

Digital Customer Journey

How do you
motivate customers
to utilise your online
pension portal more?

#key to engagement

WWW.KEYLANE.COM



Digital Customer Journey



How do you motivate customers to utilise your online pension portal more?

Many pension funds, and life and pension insurers use an online portal to enable customers to view their personal pension status and notify the pension administrator of any changes to their situation. Offering an online portal is a great service, but how do you make sure your customers actually use it or better still, use it regularly? In this white paper, we outline how you could guide your customer's digital journey in a way that will encourage them to take an active interest in their pension and use the online pension portal service you provide as a reliable source of information and relevant advice.

Although most people have a pension, in general their engagement with it can be best described as limited. Most people with a pension do not really have a good understanding of the impact of the pension decisions they make today on their lives in the future; nor do they have a clear idea of how to optimise their disposable income now, while ensuring they do not come up short in the future. Even though people spend their working lives putting a sizeable portion of their incomes away for their pension, they appear to spend more time on learning about, for instance, their mortgage, rather than understanding the details of their pension. Research indicates that this remains

“Support your customer by guiding and optimising their digital journey”

true even when big financial or life changes come along, even though these are exactly the moments when it would be a really good idea for people to consider the impact of those changes on their pension.

Take a couple who are signing for a mortgage on a new home. Typically, both partners will have a partner pension. This means that when one of them passes away, the other will receive a sum of money. The amount that one partner or the other will receive is highly relevant for the decision on whether to contract term life insurance linked to the mortgage, and how high that insurance should be. And yet very few couples consider this aspect, so they contract this insurance with the mortgage. As a result of this, many are unknowingly overinsured for the death of their partner at the stage of their lives when their money could be invested for other needs.

This is just one of the many examples of pension decisions that can have a major impact on people's incomes, both now and later – decision-making where pension funds, and life and pension insurers could provide better support to their customers. Plexus from Keylane, the most comprehensive standard platform in the market for life and pension insurance products, can support pension funds, life and pension insurers and pension administrators in offering this service to their customers. In Keylane Plexus, all important processes are fully automated from core to edge. The integration of self-service portals ensures direct communication with participants and employers, and the software as a service (SaaS) model ensures pension funds, and life and pension insurers will always be compliant with current laws and regulations.

“It is about truly understanding what is happening in your customer's life”



Everything revolves around the customer

Increasingly, many sectors and industries are moving towards a customer-centric model. While the retail and entertainment industries may have paved the way in converting their business processes from being supply-oriented to becoming customer-oriented, other markets are now discovering that they too must put the customer first if they want to survive and thrive. Today's market sees the customer deciding where, when and through which channels they will contact businesses in virtually every market. A customer's digital journey is driven by the customer. You can support your customer by guiding and optimising their digital journey by offering them a superior customer experience.



Know your customer

A pension customer will seek information and assistance with regards to their pension at relevant moments in their lives. This means that helping them to make better decisions is all about a proper understanding of their customer journey. An online pension platform or portal plays a vital role in this customer journey. It enables a customer to access their information anywhere, any time, on any device. This is important – surely – but is nonetheless only a hygiene factor, as described in the motivation-hygiene theory: having it does not increase the customer's satisfaction, but it does decrease the customer's satisfaction if the portal is not there or does not work properly. Increasing a customer's satisfaction requires exceeding their expectations. The way to achieve this is via a customer journey that plays to the major events in your customers' lives. It is important to note that you, as a pension fund, life and pension insurer or pension administrator, can only create this customer journey if it includes a sound basis of KYC: know your customer.

This goes far beyond the concept of KYC used by financial services providers, primarily with reference to compliance obligations, i.e. investigating the risks before accepting someone as a customer. In such cases, compliance is only a factor in deciding whether to accept the potential customer. Our definition of KYC is really knowing your customer; truly understanding what is happening in your customer's life, what is important to them, and their own ideas about their financial future.

The good news is, given the nature of their work, pension funds, life and pension insurers and pension administrators already have a tremendous amount of data about their customers such as address information, marital status, income and much more. This is exactly the kind of information that changes at certain critical moments in a person's life, for example moving house. Very few people move on a whim, it is usually related to a change in their lives, such as a new job in another city, a new baby in the family, or the end of a marriage – all situations that have a significant impact on their pension.

Wouldn't it be great if customers were proactively and empathetically approached at exactly those moments, so they could be offered assistance in considering and making their pension choices at a time when it matters in their lives? This could be as simple as a digital notification. All it requires is for you to use your customer's data for the purposes of implementing the pension scheme to actually start using it for relevant communications with your customers.



Customer journey and pension administration in one

A pension fund or a life and pension insurer wishing to boost the relevance of their communications with their customers therefore needs to also be able to use the data they obtain for the performance of the pension scheme for its customer communications. This means that you, as a pension fund or life and pension insurer, need to use an open architecture for your information systems. The best way to achieve this is by working with an end-to-end integrated pension platform.



Of course, as a pension fund or life and pension insurer you could use different platforms to set up your pension administration and to define your customer's digital journey, in which case you would then want to develop an interface to exchange data between your systems and platforms. However, building interfaces is an expensive proposition and once built, you would need to continually adapt it to any change on all your platforms. Keylane has developed Plexus, an end-to-end platform to support pension administration as well as every aspect of the communication at all stages of a customer's digital journey. Keylane Plexus completely integrates with the application landscapes of pension funds and life and pension insurers as well as pension administrators. Robust and scalable, Plexus is a powerful and highly configurable platform, delivered as a service with frequent updates.



How do you earn back your investment in customer experience and operational excellence?

As decision makers in management roles at pension funds and life and pension insurers you are allocating budget towards investments that increase revenue and provide returns. You may well ask, "is there added value in investing in an online platform to help us support our customers at the key moments in their digital customer journey? How will we earn this investment back? In certain countries, new customers need to contact pension providers in any case through their employer's pension fund"

For pension funds, and life and pension insurers with questions like these, you will be pleased to know that there are at least six ways in which you can earn back the investment your organisation makes in enhancing your customer's experience (digital journey).

1. Times are changing, and pensions are becoming increasingly individualised. We see more and more people working in a company with a collective labour agreement. Add in the growing number of independent contractors without personnel, and it becomes clear that there is an increasing group of people who are in the position of having to make an active and specific choice for their pensions. Investing in an optimal customer experience is a way of finding and keeping this new type of customer.
2. Customers who are self-supporting are better served by an intuitive, clear, online platform or portal, and will favour it over telephone or face-to-face contact with a customer service agent, as they are typically very adept at finding answers online as opposed to making calls, sending e-mails or using other channels. This also lowers your operational costs, because customers who send constant e-mails (or even letters) make straight-through processing (STP) virtually impossible; moreover, all that customer communication forces you to maintain a much bigger customer service centre.
3. Identifying what information customers look for gives a pension fund or life and pension insurer a much better understanding of customer needs. This gives you the opportunity to rationalise your product range and reduce it to a select few products that actually serve your customers better, ultimately lowering your costs of implementation.
4. A flexible end-to-end platform that is easy to configure gives you the freedom to experiment with new products or services. Consider a service, for example, that lets people make their own selections from a number of investment funds, to give them more knowledge and a better understanding of where their money is being invested.

Normally, developing such new products and services is a complex, time-consuming and expensive process, and if the new product is not popular, then the potential for taking it off the market is fairly high. However, an end-to-end platform makes it relatively easier to configure new products and services, and much easier, faster (and more cost effective) to innovate and explore whether there might be a demand for a particular product.

5. Customers today not only expect to be able to manage their business online with you, but to be able to obtain advice online and even be proactively informed online at the moments in their lives that can have an impact on their pension. Consequently, these are aspects that employers will be requiring from pension administrators. The pension funds, and life and pension insurers who cannot keep up with these demands may potentially be out of business. Banks and web shops have set the bar for making it very easy to handle everything online, from advising on products and services to signing contracts to after-sales services. Customers now expect this convenience and service level from other providers as well.

6. Making people aware of their income and means of support in their later years is part of the social responsibility of pension funds, and life and pension insurers. You have a significant role to play in

the financial education of your customers. It is generally understood that people learn faster and more readily when they can apply in practice what they have learnt regarding their own situation. Customised communication facilitates this and increases the understanding that it is important to start thinking about financial futures as early as possible.

Six ways in which you can earn back the investment:

1. Investing in an optimal customer experience is a way of finding and keeping this new type of customer.
2. Customers who are self-supporting lower your operational costs.
3. Product rationalisation.
4. Easier and more cost effective to configure new products and services.
5. Create added value that can be extended further to the benefit in the long-term.
6. Customised communication facilitates faster learning and increases understanding.





Customer experience – what is it, really?

Being able to earn back your investment is certainly a good reason to invest in a flexible, end-to-end platform supporting your business processes. The most important reason however is improving your customer's experience by taking an active approach towards your customers around their life events such as salary increases, changes in civil status and taking out new mortgages. There is a lot of focus on customer experience in today's market, but what does it entail? In simple terms, it is about meeting (or better yet, exceeding) your customer's expectations. Let us look at some of the key areas where you could meet and/or potentially exceed them.

Superior service: as soon as a customer seeks contact with you – whether it is with a question, a complaint or to submit new or amended information – you should be able to deliver added value immediately. In other words, instead of providing a general answer to a question, you would give a personalised response that addresses your customer's specific situation. For example, when your customer is submitting a change to their personal information, this could entail explaining what the impact of the change would be on their future pension. If a customer lodges a complaint, it would be giving feedback on the status of the complaint handling at every stage. In other words, it is providing that extra bit of service over and above what you or even your competitors may currently provide.

“It is about meeting (or better yet, exceeding) your customer's expectations”

Maximum convenience: make your customer's life easier. Take as many barriers as possible out of your customer's way. Set up your online pension portal such that your customers can find what they are looking for with the least amount of clicks. The quicker and easier your customer can find and access the information they seek, the more they will make use of the online pension portal.

Empathetic communication: ensure that your customers experience the services you provide to them as personal, i.e. services tailored for them specifically. You can achieve this by making your manner and content of communication towards your customer empathetic to their situation. If your customer is changing their address due to a divorce, the tone of voice of your communication would be different, for example, if your customer is moving house because they have a new job or a new baby. Not only do these changes impact their pension, but advising on those changes while communicating with their changes in mind makes your customer feel that they matter to you – humanised communications, beyond personalised contact.



Optimise your customer's digital journey

How can you as pension funds, and life and pension insurers apply and enhance these three facets (service, convenience and communication) in their customer's digital journey? We advise an approach which consists of four types of communication. It is important to bear in mind that the way in which you communicate with your customers (message, tone of voice) is determined by the phase in their customer journey.

1. Awareness

Getting people to think about the subject of pensions is not easy. Generally, people are fairly young when they start saving for their retirement, so it is a topic that seems fairly remote i.e. in the distant future. They understand that doing something about "income for later" is a good idea, but younger people rarely take the initiative to learn something about it. This is why a message with a very serious tone of voice for example would not be effective in motivating the younger generation to think and learn about pension and life insurance. A much better approach could be to draw attention to the subject in a more engaging manner, for example with humour.

Once a message has succeeded in gaining your customer's attention, communication with that customer should be in as personalised a manner as possible. Pension funds, and life and pension insurers have a lot of data about their customers and you can use this data to personalise the messages that you communicate. Creating awareness is all about relevance: when your communication is relevant, people are much more willing to listen.

2. Orientation

Once customers start becoming more responsive, make it as easy as possible for them to obtain relevant information tailored to their specific situation.

Unfortunately, most people are not Homo economicus and have a limited amount of time and motivation to collect information. How can you make sure they orientate themselves towards their financial future? There are different strategies for influencing their proactive behaviour – for instance legislation, which includes controls and sanctions. You can also use information to motivate your customers to seek more information themselves, or you can add (financial) incentives, so they are rewarded for taking the initiative to do so.

A new form of incentivising is nudging: setting up the environment in such a way that people make the right choice without it feeling like an obligation. Pension funds, and life and pension insurers can nudge their customers in different ways.

- Make it as easy as possible to find information (using any device) that is specifically relevant to your customer's stage of life and situation. A person who has just started their first job is interested in very different information compared to a person who has 20 years of work experience and a certain amount of pension accrued. That is why thinking about the design of an online pension portal is so important: what information will you show on which page? How will you enable your customer to get to the relevant information quickly?
- Make it easy to make a choice or a decision. Too many options can result in decision-making paralysis.
- Use experiences of other customers to show customers that it is smart to start putting money away "for later" and the earlier you start, the better. For example, have testimonials from other customers talking about how easy it was to create a personal pension plan.

Of course, in this process it is essential to document all the information that your customer is giving you, explicitly and implicitly (through their clicking and browsing behaviour). Remember that the degree to which you can personalise your customer's digital journey depends on the amount of relevant data you have available.

“Convenience is one of the primary elements of customer experience”

3. Action

As a pension fund or life and pension insurer, you want your customers to use your online pension portal to update their data themselves when they need to, as well as find the answers to their own questions whenever possible. The first step towards doing this is to make the online portal attractive and relevant, so customers visit it often. The second step is to make it very easy for them to update their data. Evaluate all your online forms on a regular basis, to review whether they are really designed from the customer's perspective or more from the perspective of your own processes. Are the forms on your online pension portal clear and user-friendly?

Research into why people abandon online forms without completing them has shown that in 75% of cases, it is because the questions asked in the forms are unclear. It is therefore beneficial to provide an explanation, especially for any questions or information requests that may be in any way ambiguous. Another major reason for abandoning form-filling is that the customer does not understand why the pension fund needs certain

information. That is why every form should only include information and data requests which a pension fund or life insurer finds essential to know before accepting or referring a customer. This should also be available as an explanation to the person filling the form so they can understand the need and therefore be more willing to provide the information.

As highlighted earlier in this white paper, convenience is one of the primary elements of customer experience. One way of optimising convenience for a customer is to ensure that any information your customer has previously provided is automatically entered on the form. Service and convenience in your customer's digital journey is enhanced by not having to look up and re-enter information previously provided, sometimes multiple times.

4. Service

Your customer has taken action and it is now your turn to process and communicate further. The final phase of your customer's digital journey is providing aftercare: informing your customer about the status of the action taken when handling their request, for the service they asked for. Here again, the online pension portal plays a vital role. The more support customers are able to find on the portal for making important decisions, the more they will be inclined to use it frequently.

Some processes can take a long time. Customers tend to find pensions a complex topic and can be uncertain about the action they have taken. They may wonder if everything will go well, especially if they receive no communication on the status of their request/action. You can optimise your customer's digital journey and keep them actively using your online portal by reassuring them.

This might include communicating the status of their request; providing insight into the process of what you as a pension fund or life insurer are doing with their request; and whether there are additional actions expected from the customer to complete the request.

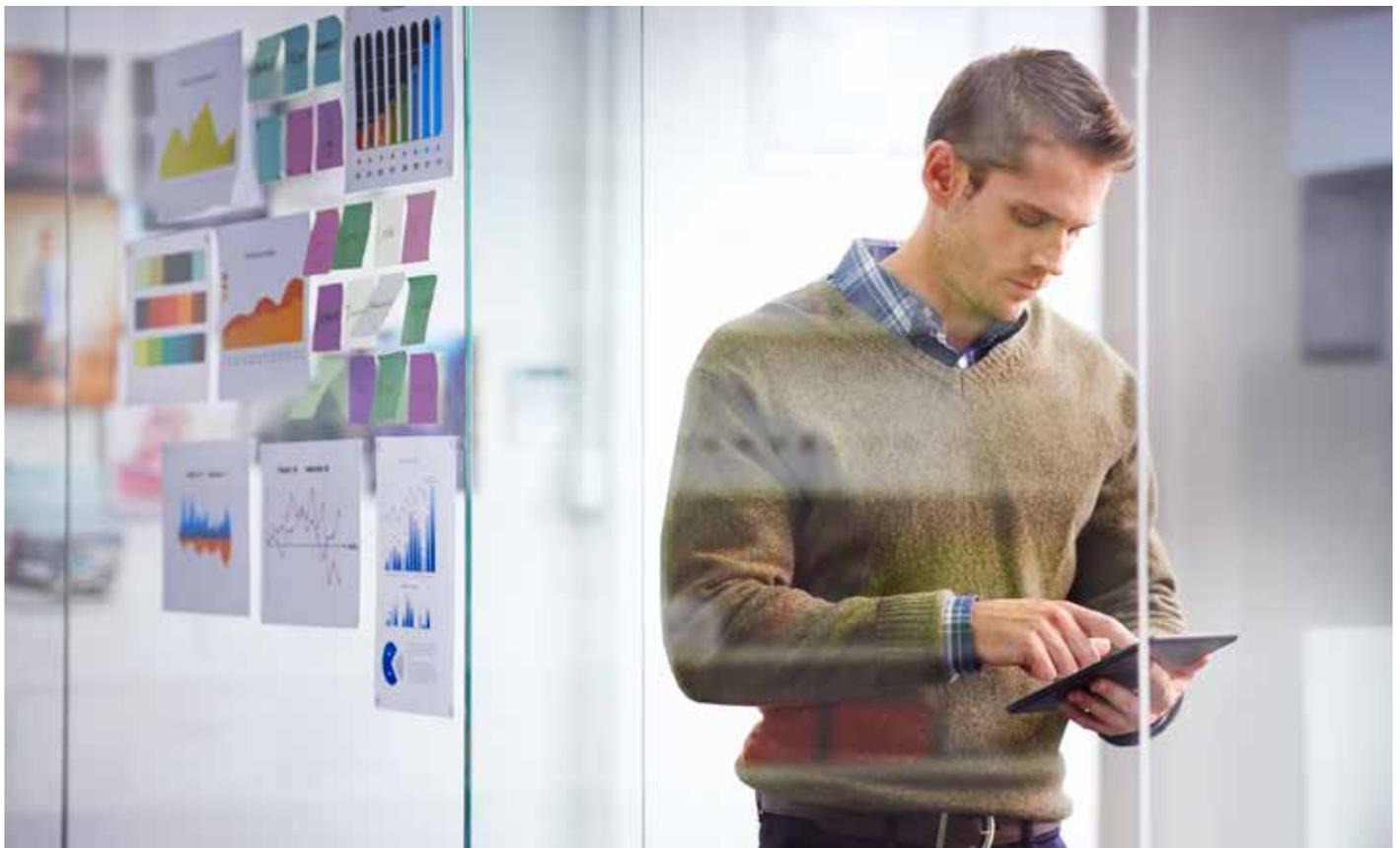
Another way of keeping the topic of pensions in your customer's mind is to send them planned reminders at regular intervals. These notifications should be personalised with content tailored to your customer's phase of life.

When you track the types of actions people undertake on your pension portal and which notifications they respond to, you can combine this data with the changes that you collect via

other channels. This could be a new job, a salary increase, a new address or the arrival of a new baby. You can ensure that future communications are enhanced and empathetic to the combined insight based on all this data intelligence you have gathered.

It is the combination of the different types of data that enables you to make your customer communications even more empathetic, personal and relevant. It is of course important to remember that some changes and contacts are more critical than others, so the right amount of attention should be given to the various important moments and changes for the customer when communicating with them.

“Stay top of mind by sending planned reminders at regular intervals”





How do you utilise your front office personnel for customer experience and operational excellence?

When you work with an integrated pension platform that supports your customer automatically and online in all phases of your customer's digital journey, in theory this also implies needing fewer employees on the phones and handling e-mails, especially for younger customers. For young people, pension is usually a low-interest product; interest and relevance increases as people get older, and closer to retirement age interest and relevance is at a peak. At that stage, customers start to have questions such as, "when do I stop working? What will that mean for my income?" These questions can generally be answered via electronic channels; however, sometimes at this stage a customer is really looking for contact by telephone or a face-to-face meeting. Therefore while your customer's digital journey can and should be optimised, personal contact is and remains important in the foreseeable future.

In other words, it is advisable to continue to maintain and invest in your personal contact channels for customer communications and services in balance with your customer base and their requirements.

You can also offer superior service through additional personal assistance to customers that you notice need more help online, because they are not making the best use of it or they find using an online portal challenging. In tracking your customer's digital journey, you might for example notice that someone is clicking back and forth between the same pages multiple times. In such cases, you can have a chatbot approach the customer with a general, "may I help you or be of assistance?" query. If your customer says "yes", you can route them to a customer service centre agent who can follow your customer's actions via co-browsing, and offer them guidance and instructions on how to achieve the actions the customer wishes to undertake.

"Personal contact is and remains important in the future"





Integrate your pension administration with an online portal to enhance your customer's digital journey

Times change. Pensions are becoming more individualised, and the number of people who are not obliged to participate in an employer pension fund is growing. Likewise, customer expectations have changed and will continue to evolve. People are now, more than ever, accustomed to communicating and handling transactions online in every aspect of their lives. Therefore, they expect the same service from their pension administrator as they are accustomed to receiving from their bank or their favourite web shop.

Keylane Plexus can help you meet these expectations of your customers while optimising your operating costs. In fact, taking your pension administration processes online and offering your customers a seamless, optimised digital journey will help you towards operational excellence and improve your customer's experience at the same time.



For more information contact **marketing@keylane.com** or get in touch with one of our local offices. To find out more or see a demo of the Keylane Plexus platform, send an e-mail to **marketing@keylane.com** or complete an online contact request at **<https://www.keylane.com/contact>**.

About Keylane

Keylane is the leading SaaS platform provider for the insurance and pension industry. Keylane empowers the insurance and pension industry to transform their business and achieve their goals through innovative solutions that redefine how insurance software works. Over 150 customers across Benelux, Nordic and DACH regions run their business on Keylane platforms.

We empower the insurance and pension industry to change through technology

