

# Learning to recognise your employees as a customer



One of our clients in the retail sector recently embarked on a very aggressive and successful marketing and advertising campaign supported by a staff mission statement that required all front line staff to know every customer by their name.

Sales certainly increased thanks to this very customer focussed marketing strategy.

At around the same time, the same company launched their latest employee benefit scheme. Unfortunately, this internal marketing and advertising campaign used an all encompassing one message fits all bland document which failed to address the employee recipient by name!

They were staggered when almost nobody bought into the scheme – but we weren't.

All successful consumer-facing companies carefully plan to ensure their marketing strategy communicates with their customers and results in increased sales or at least reinforces consumer loyalty.

## Simples

In the words of a very successful Russian marketing meerkat it is 'Simples'!

Well, not really. The concept of developing a product that consumers' want and then explaining to existing and potential customers how to they can buy it may sound 'simples', but in fact it is anything but.

That is why companies employ marketing and communication experts like Ferrier Pearce to help them achieve their sales targets.



Anyone to whom you are trying to communicate in order to encourage a desired response is a customer. That includes the people that work with you – or what we call internal customers.

We have been helping high profile clients – many of whom are not in the pensions sector – to sell products, services, ideas and messages for over 25 years. You could say we have a few miles on the clock.

In that time we have learnt that if you want to successfully sell your product and, by association, remain profitable and survive in a less than comfortable economic environment you must:

- Know who your customer is
- Understand what they want
- Appreciate how they think
- Stimulate a response

Our company has always understood this. So imagine our surprise when 15 years ago we started working with pension teams who thought they could communicate very complicated pension product issues to their members in the same way as they sent employees an internal memo.

## Mixed messages

We all like to think that the industry has come a long way since then – but has it?

How do you think your staff would feel if they were being trained and encouraged to know their customers personally, and then they received an internal document that didn't even have their name on it? It is not difficult to understand the mixed messages this approach creates.

Companies spend a lot of money communicating with their customers because they understand that they are important to them. Unfortunately, they don't appear to

spend as much effort or budget communicating with their staff.

Maybe it's because as they pay them they feel there is no need to impress them.

We think that really is the wrong attitude.

How valued would you feel, if your employer could not be bothered to address you by name? After all the HR department certainly knows your name!

How likely would you be to read a document that is not addressed to you personally and appears to be as unimportant as a circular or junk mail?

The company with anonymous employees has now expanded its vision to embrace knowing and using the names of both their external and internal customers.

Following this minor, but essential redirection we have developed and delivered a communications strategy for them that not only addresses the employees by name but also segments information they receive by age and gender needs.

## The power of persuasion

Last year at the Professional Pensions Show we chaired a session, which talked about the successful introduction of a Marks and Spencer pensions programme.

At the end of the presentations the audience was asked how important they ranked membership engagement? The response – hardly surprisingly – was a unanimous 'extremely important'. The same audience was then asked how many scheme managers allocated a budget and prepared a communications strategy at the beginning of any new scheme development.

The response unfortunately was not quite so comprehensive.



Just because an employee works for an organisation doesn't mean that the company can make them engage and, in the case of DC schemes, take advantage of their pension provision opportunities.

## The secret of both successful external and internal marketing is employing the power of persuasion.

In the area of pensions it is all about persuading your employees to engage with the scheme.

Persuading them that they need to take on board the information supplied.

Information that may result in life changing decisions.

### The greatest challenge

The greatest challenge for anyone responsible for communicating pension scheme benefits is member engagement.

That is engaging and communicating with both members and non-members, both of whom will need to make decisions about managing their pension scheme for the future.

Only by recognising that your members are also your customers and then developing an appropriate internal marketing strategy will you avoid the decision inertia that leads to employees failing to join or ending up in the default option.

Adopting consumer-facing marketing techniques can really enhance the messages you are trying to get across to your internal customers and persuade them to take the most appropriate action.

As with any external marketing activity, research to ensure you understand your internal customer's needs and what the delivery method will achieve is essential.

### Never assume

Do not assume that members cannot access the internet. Ask your mum or any elderly relatives how often they go online. Alternatively, have a look at your nearest building site and see how many brickies have an iPhone!

You will be surprised just how accessible the internet is to folk not based in an office.

Also recognise that your internal customers will behave in the same way as a consumer when it comes to making investment decisions.

They will be more focussed in their product research and as a matter of course will be using information opportunities provided by the internet. Your internal customers are better equipped than ever before to search out specific decision-making information that will impact on how they react to your communication material.

By recognising what makes your internal customers think, you will also ensure, in this time of budget review and justification, that you achieve the maximum bang for your buck.

### Developing an effective internal marketing strategy

However, once you have recognised the fact that you are developing an internal marketing strategy, how do you start developing an effective campaign?

We believe there are five key steps to developing and delivering a successful communications strategy and these are:

- Research
- Segmentation
- Design and messaging
- Delivery
- Consistency

You have to confirm through internal market research what your target audience currently understands and how they would prefer to receive information. You will then be able to determine your starting point and benchmark the information.

Only then can you start to think about how to develop your communications strategy.

Then comes segmentation. The online revolution linked to digitally stored personnel information makes it relatively simple to segment a pensions database and send personalised, age, gender and even life stage relevant messages to internal customers.

In the same way that marketers design material that uses images, language and tone to develop a message to encourage a response, you should use these consumer tested engagement techniques to influence

member understanding and involvement. At this point it is worth remembering that there is no single way of delivering information.

An effective strategy may need a number of different delivery methods and the same message may have to be delivered using a range of online and offline deliverables. It is, therefore, essential that these integrated delivery tools are designed to adopt a consistent language and look. What we might call a campaign style.

The internet will be key to your distribution activities and it is important to recognise how essential digital communications have become.

The beauty of the internet is that it is easy to develop, it is environmentally friendly and can be accessed at any time by your internal customers, no matter where they are in the world.

Today's marketers in the consumer marketplace deliver messages that are relevant via the most appropriate medium for their target audience.

Your approach should be exactly the same.

### Blunderbuss communications

The day of blunderbuss communication, blasting the same message to everybody has gone. Today it has been replaced with more precise, carefully targeted and segmented messages delivering relevant information.

There are just three elements pension scheme managers must always bear in mind when deliberating on how they should deliver scheme information. They are:

- Recognise that your scheme members are your customers
- Communicate with your internal customers with the same level of sophistication and investment as your external counterparts
- Remember scheme members are your customers. Customers who just also happen to be employed by the same company as you

Recognising employees as customers and adopting some of the tried and tested communication and persuasion techniques available to you will help create and reinforce scheme member engagement and ensure you are providing the governance now being expected of all scheme managers and trustees.

