



DOWN TO THE NUTS AND BOLTS

Communicating the implications of auto-enrolment to a dispersed workforce is a tall order for any firm, yet home improvement retailer KINGFISHER came up with a focused and original internal campaign that exceeded all expectations.

THE CHALLENGE

In 2012, Kingfisher faced a series of complex and seemingly insurmountable challenges. With the change in pensions legislation that led to workplace auto-enrolment, the firm needed to explain its complexities to 35,000 part- and full-time employees who had little or no interest in financial services.

The majority of staff were based on the shopfloor in Kingfisher's B&Q and Screwfix stores. The firm needed to encourage staff not to opt out of the auto-enrolment scheme and to make them fully aware that money would be withdrawn from their monthly pay packet.

These changes were happening during one of the toughest economic periods for the firm and any drop in income would be acutely felt by staff.

THE STRATEGY

The challenge was a tall order, as the industry had been predicting opt-out rates of between 20-30%. Knowing that they would never persuade all staff, Kingfisher set themselves the following aggressive targets:

1. To achieve a 60% awareness of detail of the auto-enrolment scheme
2. To achieve staff engagement with the scheme:

- 60% recall of campaign communications
 - 50% of understanding of eligibility
3. To achieve an opt-out below the expected 25%
 4. To gain a commitment from 50% of members to choose to remain in the scheme after being automatically enrolled, and for the same number to enhance their contributions.
 5. To create 'a depth of understanding' that support centre calls over the campaign would be 'very low'.

The strategy was outlined as follows:

1. Create a savings 'culture': The Kingfisher brand and behaviours informed the firm's thinking. Kingfisher created a strong narrative and identity throughout communications to start to build a Kingfisher-branded savings culture, providing all employees with the opportunity to save for a more sustainable financial future.
2. Creative strategy: Kingfisher created a series of friendly characters that the target audience could relate to, called 'the Bolt family' designed using the nuts and bolts of the Kingfisher stores. These characters were used to tell the story of auto-enrolment in a really engaging way. Each character

represented a different segment of the target audience.

3. Communications strategy: To achieve coverage, embedded knowledge and low access to PCs, an innovative internal communications strategy was delivered in planned phases that drew on influence, advocacy and 'info-tainment'.

THE EXECUTION

Kingfisher undertook extensive research, including focus groups, and gathered the following key insights:

1. **Lack of awareness.** Employee research revealed only 1% of employees were aware of auto-enrolment and that of that group, the majority didn't understand what was happening, or why.
2. **'I haven't got a pension - this is nothing to do with me'.** Employees thought auto-enrolment would affect only senior staff members.
3. **Widespread lack of interest and understanding of financial services.** Financial services were seen as 'boring, complex and uninteresting'.
4. **Communication needs for the task were unique.** Given multiple locations, staff working diverse shift patterns and most store staff not having access to PCs, communication would be critical.

ROLE MODEL: INNOVATIVE APPROACH TO FINANCIAL EDUCATION

- 5. For many, it was a lack of confidence rather than unwillingness that stopped people saving.** Communications needed to stand out and engage.
- 6. Some employees are more influential than others.** Managers were best placed as influencers, their opinion being regularly sought out for guidance.

As a result of gathering the key insights, the execution of the internal communication campaign developed as follows:

- 1. Creative execution.** The birth of the 'Bolt family'. The family was used in all communications to tell the story and deliberately tied in with the Kingfisher brand to create this branded savings culture.
- 2. Influencing – advocates' programme to educate and influence in-store.** Staged communications started with the advocates' pack dispatched to the key briefers in branch and HQs to help them guide their teams and answer any questions, 'so people like me' communicated what was going to happen. The pack included an animated video telling a simple story to help everyone understand (www.youtube.com/watch?v=8Zfsr3MbUs8)
- 3. Year-round awareness in-store.** To maintain the impact and awareness and ensure continued visibility, Kingfisher created a range of countdown posters and tentcards to keep the impending go-live date visible to all.



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4. Memorable stand-out home mailings.

Four months before 'go live', all employees received an engaging personal pack at home. Those employees who were not contributing members of the scheme also received an auto-enrolment guide, which conveyed the key messages in simple language.

5. Telephone support line for questions.

A dedicated helpline went live ahead of 'go live' (when 14,078 employees were enrolled) and beyond.

METRICS PUT IN PLACE

To track the effectiveness of Kingfisher's campaign, the following benchmarks were actioned:

1. pre-campaign focus groups, to benchmark awareness and gather communication options, insights options, barriers and motivations for retirement saving – Kingfisher's aim was to increase awareness
2. track the number of opt-outs: the target was below 25%
3. website statistics
4. call centre statistics
5. group pension enquiries
6. number of voluntary joiners
7. internal survey.

PROOF THAT IT WORKED

This campaign achieved outstanding results on every measure, but particularly pleasing was the increase in awareness and understanding and the low opt-out rate. The key results were as follows:

- 1. Pre and post-campaign research** showed that awareness of auto-enrolment and its meaning had risen from 1% to 75% (target 60%). Plus clear understanding and engagement with communications.
- 2. Number of opt-outs** achieved was outstanding with a very low rate of 6.2%, far below expectations. Before the auto-enrolment roll-out began last October, it was predicted employers could expect opt-out rates of 20% to 30%.
- 3. Increase in web traffic** of 15% since the campaign started. Also mobile phone access had increased: from 8.75% to 15.45%. Successful website enhancements has also been measured by analysing visitor traffic and usage which has identified that the new tools are being used more extensively since auto-enrolment.
- 4. Call centre stats** – low number of calls



Kingfisher

(only 23 calls in December and 105 in April) meant that key messages were being understood.

- 5. Post-campaign survey results** - demonstrated improved awareness, understanding and active engagement with communications. Kingfisher advocates were particularly supportive; welcoming the briefing pack and commenting that all the communications were engaging and easy to understand.

VALUE ADDED

Kingfisher successfully implemented a savings and pensions financial education programme. The programme delivered:

1. Long-term savings culture influence. Post-campaign research revealed 81% of those enrolled intended to stay in the pension. Plus an astonishing 44% said that they intended to increase their scheme contribution – proof that Kingfisher had truly succeeded in achieving an internal 'savings culture' from a standing start.
2. Campaign contributed to employee engagement scores in the 2012 Gallup Kingfisher employee engagement survey. The campaign was a major contributor to an overall score of 3.91, where anything above 4 is considered 'best-in-class'.
3. The Bolts adopted as the face of Kingfisher savings and pensions. Such was the popularity and comprehensibility in communicating a complex message, the Bolts will become the communications medium for a planned financial education programme. ■