

Getting your members to engage with their super may require thinking along different lines. **MATT LINNERT** suggests using motivational techniques that work for, well, a three year old.

**S**uperannuation is a boring and dry topic that holds little appeal to most people. To state the obvious, people don't want to make the most of something they either find boring, or have little interest in.

Many have attempted to get people interested in superannuation by dressing it up in a different hat, different shirt or some other camouflage, only to achieve limited engagement once the consumer of the education or marketing realises what is underneath. Trying to get people interested in superannuation by teaching about superannuation, regardless of the disguise used, is unlikely to yield results.

While many superannuation funds continue to strive to engage and educate their members, some industry professionals are hinting that it is too hard.

Before giving up, step back for a moment to look at engagement and motivational drivers through the eyes of a three year old.

#### MAX AND VEGETABLES

I have a son, Max, who is three years old. Six months ago, Max didn't like vegetables. Interestingly, he hadn't even tried vegetables before he decided he didn't like them.

As Max's parent, I wanted to motivate him to eat vegetables, but I realised that talking more and more about vegetables was getting nowhere.

Another approach was required. If I was going to get Max to take an interest in vegetables, and ultimately eat them, I needed to find a deeper motivator.

Six months later, Max's utter dislike for vegetables has disappeared. He has now decided that they are good to eat. Why?

Well once he discovered that vegetables make him "big and strong", and he also decided that he thought that was a good thing, vegetables became something he wanted to eat.

Does he like them? Well that is not as important as the fact that he has decided that being big and strong is important, and therefore, vegetables are important. As a result, he eats his vegetables.

Encouraging the majority of people to grow their superannuation, by talking to them about it, is like trying to get Max to eat vegetables by talking about the properties of the vegetables. It may make a difference, but it is going to be a long road.

For the bulk of fund members, superannuation represents vegetables. The question, or opportunity, is to identify what is the "big and strong" for the members.

#### BASE MEMBER MOTIVATOR: WHAT IS THE EQUIVALENT OF BIG AND STRONG?

For Max, being "big and strong" was adequately motivating for him to take an interest in something he previously dismissed.

Importantly, the "big and strong" needs to be particularly deep in regards to base motivation for the individual you are trying to engage.

There is a variety of ways to understand and address individual base motivators. Some are practical to work with in large memberships, some simply are not.

Models such as Maslow's hierarchy of

This model uses animals to help people understand different people's money personality preferences, and in turn, individual base motivators.

Such an approach may sound quirky, however, the underlying model ensures these motivators are highly accurate and insightful for the individual.

As an indicator, here are the "big and strong" for the different money personalities:

- Labradors represent security and stability
- Owls represent competence and leverage
- Monkeys show flexibility and tactics
- Dolphins represent possibility and purpose.

Before you switch off because you think I am simply pushing my own barrow, go back to the underlying principle.

To increase engagement, and the take up of educational initiatives, you need to tap into base motivators that mean something to the individual.

The challenge with achieving this is complexity. People are complex in many ways. We are also remarkably similar and

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needs can help, but is rather impractical when working with large numbers. Models based on values are also insightful, but rather abstract and difficult to communicate about with clarity and consistency.

Whichever approach is used, to engage and educate members over time, a model of simplicity, fun and easy diagnosis is needed. The approach to educate and engage that I have developed over the past five or six years is based on money personality preferences. They are fun to talk about, simple to understand, and easy to determine.

simple in many ways too. Focusing on the complex dynamics that make up a person leaves us overwhelmed with abstract code and detail, and no better off.

Therefore, to arrive at a useable solution, the individual base motivator needs to be simple to diagnose, simple to understand, and simple to use.

By using a model of adequate simplicity, you avoid the need for overly complex administration processes which tend to reduce sustainability and increase the costs of engagement and education initiatives.

By blending simplicity with a platform



of reliable and robust understanding, you can start to communicate in a way that personalises the member experience. By doing this well, an individual can be strategically exposed to an increasing volume of important financial concepts over time, gradually increasing their interest in personal finances.

With this thought, perhaps the most effective primary objective for a superannuation fund's education strategy is to "increase member interest in personal finances".

You may feel that this still oozes with boredom for most, but this is more likely to be an assumption of educational content.

Starting with tax and superannuation is still likely to make little change, but how about starting with something else, something a little more personal, intriguing, or inspiring.

When you take this approach, you are starting to focus on nurturing the relationship people have with personal finance, as opposed to assuming the relationship is already healthy.

By enhancing the primary relationship members have with personal finance, superannuation becomes of interest, insurance becomes of interest, cashflow becomes of interest, maybe even tax

becomes of interest.

### NURTURING THE RELATIONSHIP

Let's assume there are two types of relationships; "already interested" and "currently disinterested".

Understanding how to best serve these two groups is critical to give education and engagement initiatives a chance to provide sustainable outcomes.

How do the "already interested" want to be served?

1. Informed of both strategy and product
2. Educated without product push
3. Personal knowledge assessment
4. Inspired
5. Understood.

To generalise, the first point has been the primary focus of superannuation funds education strategies. Some organisations have made ground by providing a more independent educational resource for their members, which serves the second need.

The last three points, or opportunities, have been missing from the member education and engagement strategies of the past, which provides a wonderful present and future opportunity.

For example, taking the third point, a simple mechanism of testing which enables a person to discover what they know and what

they don't know, is a valuable engagement and education strategy.

By taking advantage of this opportunity, and others designed to assess, inspire and understand, you can move the level of engagement higher even for the already engaged. This converts members to advocates, in turn giving them desirable content for them to talk about both in small social circles, but also in technology driven mass media forums.

### HOW DO YOU ENGAGE THE "CURRENTLY DISINTERESTED"?

When managing resources, it may seem sensible to serve the interested and forget about the disinterested.

I agree that some of the "currently disinterested" will always be disengaged, so putting extra resources into this group is unwise. However, some of these people are disinterested because they haven't been communicated to in a way that engages them.

If you can change this in a commercially effective way, you have reduced risk to brand and increased likelihood of growth in both advocacy and acceptance of second level recommendations (such as, attend a seminar, read an article, seek personal advice, and similar).

To get these people to take an interest, you need to do something that demands attention. Here are four approaches to get a member's attention:

1. Entertain with humour and inspiration
2. Provide a variety of communication mediums
3. Personalise
4. Surprise

Doing so is an interesting proposition in the traditional industry of financial services. The paradox is that the more predictable a service provider is, the easier it is to do something that takes members by surprise. Now I am not talking about shocking their socks off, just do something a touch different, and then build on this over time. There are many ways to execute on this concept, but remember it takes more than dressing up superannuation in a pink suit.

You may consider that the commercial return of talking to these people is risky and therefore not justified.

Consideration also needs to be given to the potential cost to the brand of not attending to the "currently disinterested" as they do have the capacity to vent loudly when they receive poor investment returns, or another unsavoury experience, as happens from time to time.

On the flipside, turn one of these members into being genuinely engaged in their financial affairs, and interested in



growing their superannuation, and you are likely to have a more vocal advocate than someone who was already interested.

#### CONNECTING THE MEMBER TO THE EDUCATION

To connect the member to the education, it is necessary to communicate what is available and relevant to learn. There are a number of ways to achieve this. You can write, email, call, put on seminars, build videos, and so forth. These are all important elements in a focused and consolidated communication strategy.

But what is as important, if not more important to remember, is the members will only respond to this information – and educational opportunities – once you have primed their interest in personal finance.

Not satisfying this underlying motivation is likely to bring the whole process back to where we started.

If you really want to engage and educate, superannuation funds need to include innovative material, material of adequate diversity, and material that helps your members learn about themselves as well as their finances. By doing so, your education will be engaging, and in time the members will be more interested in superannuation, not because it is dressed up to look sexy, but because it is important.

#### MAX IS INTERESTED IN THE VEGETABLES

When I take Max to the supermarket, he

is now genuinely interested in vegetables. In fact, he insists on buying tomatoes and zucchini. Not only that, he is curious about all the different types of tomatoes, and recently, many other types of vegetables.

I don't need to convince him of the benefit of eating vegetables, he is now self motivated. I don't need to hide the vegetables by mincing them, I don't need to dress up the tomato with a hat and sunglasses to camouflage it, and the zucchini comes as it does, no pink suit required. He has arrived at simply being interested in vegetables.

Leading Max to be interested in vegetables is a great analogy on how working with base motivators can increase engagement and interest in something else.

PS I know tomato is a fruit, but Max doesn't. Sometimes you just need to focus on the first learning outcome, and refine the detail later. He can find out a tomato is a fruit once he turns four.

#### MOVING FORWARD: THE COOPER REVIEW AND VEGETABLES

My rather uninformed understanding of the Cooper Review is that it is intended to protect member's superannuation interests.

I hope it doesn't take away the opportunity to motivate members on the "big and strong", leaving superannuation providers to talk only about the "vegetable".

I also hope it doesn't encourage

apathy where superannuation funds are encouraged to dismiss initiatives to further engage members, particularly the currently disengaged.

The research that finds 80 percent of members choose a default fund may provide some indication of member's current level of interest. Keep in mind however that this is a time dependent statistic, based on past approaches to engage, and past attitudes of members. Such a statistic cannot predict what level of member interest can be achieved, and what level of member choice is executed, resulting from a new or different engagement and education strategy.

The idealist in me says, let's have a crack at getting more people interested, let's not give up, let's not blame the member.

Let's take responsibility for the way we have communicated, for the way we have connected, and the way we have taught not only superannuation, but also personal finance to the Australian community.

Just like selling vegetables, member's interest in superannuation can be significantly grown by using other material to raise interest in personal finance as a whole.

If three year olds can be trained to be interested in vegetables, adults can be trained to be interested in what is typically their second largest financial asset. **SF**

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## >> SUPERQUIZ questions

### MATERIAL OUTSOURCING ARRANGEMENTS

Outsourcing is a key feature of the superannuation industry, and for most superannuation funds is an integral part of their strategic framework.

The Australian Prudential Regulation Authority (APRA) outsourcing standard, Superannuation Guidance Note (SGN) 130.1 Outsourcing, prescribes comprehensive obligations in respect to the relationship between the Registered Superannuation Entity (RSE) and material outsourced service providers.

This Superquiz focuses on the factors trustees should take into account when considering entering into an outsourcing arrangement in respect of a material business activity.

#### Q1

**True or False?** All the activities of a licensed trustee that are outsourced to a

service provider are considered material business activities and as such are subject to the requirements of the APRA outsourcing standard.

#### Q2

**True or False?** The financial and/or reputation impact of poor performance by a service provider is a key factor that should be considered when considering whether to enter into an outsourcing arrangement in respect of a material business activity.

#### Q3

**True or False?** Investment management is a material business activity.

#### Q4

**True or False?** Service providers are generally precluded from any limitation of liability for negligence.

#### Q5

**True or False?** Under the Superannuation Industry (Supervision) Act 1993 (SIS Act), trustees are solely responsible and directly accountable for the prudential management of members' benefits.

Source:

Australian Prudential Regulation Authority Superannuation Guidance Note 130.1 Outsourcing, July 2004

Australian Prudential Regulation Authority Frequently Asked Question 1.1 Outsourcing  
Australian Prudential Regulation Authority Frequently Asked Question 1.6 Outsourcing Superannuation Industry (Supervision) Act 1993  
Superannuation Industry (Supervision) Regulations 1994

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