their organizations, from product and process design through to technology and culture, becoming truly digital businesses.”<sup>3</sup>

And now, leading retirement providers are applying this customer experience discipline to participants, creating a unique form of customer experience—the participant experience.

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***Companies adept at using digital tools along the consumer decision journey are gaining a sizable lead over competitors.***

Source: [McKinsey & Company](#)

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## What's driving the focus on participant experiences?

Retirement providers spend approximately one-third of their total costs on participant communication-related activities<sup>4</sup>. In recent years, this has been one-third of a shrinking budget due to significant fee compression across the industry. Now, industry consolidation

has helped to create companies of sufficient size to invest heavily once again in innovation. The ability to drive outcomes is the competitive differentiator that many of these large scale competitors count on to help them fuel growth. This sudden growth and ability to influence participants can now be based on highly efficient and scalable technology infrastructure rather than non-scalable custom delivery.

## Eight factors driving heavy investment in innovation in participant experiences.

<p><b>1 THE RETIREMENT 'CRISIS'</b></p>	<p><b>86 percent of Americans</b> believe the nation faces a retirement crisis<sup>5</sup>. The private single employer DC plan is under pressure against emerging new programs such as state-run multiple employer plans, automatic IRAs and MyRAs. Getting participants and plan sponsors to believe in their plan has become urgent and requires brand new thinking—great experiences are proven to create strong advocacy.</p>
<p><b>2 RETAIL CONSUMER EXPERIENCES</b></p>	<p><b>Today's consumers have high expectations</b> for service, support, convenience, and enjoyment in interacting with their brands of choice. The financial industry is just beginning to use retail techniques and ways of thinking in designing their participant experiences.</p>
<p><b>3 EXPANDED CONTACT CHANNELS</b></p>	<p><b>There used to be just meetings and phone calls.</b> Now there are multiple person-to-person, digital, and external channels all of which have to work seamlessly together to create a connected experience.</p>
<p><b>4 ADJUSTING TO AN 'AUTOMATIC' WORLD</b></p>	<p><b>The Pension Protection Act</b> helped to jumpstart the use of automatic program features in plans, but communications in this automatic world have not sufficiently evolved. New experience designs are making the most of automatic features such as enrollment, escalation, diversification and reinstatement.</p>
<p><b>5 DIVERSE MULTI-GENERATIONAL WORKFORCE</b></p>	<p><b>There are now at least four generations</b> in today's workplace, among a workforce that has become globally mobile. This diversity of audience creates the need to vary experience design for the various cultures and generations.</p>
<p><b>6 EXPANSION OF CONVERSATION TO FINANCIAL WELLNESS</b></p>	<p><b>We've finally understood</b> that retirement is not a stand-alone conversation. To enable retirement readiness, each individual must stand on a foundation of financial wellness overall. Much as physical wellness programs have helped shape the future of healthcare, financial wellness programs can shape the future of retirement planning.</p>
<p><b>7 SHIFT IN FOCUS TOWARD INCOME RATHER THAN ASSETS</b></p>	<p><b>We've moved beyond</b> the 'what's my number' conversation to a dialogue about the income needed in retirement... and the amount of income that savings can buy. This has resulted in a shift in our thinking from a 'point in time' conversation to a life-long experience and affiliation.</p>
<p><b>8 CONTINUED PRESSURE TO DO MORE WITH LESS</b></p>	<p><b>Today's providers do not have the luxury</b> of producing ineffective or inefficient communications. Every interaction must count, and experiences must be designed based on a scalable infrastructure to deliver competitive value at a competitive price.</p>

## The language of 'communication' versus the language of 'experience'

Communication is often a one-way imparting of information and the solicitation of a response. Experience is an event in which you are involved and that affects how you feel.

When we look at recalibrating our language from a customer experience point of view, virtually everything changes. Most of the channels, communication materials, and interactions are thought of in a different way.

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**84% of companies expect to increase their focus on customer experience measurements and metrics.**

Source: [Temkin Group](#)

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### THE JOURNEY FROM COMMUNICATING TO EXPERIENCING

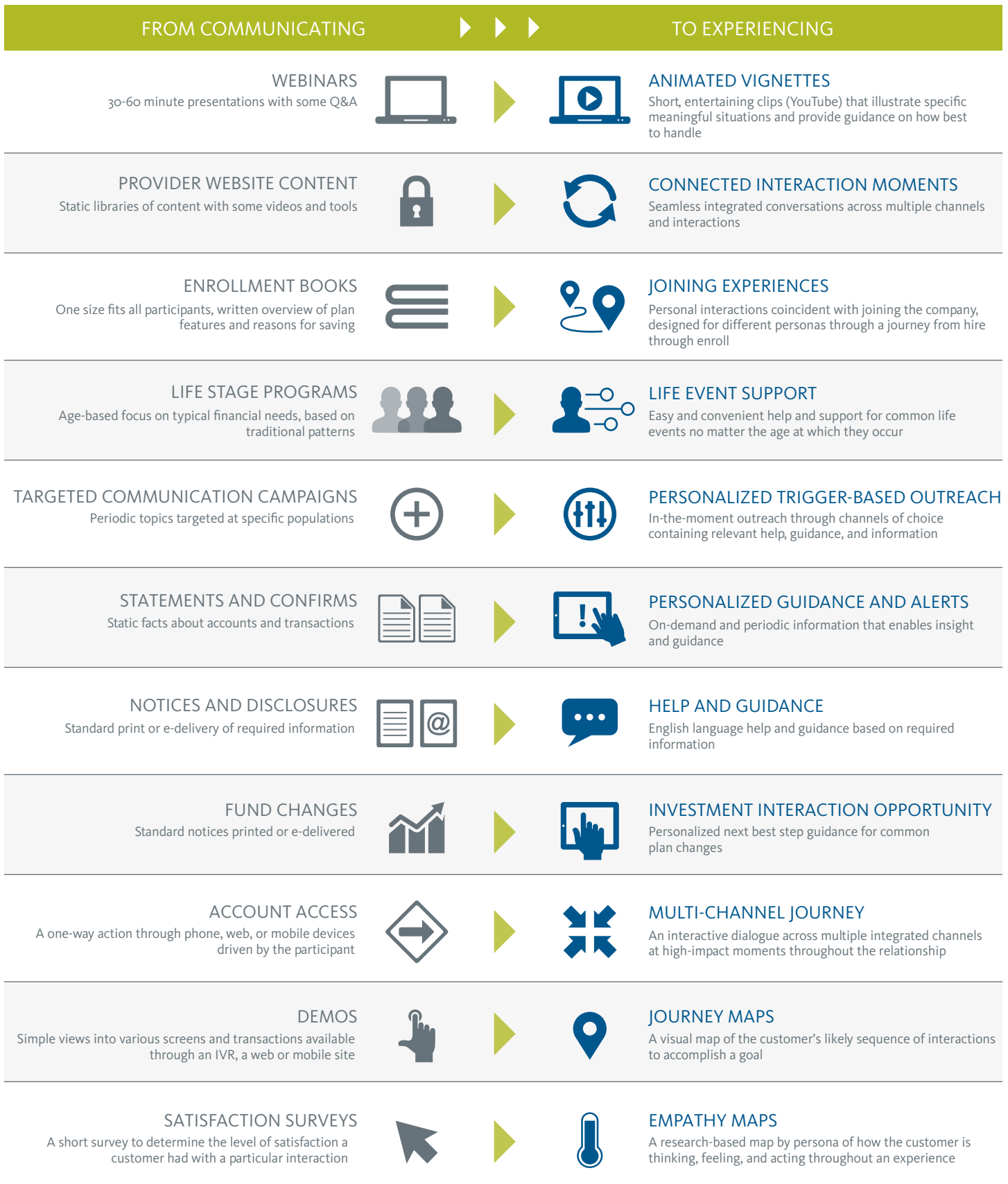


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**According to a CEI Survey, 86% of buyers will pay more for a better customer experience, but only 1% of customers feel that vendors consistently meet their expectations.**

Source: [Forbes](#)

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## Ten capabilities behind today’s best participant experiences

The bar is being raised every day. Leading competitors are bringing strong capabilities on-stream, building an infrastructure that supports sustainable, consistent, and predictable participant experiences across their entire business base. Some of these are being built internally, and some are being built through strong external partnerships and outsourcing arrangements.

Listed below are the ten capabilities used by leading providers across the industry to create strong participant experiences.

### 10 BEST PRACTICES FOR PARTICIPANT EXPERIENCE DESIGN



#### Encouragement and support for automatic programs

Completely overhaul the participant experience related to automatic enrollment, contribution escalation, QDIA investing, re-enrollment, re-instatement, and other types of automatic features. Eliminate steps and potential confusion, rethinking when and what information is provided, and what other decisions should accompany the ‘automatic’ transaction.



#### Interactive calculators and tools to allow the participant to personalize the projections with more information

Go beyond the calculators of old to ask participants true profiling questions and store that information for future use.



#### A multi-channel participant experience design with a balance of person-to-person and digital interactions

Create linked channels where a person is easily accessed via phone, social media, chat, or scheduled appointment. Enable digital interactions simultaneously with person-to-person.



#### Personalized retirement income projections for each participant

Create personal retirement income projections taking into account all known information from the employer’s plans, the participant, and other purchased information.



#### A personalized ‘next best step’ messaging approach to communications

Always use all known information as well as predictive persona information to offer personalized ‘next best step’ guidance at every interaction.



*Today's consumers do not want 'communication'. They want personal guidance. They want to do things when, where, and how they prefer. They want things easy and convenient. And they want the whole experience to be enjoyable.*

## 10 BEST PRACTICES FOR PARTICIPANT EXPERIENCE DESIGN CONT.

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**Personalized and targeted campaigns (digital & print) supplemented with life-stage and life event content and messaging**

Use predictive analytics and trigger points to offer personalized in-the-moment messages that are appropriate for the participant's situation at the time. Always include next best step guidance.

8

**Access to financial wellness and investment advice programs**

Go beyond third-party partnerships and offer truly integrated experiences across select partners by sharing data, offering integrated access, and presenting unified guidance and perspectives.

10

**Dashboards and digitally delivered analytics for the plan sponsor**

Make sure sponsors understand how the plan is performing against these new participant experience metrics, providing data and analytics in easy to use formats with drill-down capabilities about the participant activities, engagement, enjoyment, and outcomes.

7

**People like me benchmarks and comparisons**

Create the capability to present peer group comparisons and benchmarks within plans or across plans to help participants know where they stand relative to peers in similar situations.

9

**Tracking of participant engagement across channels**

Harness the power of data from your own platforms to more accurately and completely measure channel usage at a participant level across channels and by type of interaction.

## Three steps to building effective participant experiences

### STEP 1 – LEARN FROM THE PIONEERS

There is a significant body of research on case studies of various firms and how they have attempted (some successfully and some not) to re-orient their way of doing business toward creating consistent, predictable, and fulfilling customer experiences. For firms just starting out in thinking about participant experiences and how this discipline can best serve them, a review of this research can be insightful.

#### Recommended resources:

Forrester:  
[From User Experience to Customer Experience](#)

Mad\*Pow:  
[How to Create a Customer Journey Map](#)

McKinsey & Company:  
[What It Takes to Deliver Breakthrough Customer Experience](#)

Forrester:  
[Outside In: The Power of Putting Customers at the Center of Your Business](#)

Harvard Business Review:  
[7 Steps to Deliver Better Customer Experiences](#)

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### STEP 2 – CREATE A FOUNDATION

There are four foundational elements that must be in place before organizations can truly make the shift from communications to experiences.



CULTURE



CHAMPION



OUTSIDE-IN-VIEW



RESOURCES

Most practitioners will say that creating great experiences depends first and foremost on achieving a cultural shift, aligning the value of the organization to the customer in reality not just in words.

Second is a champion and an organizational structure set up to support that champion in making change happen.

Third is creating the ability to look at customer experiences and journeys from the customer's point of view—the outside-in. Often this cannot be accomplished with internal resources alone.

And fourth is the resourcing needed to design and implement change.

**STEP 3 – BUILD CAPABILITIES AND SCALE**

Once these foundational elements are in place, there are four key areas where scale can be realized, costs lowered, and predictability and consistency achieved. We touched on these four primary areas of importance in our earlier white paper: ***Retirement Communications: Emerging and Future Trends***. These trends are still true today and driving investment in experience enabling infrastructure. How are these four areas of focus enabling participant experiences?

*By 2020, customer experience will overtake price and product as the key brand differentiator.*

Source: [Walker Information](#)



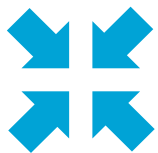
## 1 Segmentation Strategies

Leading providers are shifting from segmentation based on age or other demographics and are creating holistic 'personas' where common beliefs, behaviors, interests, and needs drive different approaches. Personas are the segments of today and are critical to enabling and predicting the appropriate participant experience journey.



## 2 Data Integration and Management

One of the core principles of effective participant engagement is the ability to personalize each experience with everything that can be known about the individual participant from multiple sources. Leading providers are undertaking major data initiatives to resolve all of these issues and create a solid data acquisition, normalization, management, and accessibility strategy to drive personalized holistic views of participants, enabling strong participant experiences.



## 3 Channel Optimization

Leading providers are investing heavily in infrastructure to link their person-to-person channels with their digital and mobile channels, with their social media channels, and with other external channels such as plan sponsor channels, and third party partner channels. This approach enables information sharing, and creates seamless continuation of a conversation across any access points the participant chooses.



## 4 Metrics

At the core of any successful participant experience design is the ability to measure its success. Measurement enables good governance and oversight of the experience effort, which in turn leads to consistent management, investment and evolution over time. Leading organizations are creating a strong metrics strategy to accompany their data strategy, along with the tools and infrastructure to implement and manage that strategy.

**CASE IN POINT: Creating profitable experiences in the real world**

Providers such as Broadridge are already helping plan administrators capitalize on the experience revolutions. For example:



**Moving from enrollment books to joining experiences.** We help clients outline journey maps for the sequence of interactions that a participant may encounter. This not only helps improve the experience, but also spreads the expense of one enrollment kit (a single touch) across multiple contextual touches that drive outcomes.



**Content platforms that enable greater customization.** Today's leading content providers can deliver content based on life stages and financial goals—so providers can tailor outreach programs to individuals and segments.



**Personalized guidance and alerts.** New messaging tools use rules based engines to personalize statements and confirms, providing periodic one-to-one information that enables insight and guidance.



**End-to-end support.** Every day, Broadridge provides the people, technology and solutions to assist in back office integration and infrastructure to help clients achieve a seamless omni-channel participant experience, including:

- Enterprise document management
- Knowledge articles
- Cloud composition tools for triggered outreach programs
- Channel optimization and preference management
- Integrated web, video, content, print, emerging digital, and call center support
- Pilot program management
- Metrics and segmentation

## Create a stronger participant experience today.

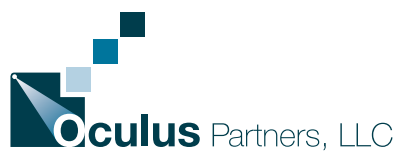
Customer experience design—a discipline that's been proven highly effective in consumer industries—is now being adopted by leading financial services and retirement providers. Your organization can take part in the current revolution to deliver more effective participant experiences.

The retirement crisis in America is real and it is up to our industry to lead the way by engaging participants in experiences that help them achieve the financial security we all want in retirement. Transforming our approach from the old world of participant communications to the new world of participant experiences has the power to energize the way participants engage, and the outcomes they can achieve.

There are lots of ways to win, but many leading providers are taking steps to transform participants into advocates—improving outcomes in ways that help plan sponsors achieve aggressive goals. The Experience Revolution can result in better retirement outcomes, which is what everyone wants. Best of all, you can make it happen.

- 1 ERISA Advisory Council 2013 Report on Successful Plan Communications
- 2 Forrester Research, Marketing and Customer Experience
- 3 McKinsey & Company, Speed and Scale, Unlocking Digital Value in Customer Journeys
- 4 Broadridge. Historical data averages.
- 5 National Institute on Retirement Security, Retirement Security 2015: Roadmap for Policy Makers

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Oculus Partners contributed to this report. Oculus Partners is a strategic consulting firm bringing specialty expertise to leading financial firms and service providers with a focus on retirement and wealth management.



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