From *zero* to HERO through the crisis

When MetLife entered the UK market in 2007, they were unknown and their innovative unit-linked guarantees were widely misunderstood. CLAIRE OLDSTEIN, Marketing Director UK recalls how, by 2011 they'd become the UK's fastest growing life company supported by 10% of IFAs.

The challenge

MetLife is a well-known provider in the US and internationally, with a strong reputation for innovative retirement and investment solutions, particularly Variable Annuities (VAs).

In 2007, we entered the UK market for the first time with innovative products based on our expertise in VAs. Focusing on IFA distribution, MetLife faced two critical challenges:

1. The VA market was misunderstood and mistrusted by the majority of advisers – labelled as 'Third Way' and expensive.
2. The financial crisis meant there was understandable adviser concern about MetLife's financial strength to offer guarantees when The Hartford and Sun Life/Lincoln pulled out of the UK market completely and AEGON withdrew its guaranteed product.

Despite this, our vision was that our unique guaranteed solutions gave consumers much needed certainty and had a mainstream, not niche role. Our objectives were:

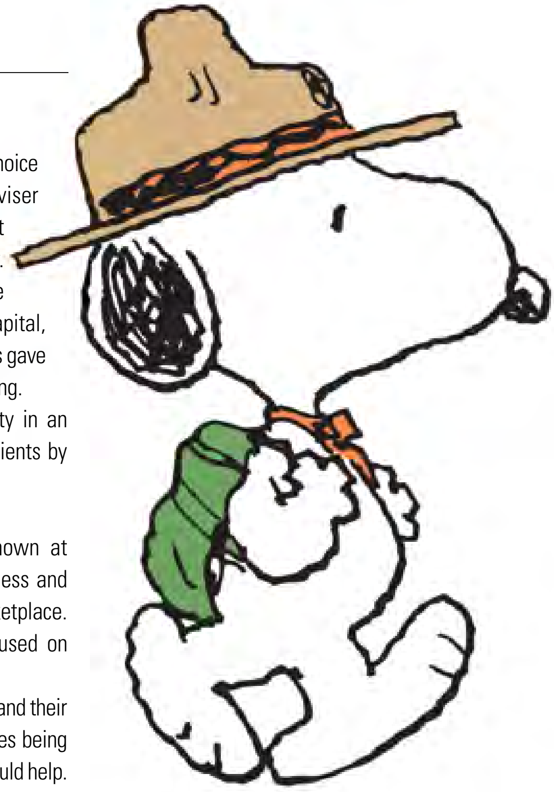
- Increase awareness by 50% in the first three years measured against retirement and savings brands and not just, specialist providers – with a media budget of less that £500k a year.
- Supporting product consideration and an increase in sales.
- Industry advocacy measured by awards.

The strategy

Our initial product design offered great choice for advisers. However, quantifying adviser and customer preferences using co-joint analysis showed us simplicity was the key. So we unbundled the offer to three simple products with just three guarantees (capital, income and deferred income) for each. This gave simplicity to the communications and pricing.

Our strategy was to deliver 'certainty in an uncertain world' for advisers and their clients by focusing activity on:

Awareness: As MetLife were not known at all, we had to consistently build awareness and consideration quickly in a crowded marketplace.
Simplicity: All the marketing was focused on making our offer accessible and simple.
Education: It was key to support advisers and their clients when it came to the new challenges being faced by the industry – and how MetLife could help.



WE AIM TO DELIVER 'CERTAINTY IN AN UNCERTAIN WORLD' FOR ADVISERS AND THEIR CLIENTS. ONE PRIME OBJECTIVE WAS TO RAISE BRAND AWARENESS BY 50% IN THREE YEARS.

THE PEANUTS CHARACTER SNOOPY ENSURED COMMUNICATIONS WERE SIMPLE, ENGAGING AND ACCESSIBLE TO GIVE US CUT-THROUGH IN A CROWDED MARKETPLACE.

Commitment: We had to demonstrate that MetLife were committed to the UK market and were listening to advisers' views and needs.

The execution

Awareness: Creatively, we used the Peanuts character Snoopy to ensure that communications were simple, engaging and accessible in the trade press, direct marketing and online – and to give us cut-through in a crowded marketplace.

Simplicity: We focused on simple messaging – for example, replacing the term Variable Annuity with "Unit-Linked Guarantees" which research showed was clearer.

Education: The activity fell into a number of areas:

- **Thought leadership** with external expert contributors and research around Planning for Retirement and 10 years To Save Your Retirement, as well as new thinking about behavioural economics. This was delivered through events and via adviser integrated campaigns.
- **Product education** with simple guides, client TCF guides and consumer facing material. This included sales and a technical e-CRM programme to advisers.

Commitment: It was critical to emphasise our commitment to the UK market. So, as well as corporate advertising, we also became bat sponsors for England cricketers Captain Andrew Strauss and Jonathan Trott. This gave us broadcast coverage around The Ashes and hospitality opportunities.

Proof that it worked

Our metrics to track effectiveness included:

- Brand awareness and consideration.
- Product sales and market share growth year on year.
- Off and online response and interaction rates
- Increase in number of adviser relationships.
- Positive PR coverage.
- Third party endorsement which recognises MetLife for innovation

Brand awareness and consideration: Prompted awareness and consideration reached 63% by the end of 2010 from a standing start in 2007.

Product sales & uplift: This has been closely tracked around marketing activity to ensure effectiveness. For example we know:

- The Retirement Portfolio launch generated a high level of pipeline business – 2,205 quotes were received with a value that was 260% ahead of expectations.

PROMPTED AWARENESS AND CONSIDERATION REACHED 63% BY THE END OF 2010 FROM A STANDING START IN 2007.

- Sales during and immediately following the Protected Growth Bond campaign increased 42% over the previous 12-month sales period.
- Sales following our thought leadership events increased by 32% for those that attended.
- The cumulative result was that, by the beginning of 2011, sales had reached £1bn and we had achieved 11.28% market share of the competitive unit-linked bond market and 5.62% of the narrow pensions market (ABI).

Interaction rates: These continued to grow. Our technical e-CRM programme resulted in 23.2% open rates for email (6% to 17% industry average). Web hits also increased by 57% from Jan 2010 to Jan 2011.

Increasing adviser relationships: The number rose from 296 at the end of 2007 to 10% of the IFA market, despite the sales team increasing to just 69 by 2010.

Positive PR coverage: Trade coverage reached 738 mentions in 2010 and, of the 92 articles written in the trade press at the launch of Retirement Portfolio, not one was negative, when the market had been unrelentingly negative about guarantees at that time.

Third party endorsement: The independent endorsements we have won include a Financial Innovation Award in 2008, World Innovation Award and Best Third Way Product Provider voted for by Advisers, as well as best thought leadership campaign award from SimplyBiz in 2010.

Value added

We believe our strategy has delivered broader benefits to the business overall:

Reputation: Our strong brand reputation has contributed to MetLife being voted Company of the Year 2010 in the Financial Adviser Service Awards.

Engagement: Our employee engagement and advocacy is also strong. In 2007, 50% were overall satisfied with MetLife – in 2009 and 2010 the figure was 100%. ◘