

Intelligent Marketing to Deliver Sustainable Growth

Client Company Name

Police Mutual

Title of Entry

**Intelligent Marketing to
deliver sustainable growth**

Category

Direct Marketing

Name

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The Financial
Services Forum

**Police
Mutual**
ALL PART OF THE SERVICE

Who we are & What we do



Background

Regular Savings Plan (RSP) is our flagship product

Minimum 10-year term, up to 30 years

Salary or pension deduction for police employees

Sales growth at average of 3% per annum

Reliant on Direct Marketing channels to sell



Marketing Overall Objectives

1. 10% growth year on year
2. Reduce marketing investment by 15%
3. ROMI target increase of 15%

Challenge to implement a new intelligent direct marketing approach, based on key insight and underpinned by behavioural insight techniques, enabling us to deliver these objectives



Our Approach

Social psychology & System 1 and
System 2 thinking

Source: Thinking, Fast and Slow, Kahneman

Hypothesis

‘People do not see the positive value of saving.

They only see the negative value - costing £30 per month.’



Our Approach

Deliver

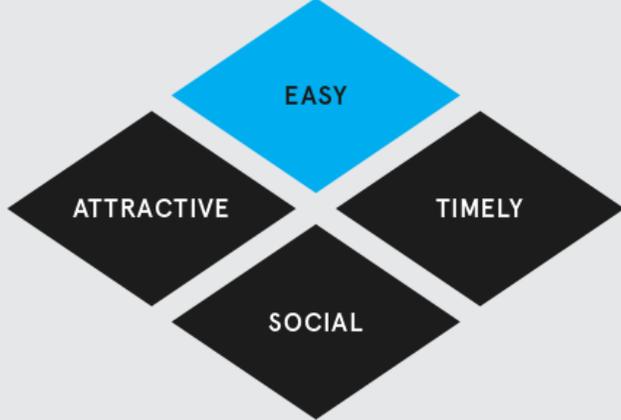
EAST model: Easy, Attractive, Social, Timely

Source: EAST: Four simple ways to apply behavioural insights, Behavioural Insights Team

4 aspects to our strategy:

1. Scalable
2. Timely, relevant, personal
3. Efficient, low-cost, ROI
4. Nudge

THE BEHAVIOURAL INSIGHTS TEAM.



EAST
Four simple ways to apply behavioural insights

Owain Service, Michael Hallsworth, David Halpern, Felicity Algate, Rory Gallagher, Sam Nguyen, Simon Ruda, Michael Sanders with Marcos Pelenur, Alex Gyani, Hugo Harper, Joanne Reinhard & Elspeth Kirkman.

IN PARTNERSHIP WITH  Cabinet Office 

Deploying EAST

Pay rise campaign letters

- 1 Personalisation (A)
- 2 Segmentation (A, S)
- 3 Social norms (S)
- 4 Loss aversion (S)
- 5 Perceptual fluency (A)
- 6 Scripting (E, A)
- 7 Identification (A)

Timely

Triggered by the month the pay rise is due

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REGULAR SAVINGS PLAN

<Title (field 2)><FirstName (field 3)><Surname (field 4)>
<CorrespondenceAddress1 (field 5)>
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6 Start saving today:
1. Choose what you want to save
2. Complete and post back the application form
3. Let us do the rest

Are you due to receive a **pay rise?**

1 Dear <Title (field 2)><Surname (field 4)> - Member no: <Code (field 1)>

2 Receiving a pay increase is a great reward for the hard work you do as a Police Officer. And did you know, it's advised you should try and save 10%-30% of your income, dependent on your financial situation?

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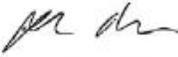
4 So why not save a bit of the extra money you're now making in a **Regular Savings plan**. You won't feel the pinch and you'll receive the reward of a guaranteed lump sum in the future.

5 Making it work for you

- ✓ Save directly from your Police salary
- ✓ Save as little as £1 a day
- ✓ Save for 10 years and receive a guaranteed lump sum

The guaranteed payout varies with age because of the life cover included in the plan and, for those who are older, may be less than has been paid in. You can cash in your plan at any time but this should be as a last resort as you may get back less than you've paid in.

Simply read the enclosed Key Features Document and start saving today.

Yours sincerely,

Stephen Mann - Chief Executive

7



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Easy: Scripting

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Attractive: Personalisation/Segmentation

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Attractive: Perceptual Fluency/Identification

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Making it work for you

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Social: Social Norms/Loss Aversion

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Timely: Sent in the same month as pay rise

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Are you due to receive a **pay rise?**

Results

Enjoyed our best sales performance in 2016 since 2010

Increased sales performance by 12% in 2017 vs. 10% target

Reduced costs by 18% vs. 15% target

Increased ROMI by 22% vs. 15% target

Volume of new saver RSP business increased by 19% in 2017 vs. 10% target

Long-term benefits

Takeaways

Anyone can do this – in fact, you probably already are!

Information is out there and it's free

[EAST model](#)

[BIT website](#)

Test, prove, roll out, knowledge share

