

QMVsupersolutions

# FEAL 2017 Strategy Seminar

The data funds need to keep and better serve their members



Wednesday October 2017

## Driven By Data

1

Better manage the customer contact

Improve self servicing outcomes

Improve the customer experience

2

Educate Customers

Improve financial literacy

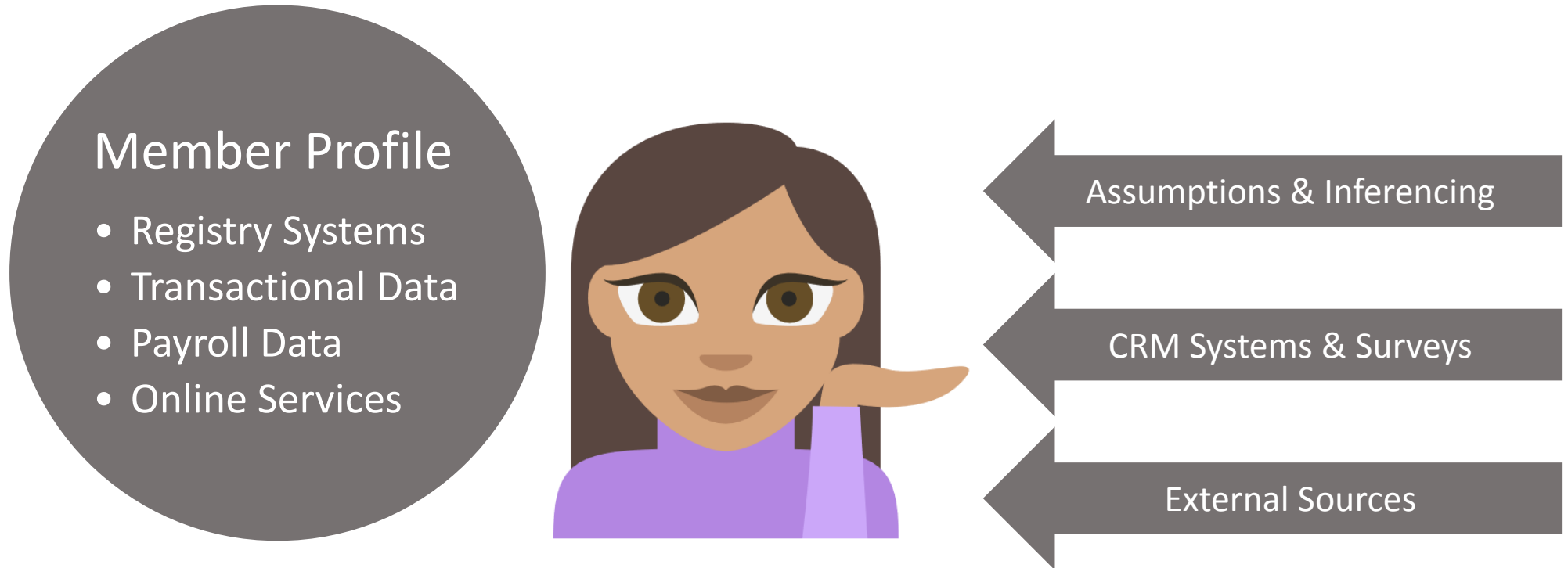
Consider using Advice services

Raise the profile of the 2<sup>nd</sup> biggest asset in the household

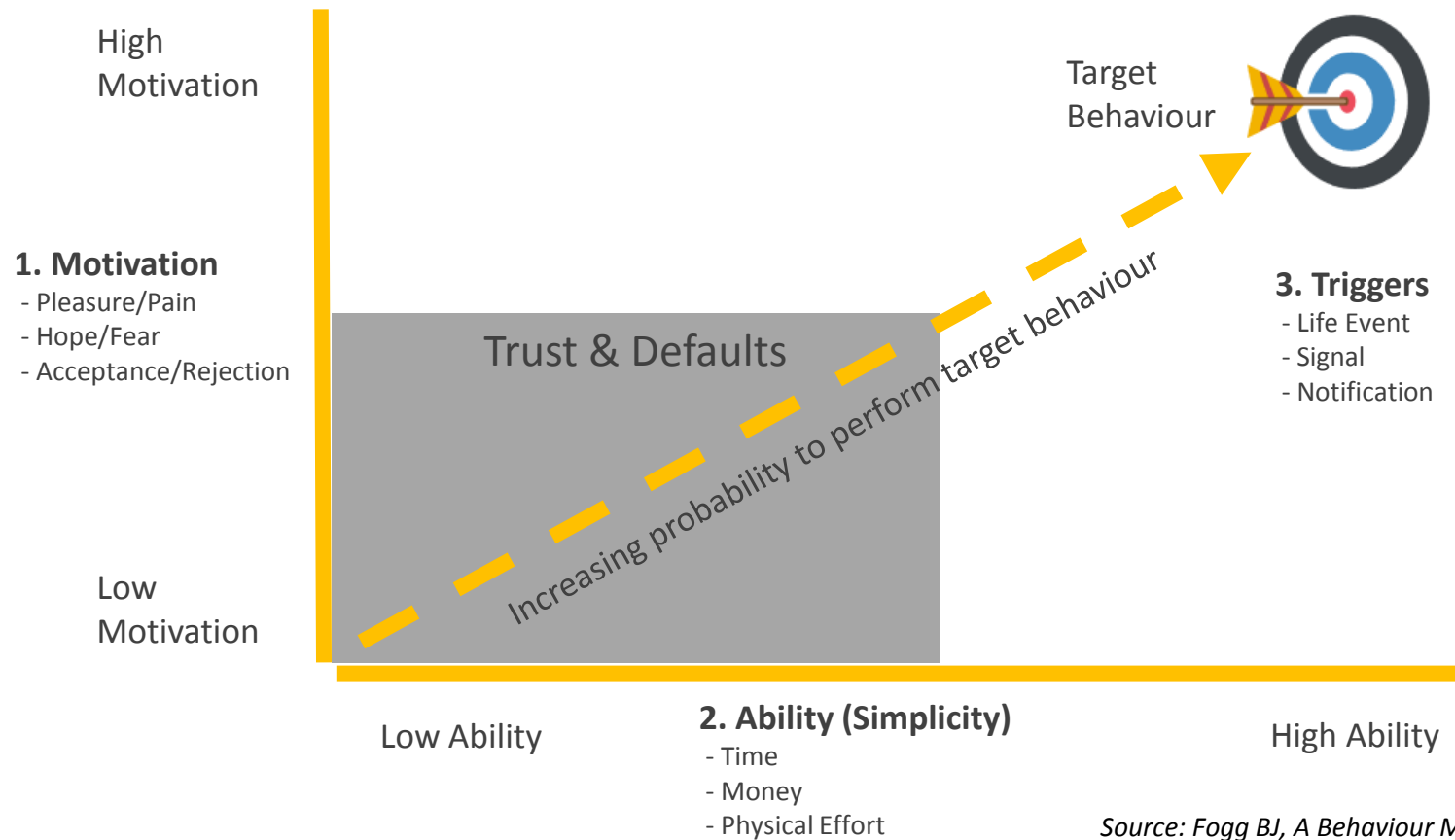
3

Motivate or Nudge members towards target behaviours appropriate to the stage of their membership lifecycle.

## What Data From Where?



## Persuasive Nudging



Source: Fogg BJ, A Behaviour Model for Persuasive Design

## ***Workshop:***

What data do super funds have at their disposal and what should they get from their members?

## ***The situation:***

The introduction of the \$1.6 million cap on the superannuation balance that can be transferred to a pension.



Member indicative data.		Product Info	
Identity (Name, TFN) Age Contact (Address, Email, Mobile, preferred method) Beneficiaries Employer Employment Type	Anthony Tash 55 TFN provided All contact details available. Glen Iris Melbourne Wife 100% Beneficiary 3 Employers over 30 years Full Time	Accounts Balance Investment choice Insurance Metadata around these products (default or choice, rolled over, SFT, continuous or broken history).	Accumulation \$350k Spread across available options some direct investments. Minimum Insurance
Behaviour		Sensitivity	
Consistent contributor Voluntary contribution Roll In Roll Out WEB site user Exercises Investment Choice (performs investment switches) Uses call centre Preferred Comm. method	Fortnightly contributions No voluntary Old Rollin (20 Years, an SFT) No rollout Consistent Self Servicing, Exercises investment choice. Minimal call centre (issues with WEB access) Prefers email	Contacted Fund? Complaints? Account Remediation? Insurance Claim? Life stage events (e.g. recent change to work status, period of unemployment, family law split, a beneficiary of a spouse pension, transition to retirement, transfer to pension stage).	Minimal Contact, nothing outstanding. Complained 10 years ago (self servicing not working). Had to fix an investment transaction 10 years ago. No insurance claim.



***Each table to answer the following 2 questions.***

- 1. What does the data say about the member and how does it relate to the situation?***
- 2. Will Anthony reach the target by retirement age?***

## Other Considerations

Do we have access to the data?

Are we confident it is correct and how do we maintain that confidence?

What other complications need to be considered?



## ***What does the data say about the member and how does it relate to the situation?***

- 10 to 15 years of work remaining (needs on avg. \$85k-\$125k p.a.)
- Potentially more equity in home than in Super.
- Other Insurance outside of Super?
- Receiving investment advice?
- Appears to self service.

## ***Will Anthony reach the target by retirement age?***

- Requires everything to go right plus some.
- Should start to consider Superannuation as a supplement to the age pension?

## **Considerations**

### **Do we have access to this data?**

- Available from member administration system.
- Outsourced Administrator through API?

### **Are we confident it is correct and how do we maintain that confidence?**

- Is the data routinely checked and validated?
- What level of confidence do you have in this data?

### **What other complications to be considered with this data?**

- Avoid creating a new “God” source of member records ?
- Data maintenance and refresh?



## ***Additional Data***

What data do we need to obtain the most?

Where could we get it from and how would we organise it?

Can assumptions be confirmed through focused surveys?

What level of risk are you prepared to take confirming this information with the member directly?



## Priority data

1. To qualify the current financial position of the household?
2. To understand Anthony's capability and motivation to take an action.
3. To identify the appropriate triggers

House Hold	Risk Profile	Engagement
Spouse member. Other Super Fund memberships. Beneficiaries, Children & Other Dependents. Financially, the level of borrowings compared to equity. Real Estate Demographic.	Not a fund risk (AML high priority) Current and history of investment choice, Self Employed? Life Stage? (pre, mid, post; employment, children, mortgage, beneficiary, retirement) Does or does not use advice? (seminars, one on one, pay per use, other)	Awareness Involvement Independence Is the product choice aligned with the level of engagement?
Experience	Consumption	Other
Good, Bad, Ugly Default, ambivalent, happy, promoter Brand loyalty (not engagement)	Bank/Credit spending patterns Types and proportions of consumption Other wealth products/insurance	Weather Season Mood (optimism/pessimism) Zeitgeist



**What is the Target Behaviour?**

**What is Anthony's motivation?**

**What could be the Trigger Product or Advice?**



## What is the Target Behaviour?

Increase awareness.

Attend seminars, seek advice.

Review products aligned with the situation.

Save more in super.

## What will motivate Anthony to act?

Increased understanding of the situation and potential impact?

Years of income earning are diminishing (time is running out).

Improved retirement outcome (maximise the opportunity to achieve \$1.6million in superannuation).

## What could be the Trigger?

A pay rise, change of employer, change of address

A tailored communication when superannuation balance = balance of mortgage?