

INSIGHTS.
IDEAS.
EXPERTS.



Retirement Communications

Transforming the Participant Experience

Innovative strategies for improving outcomes





“Change is the law of life. And those who look only to the past or present are certain to miss the future.”

—John F. Kennedy

EXECUTIVE SUMMARY

Retirement communications have reached a tipping point and leading plan providers are looking to embrace a new path. One that enables powerful—and empowering—participant experiences.

Leaders see the converging trends: changing workplace demographics, technological innovations, evolving participant demands, increasing margin pressure, low savings rates, added regulatory scrutiny. Any one would be challenging to manage. Taken together, they require fresh perspectives to find opportunities.

- The American Retirement Savings Gap is estimated at \$7 trillion dollars. As a result, plan sponsors are working hard to make sure their plans work harder.
- Younger workers are entering the workforce at an unprecedented pace, while those at retirement age are working longer. These diverse populations receive and digest information in different ways, yet each are overloaded with communication options.
- The cost to deliver more personalized experiences can be daunting, especially when faced with pressure to reduce plan fees and costs. Increased regulatory scrutiny and more frequent plan changes only add to the challenge.

Engaging today's diverse segments is far from an exact science, but it is possible to create personalized experiences that can be easily delivered across channels. When executed well, these relevant participant experiences can drive up participation by thirty percent¹.

New solutions are coming to the forefront: self-service workflow tools hosted securely in the cloud; software that makes it easy to streamline content management; the ability to orchestrate experiences based on personas. With these recent innovations, market leaders are transforming their participant engagement strategies into more profitable realities. Are you ready for next?



\$7 trillion

The American Retirement Savings Gap is estimated at \$7 trillion dollars.



¹Broadridge internal data.

TREND 1: CREATING A BETTER EXPERIENCE FOR A CHANGING WORKFORCE

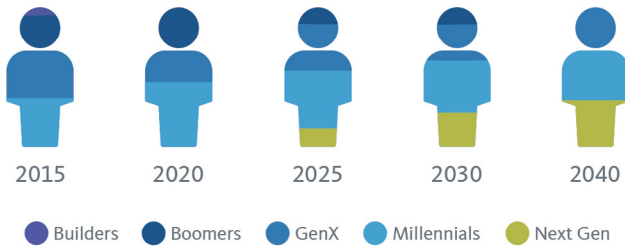
As the demographics of today's workforce change dramatically, provide a more engaging, relevant experience.

Demographics in the workplace are changing in ways we have never experienced.

Millennials make up more than 30 percent of the American workforce. By 2020, that will increase to 50 percent of the global workforce².

While these digital natives have become the dominant segment, plan providers must cater to an increasingly diverse audience. There are over 60 million Gen X'ers in the workforce (those born between 1965 and 1979). A record 20 percent of American Baby Boomers over 65 are still in the workforce, with 12 percent claiming they don't plan to retire at all³.

Each generation comes with a new set of needs and demands. If the last ten years are any indication, plan providers can expect this transformation to advance as the Next Gen (the generation after Millennials) enters the workforce.



To succeed, providers need to rethink what it means to personalize communications. While this once meant referring to the participant by name (Dear Sheila), today you need to personalize each engagement as it relates to messaging, imagery and delivery channel.

Leading plan providers are evolving their approach in order to better reach and engage participants who desire consistent touchpoints when, where and how they want them. For most, this starts by implementing or enhancing segmentation programs with cleaner data, improved data analytics and ongoing persona development.

SMART MESSAGING

Leaders are adding data-driven capabilities to customize campaigns based on the unique needs of each segment.

GUIDE PARTICIPANTS TO THE NEXT BEST STEP



IMAGERY



Millennial Gen X Boomer

CHANNEL



²U.S. Bureau of Labor Statistics.

³<https://www.bloomberg.com/news/articles/2016-05-13/i-ll-never-retire-americans-break-record-for-working-past-65>

TREND 2: INCREASED FREQUENCY OF PLAN AND REGULATORY CHANGES

Respond quickly to new regulatory requirements and plan updates.

In 1875, the American Express Company established the first private pension plan in the United States in an effort to create a stable, career-oriented workforce.

Ever since, government agencies have developed rules to regulate how retirement plans operate—updates that require changes to plan designs, disclosures and participant communications. In recent years, the pace of change has seemed to accelerate, to the point where even after new rules are passed, their implementation remains in doubt when new administrations take office.

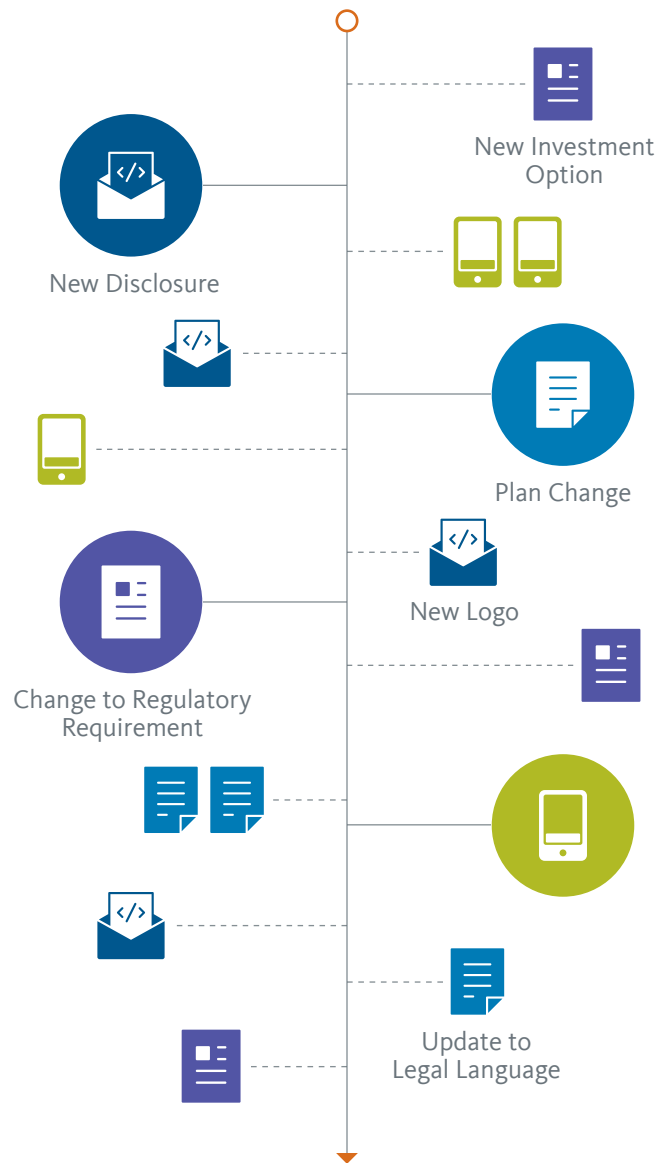
For those responsible for managing communications and participant experiences, agility has become a much-valued proficiency.

Technology and automation play an important role in ensuring accuracy and reducing costs; however, technology is not the only answer. While firms need systems that add agility, they can also redesign participant experiences in ways that simplify change management.

- Implement a cloud-based content management system to streamline creating and deploying changes across a host of communications.
- Re-engineer education programs to personalize experiences via the participant's channel of choice: digital, mobile, print or person-to-person.
- Separate education and regulatory content—an advanced strategy that anticipates increased regulatory scrutiny and distinguishes between education and advice.

Automated content solutions can eliminate the need to constantly create and manage one-off changes—enabling you to respond to whatever comes next with speed and precision.

MANAGING MULTIPLE REQUESTS FOR CHANGES



For those responsible for managing communications and participant experiences, agility has become much more important.

TREND 3: RISING PRESSURE ON MARGINS

Mitigate the impact of fee compression by containing costs.

Plan providers need the ability to scale communication options across all plans and markets while still responding to increased sponsor expectations for customized messages and branding. All this comes at a cost, however, so firms need to be creative in their approach.

One way to trim the cost of communications is to eliminate custom programming and the corresponding reliance on IT. Too many legacy platforms rely on custom coding in order to modify campaigns and compliance communications. Today, forward-thinking plan providers are opting for cloud-based solutions that enable self-service workflows. These systems don't require IT resources, which can significantly improve cost-effectiveness. In addition, by enabling campaign managers to administer simple changes, firms can accelerate processes and reduce cycle times.

Another option is to right-size packages. Creating tiered offerings can keep costs in check by offering only what sponsors of a particular size need for their participants. Being relevant doesn't require added complexity. In many cases, you can streamline distribution by leveraging digital media and limiting the use of high-cost communication channels.

The greatest ROI will be realized by providers who can create effective and efficient programs, measure with meaningful analytics and adjust regularly.

FIVE WAYS PLAN PROVIDERS ARE GETTING MORE FROM LESS.



Think omni-channel

A hybrid approach of digital, print and personalized strategies can **save between 10 and 20%** in annual communication costs⁴.



Optimize email

In well-targeted campaigns, open rates in this low-cost channel have **exceeded 22%**, especially in the 18 – 34 age groups⁵.



Shift conversations

Online microsites and opt-out programs can **limit call center inquiries**.



Simplify print

Streamlined enrollment books and “slim guides” keep print communications focused only on the **key points**.



Get creative

One plan drove individuals to a special opt out website where they had to click: “I Will Not Accept Free Money.” **Only 7%** chose to opt out⁶.

⁴ Source: Broadridge: Retirement Communications: Emerging and Future Trends

⁵ Broadridge internal data.

⁶ Ibid.

TREND 4: ADVENT OF WORKFLOW PRODUCTIVITY TOOLS

Using workflow productivity tools to boost efficiency.

The average plan experiences six changes per year. Whether it's new regulatory requirements, changes to the investment lineup or adjustments to the plan itself, these changes need to be communicated and plan documents maintained.

Many plan providers are now upgrading and updating systems, processes and infrastructures to introduce greater efficiencies into their workflows. Ideally, plan providers will be using an automated workflow that leverages similar communications programs and reduces manual processes. This helps ensure a consistent brand message while streamlining content creation.

By automating programs and leveraging repeatable programs, product and communication teams can sharpen their focus on strategic activities rather than on operations. To get there faster, some providers are choosing to outsource their entire communications program.

INCREASED PRODUCTIVITY IS IN DEMAND

In our survey:

Increased productivity is a top reason for companies investing in technology.⁷



Cloud infrastructure, analytics, and big data rank at the top of technologies most likely to generate productivity gains.⁸



The ease of creating new workflows and modifying existing workflows and business rules provides tremendous agility in keeping operational risk management practices optimized and up to date.⁹



⁷ (2016, December 02). Technology trends in mid-market | Deloitte Growth Enterprise Services | Deloitte US. Retrieved from <https://www2.deloitte.com/us/en/pages/deloitte-growth-enterprise-services/articles/technology-trends-middle-market-companies-survey.html>.

⁸ Ibid.

⁹ Wortman, J. (2017, April 24). Reduce Operational Risk with Effective Workflow Management. Retrieved from <http://www.integrify.com/reduce-operational-risk-workflow/>

TREND 5: GREATER FOCUS ON REDUCING THE RETIREMENT SAVINGS GAP

Motivate participants to save more and help close the \$7 trillion U.S. retirement income gap.

U.S. workers are woefully underprepared to pay for retirement. The haunting reality: Employees are not universally taking advantage of plans—even when offered at work. They are not saving enough, and they are not taking advantage of available match programs.

- 45% of working-age U.S. households have no retirement account assets¹⁰
- 60% of U.S. households have no money in a 401(k) or similar retirement account¹¹
- Up to half of all households with Americans 55 and older have no retirement savings at all¹²

Clearly, providers need to step up their efforts. More must be done to educate potential and existing participants on the value of their retirement plans. Because it's not a simple and fast decision for participants to enroll or to contribute more, providers should focus on education, retirement readiness tools, situational guidance and next-best-step trigger events.

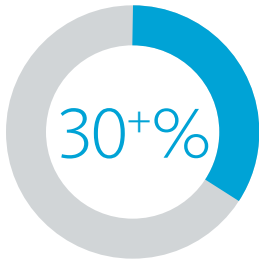
To deliver those “next-best-step” communications, providers need campaign management capabilities beyond the simple databases they've had in the past. They need the ability to leverage better analytics and metrics to drive strategy and program evolution. This should include the capability to predict when and through what channel to send the next-best communication.

Next-Best-Step Communications

1. **Get started** – easy-enroll, auto-enroll
2. **Save more** – automatic increase
3. **Maximize the match**
4. **Diversify and allocate**
5. **Catch up** – for employees 50 and over

What's next? **Retire!**





Over 30% of those 65-74 will still be working by 2022.¹³

Unique challenges with near-retirees and non-participants

As Boomers get closer to retirement age, many are choosing to work longer. Some even say they'll never retire. These decisions will affect not only the participants but the sponsors and providers as well. Therefore, it's vital to develop programs for near-retirees to outline options and drawdown phases of retirement.

Providers with education programs designed to specifically motivate near-retirees to prepare for the drawdown phase of their investment strategy will come out ahead.

OPTIONS FOR MULTI-TOUCH CAMPAIGNS

Every plan is unique. Every sponsor brings unique capabilities and insights. Not surprisingly, there are many ways to introduce an effective multi-touch approach. For example:



A. Predetermined cadence.

Upon receipt of a newly eligible feed, a slim guide is distributed (either print or digital) and exactly 10 days later, regardless of whether or not action was taken, a second touch point would be distributed to all recipients.

B. Responsive touch points.

Upon receipt of a newly eligible feed, an email is sent if an email address is in the file; if not, a print communication, such as an easy-enroll postcard self-mailer, is sent. If recipients do not click into the microsite, another reminder will be sent to the participants after a pre-determined time period. One final reminder email or print communication is sent to non-responders.

C. Triggered events.

Upon receipt of a feed with newly eligible employees and active participants, the platform triggers the "next-best-step" communications as defined by pre-set rules and logic.

¹⁰ <http://www.nirsonline.org/index.php?option=content&task=view&id=768>

¹¹ <https://www.bloomberg.com/news/articles/2016-05-13/-i-ll-never-retire-americans-break-record-for-working-past-65>

¹² <https://www.forbes.com/sites/andrewbiggs/2017/01/18/are-half-of-americans-approaching-retirement-with-no-savings/#18fba1bd40e5>

¹³ U.S. Bureau of Labor Statistics

TURNING STRATEGIES INTO ACTION

Strategies that are making a difference today.

Follow the C.O.D.E.

Create Once, Distribute Everywhere. Ideally, providers should be able to perform complex composition with omni-channel execution; this will eliminate repetitive and manual processes while communicating with participants when and where they want.

Pilot like a ninja

Pilot programs provide invaluable information. Test programs with nimbleness and flexibility, then use real-world data to make informed decisions about rolling out programs to larger populations.

Omni-channel consistency

“My statement matches the app, which matches the site, which the call center has!” Ensure this consistency happens in real-time.

One step at a time

Motivate participants to take the next-best-step: time to enroll, time to save more, increase contributions, roll over funds, etc.

Measure and optimize

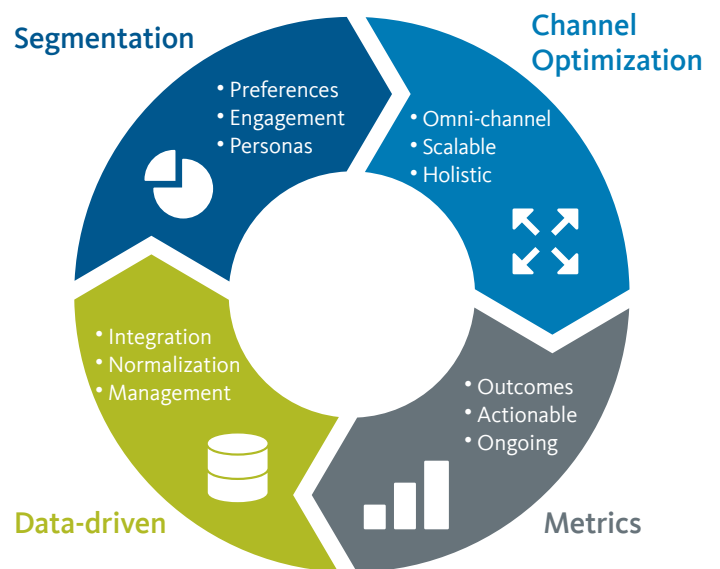
Quickly and easily identify the effectiveness of new and ongoing programs by measuring several factors with scorecards: cost efficiency, communication effectiveness and overall outcomes.

INTRODUCING BROADRIDGE'S NEW COMMUNICATIONS PLATFORM: MARCOM CX

Marcom CX is a cloud-based workflow tool designed specifically to deliver retirement communications. It enables plan sponsor and participant communication programs, and marries data and content to seamlessly deliver personalized experiences across all channels—digital and print.

- Create Once, Distribute Everywhere paradigm
- Customize experiences based on analytics
- Enhance and enrich participant data
- Improve segmentation to target with greater accuracy
- Optimize more cost-effective delivery channels
- Target communications based on individual preferences
- Use metrics to drive better outcomes

With Marcom CX, you can streamline service delivery and make it easier to turn your participant engagement strategy into a reality.



READY FOR NEXT?



Retirement communications have reached a tipping point.

The convergence of several trends is driving change, which presents both challenges and opportunities to plan administrators. To meet the demands of today and tomorrow, providers need the right solutions to manage their participant communications programs and:

- create a better participant experience
- fulfill regulatory requirements
- help alleviate cost pressures
- take advantage of innovative workflow productivity tools
- promote greater retirement savings for better outcomes.

To do so, providers must seek tools designed for business users with flexibility and access, control and security. New and innovative solutions promise to streamline workflows, allowing retirement providers to keep the focus on outcomes.



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