

Gallagher urge industry to rethink member engagement in the age of digital

Press release

23 September 2021: Gallagher urge the industry to fundamentally rethink member engagement, considering the five key trends that are shaping member communications and engagement.

Roger Hattam, Managing Director of Gallagher's employee communication practice, commented: "For too long now, communication has been a 'nice to have' in the pensions industry; it's time to change. Making sure you've simply got the communication 'box ticked' is no longer good enough and is unlikely to satisfy the needs of employers, trustees, members or The Pensions Regulator. It also wastes valuable time, money and resources in the process. The five key trends we have identified demonstrate the direction we're heading in and one which trustees need to embrace; one that is digital, relevant, engaging and measurable."

1. Communication is integral to trustees' legal duties: Trustees need to demonstrate the value they deliver to members to satisfy The Pensions Regulator's 21st Century Trusteeship requirements. Delivering this value requires trustees to think strategically, setting measurable communications and engagement objectives before then considering the multiple channels that can best deliver this throughout a member's journey.

2. Pensions can no longer be considered in silos: Preparing for retirement is now much more than just pensions, with other investments and phased retirement all playing a part in a personally curated "retirement package". And those just starting on this journey have very different ideas about money and communications too.

3. Master trusts force trustees to redefine member engagement: The move to master trusts is accelerating, and organisations may be tempted to default to the provider's "one size fits all" communications. This may reduce costs, but the loss of control over member messaging may be a step too far for the most expensive employee benefit offered. It may be an easy option, but in our view, members deserve better than 'perfectly acceptable' communications when it comes to their financial future.

4. Data is key: Trustees rarely measure the impact of pension communications and levels of member engagement, despite them being more than comfortable with data analysis, metrics and reporting across different aspects of scheme governance. This must change. Effective communication leads to better engagement, which leads to a better use of budget and more positive results. Trustees just need to start measuring it to prove their return on investment.



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5. The world is digital, and pensions needs to catch up: The world beyond pensions is digital and people want to be able to interact with their pension and source and consume information in much the same way as they do everything else; on demand and at their fingertips. Sticking with analogue is risky and naïve, failing to meet the demands of the 21st Century.

Hattam concluded: “The move to digital makes sense on multiple levels and we expect that in a not-so-distant future, trustees will be as obsessed with levels of member engagement as they currently are with risk and investment returns, meaning they are truly 21st-Century trustees. However, while some trustees are ahead of the curve, the use of digital for most is haphazard at best. Before starting any move to a digital strategy, we are urging all trustees and pension managers to sit back and ask themselves two fundamental questions:

1. What are our communication objectives?
2. Who are our members – how do they communicate and how do we best engage with them?

Only by addressing these two key questions, can schemes start to embrace the seemingly endless possibilities that digital communications can bring.”

-ENDS-

About Gallagher

Arthur J. Gallagher & Co. (NYSE: [AJG](#)), a global insurance brokerage, risk management and consulting services firm, is headquartered in Rolling Meadows, Illinois. The company has operations in 56 countries and offers client service capabilities in more than 150 countries around the world through a network of correspondent brokers and consultants.

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