



# MEETING THE NEEDS OF UNDER 30s AND OVER 70s IN FINANCIAL SERVICES

AN EXPLORATION OF EACH AGE GROUPS INTERACTIONS WITH FINANCIAL SERVICES  
COMMUNICATIONS WITH A FOCUS ON MAIL

April 2019



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# THE CONTEXT



# INSPIRATION FOR THIS PAPER

- In March FSF ran a panel discussion: *Where Does Financial Services Need to Try Harder: Meeting the Needs of the Under 30s, or the Over 70s?*
- It focused on whether the financial services industry really managed to reach and engage millennials? Has it forgotten the over 70s?
- It bought together a panel of commentators to discuss the need for financial services companies to better understand and empower key audiences.
- Speakers included:
  - Chair: Tony Langham, Founder and CEO, Lansons
  - Iona Bain, Founder, Young Money Blog
  - Edmund Greaves, Deputy Editor, Moneywise
  - Karen Barrett, CEO, Unbiased
  - James Daley, Founder and Managing Director, Fairer Finance
- As I sat and listened to the speakers as I work for Royal Mail not surprisingly I was wondering how mail works for both these audiences and what is shaping the way these groups consume different media

# HOW WE CAN NOW LOOK AT DETAIL AT THIS DATA

POWERFUL NEW DATA FUSION MADE THIS POSSIBLE

**JIC  
MAIL**

Mail Media Metrics

- JICMAIL data which is the new data set for mail which provides reach and frequency data so that it can be planned on an equal footing with all media channels
- Diary panellists collect their mail for a week and then record all the actions they take with it, if it was shared, what physical actions they took with it: like filing, opening, reading and so on. And also what commercial actions they take like going online, buying something or talking to someone else about it.

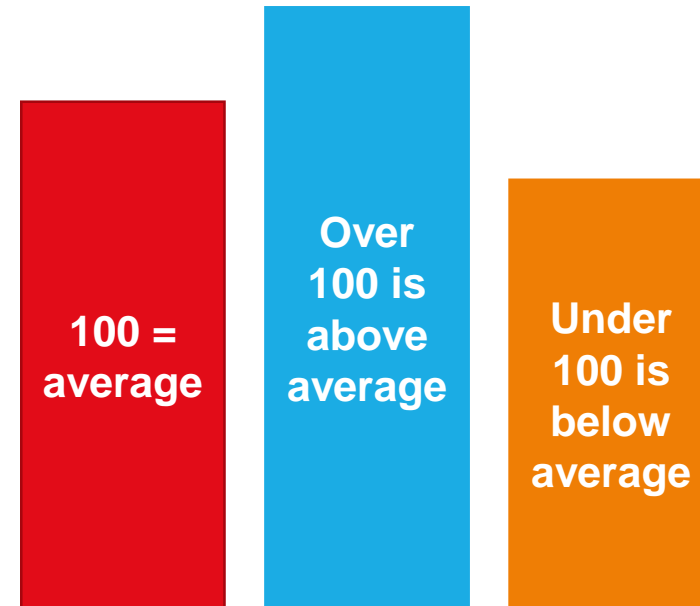
**KANTAR MEDIA**

- Kantar Choices (TGI) provides a set of unparalleled data about media consumption by audience
- It provides a complete view of consumer behaviour and characteristics, covering: product and brand use, attitudes and motivations, media and digital consumption and engagement, leisure activities and demographics.

# EXPLAINING INDEXES

YOU PROBABLY KNOW ALL THIS BUT JUST IN CASE...

- This analysis relies on Kantar's Choices where we have fused their study with JICMAIL data
- This relies on having an index to gauge whether the data that we're looking at is significant or not
- Anything with an index over 100 is significant for being above the average
- Anything with an index of under 100 is significant for being below the average
- For this study we've looked at the age groups:
  - 18-24 and 25-29
  - 65-74 and 75+



# WHAT'S DIFFERENT ACROSS THE GENERATIONS?

HERE'S THE HIGHLIGHTS

## 18-29

Not confident about managing money

18-24 year olds less likely to have a bank account

25-29 year olds start planning for the future

But they don't necessarily think it is their responsibility to plan

High levels of interaction with mail

Much less happy with their standard of living

Are online – a lot! On screens and on phones

Don't get a lot of mail at first but start to at 25

65-74 year olds active commercially with mail

Act more decisively on processing mail

Don't trust their bank or building society

Interact with mail at similar levels to over 65s

Pretty content with their life

Consume traditional "legacy" channels – TV / radio

Quite content with their standard of living

More likely to take mail out of the home

Have high levels of trust in their bank or building society

Receive a lot of mail, even more at over 75

Very confident that they can manage their money

Seeking fun

## 65+

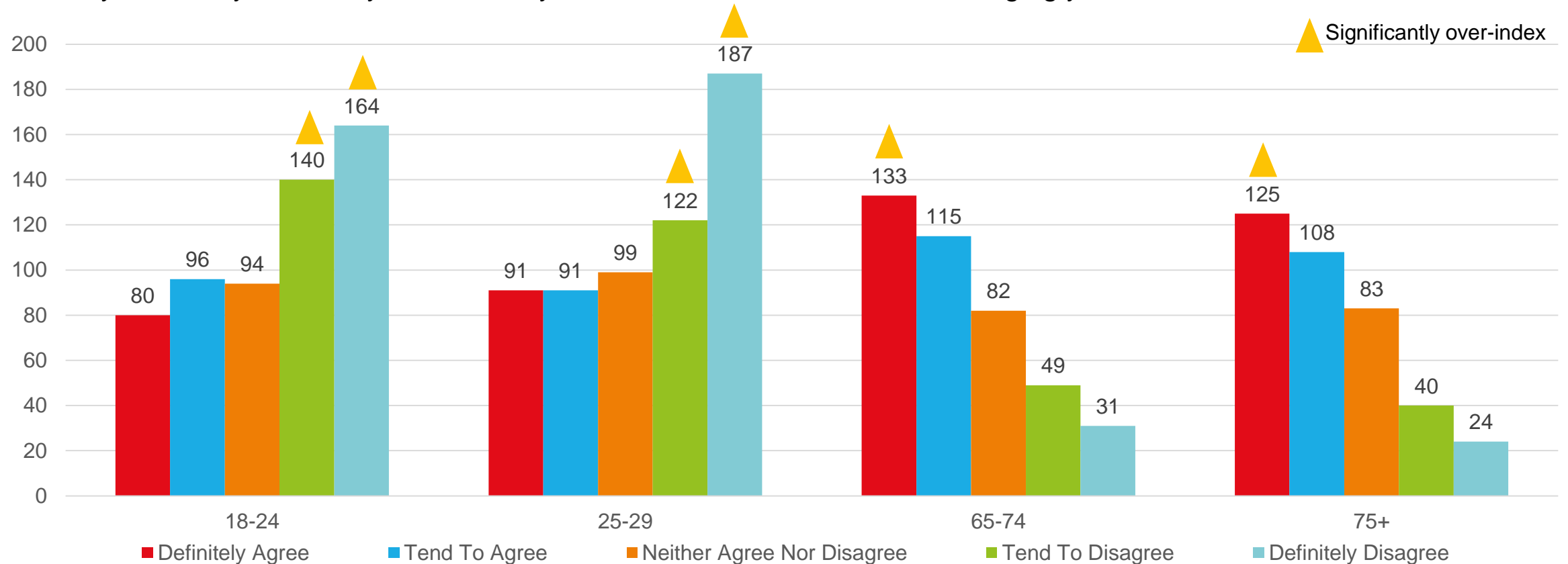


# THEIR RELATIONSHIP WITH FINANCIAL SERVICES

# THEIR RELATIONSHIP WITH FINANCES

“I AM VERY GOOD AT MANAGING MY MONEY”

- Perhaps not surprisingly the young are much less confident about managing their money and this appears to be even higher among 25-29 year olds, perhaps as they more likely now to be living independently and have less disposable income
- By the time you are in your mid 60s you are more comfortable with managing your finances

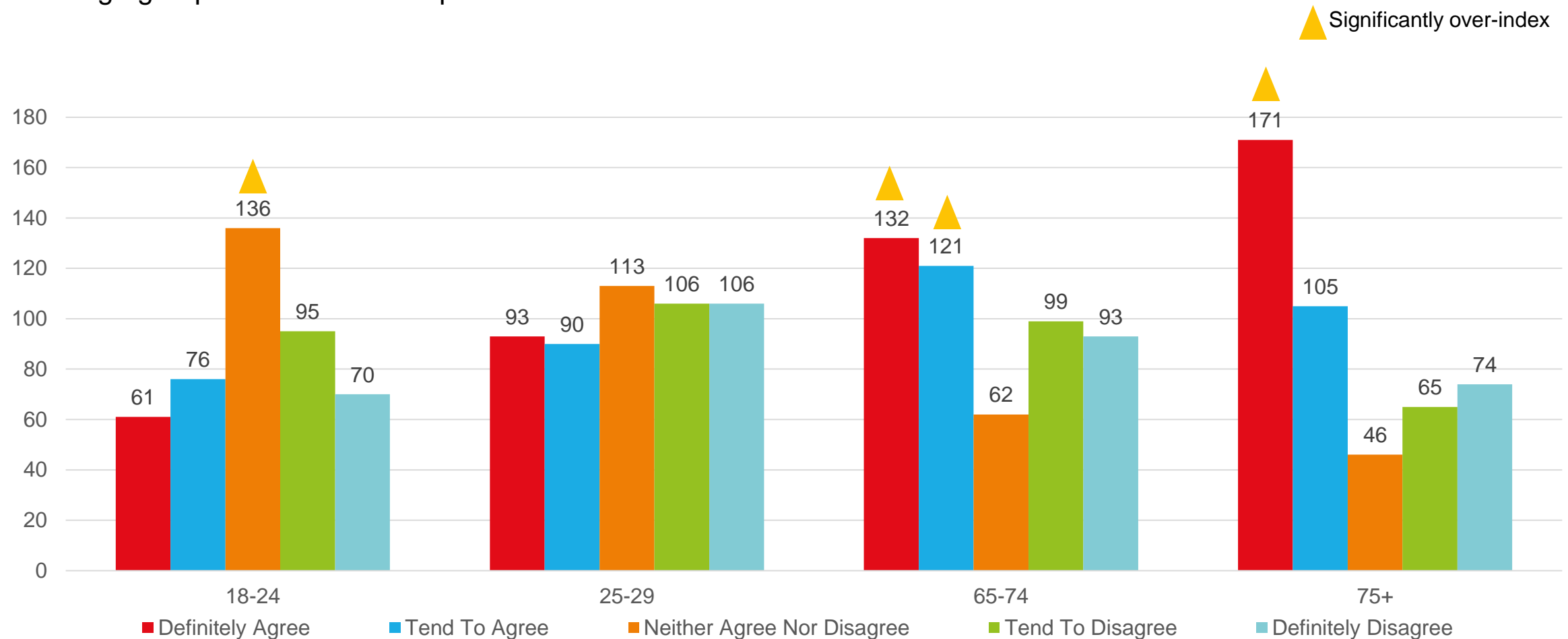




# THEIR TRUST IN THEIR BANK

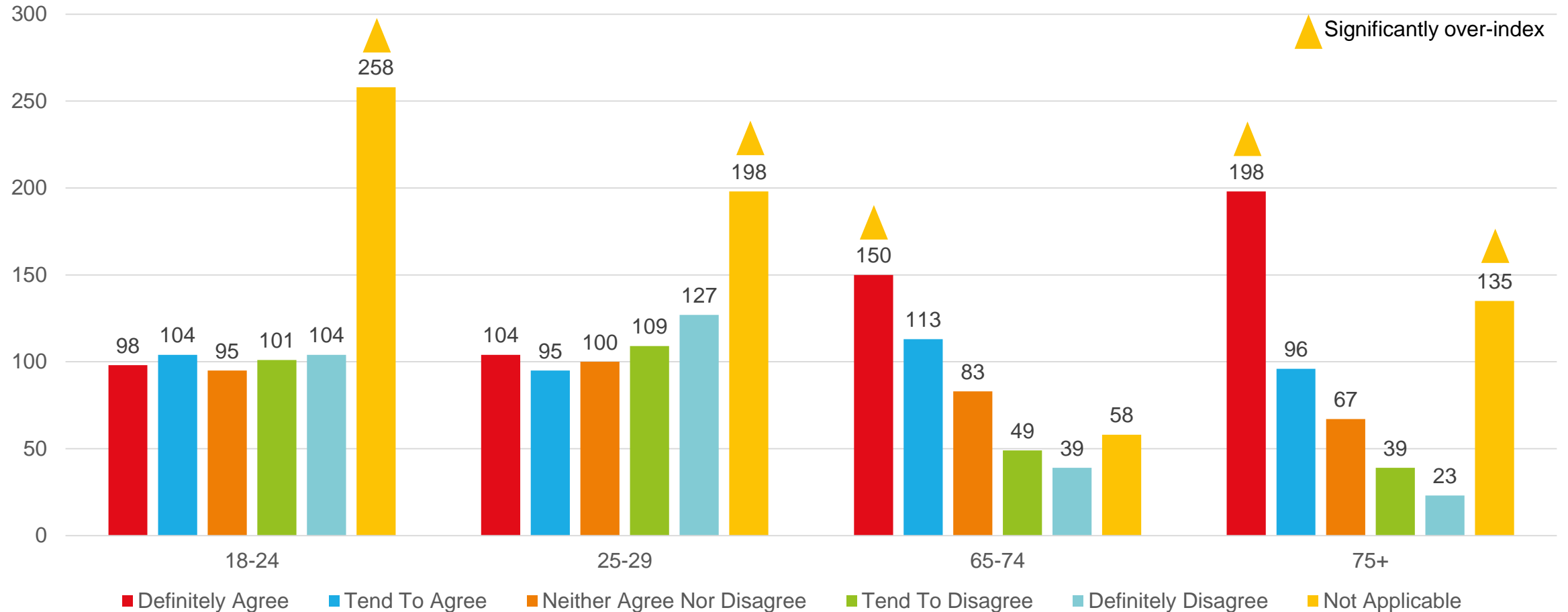
“I TRUST BANKS/BUILDING SOCIETIES TO LOOK AFTER MY MONEY”

- Those aged between 18 and 24 have the least trust of all in their banks to look after their money, whereas the older age group have a much deeper trust in them.



# HOW THEY FEEL ABOUT THEIR MONEY

“I AM PERFECTLY HAPPY WITH MY STANDARD OF LIVING”

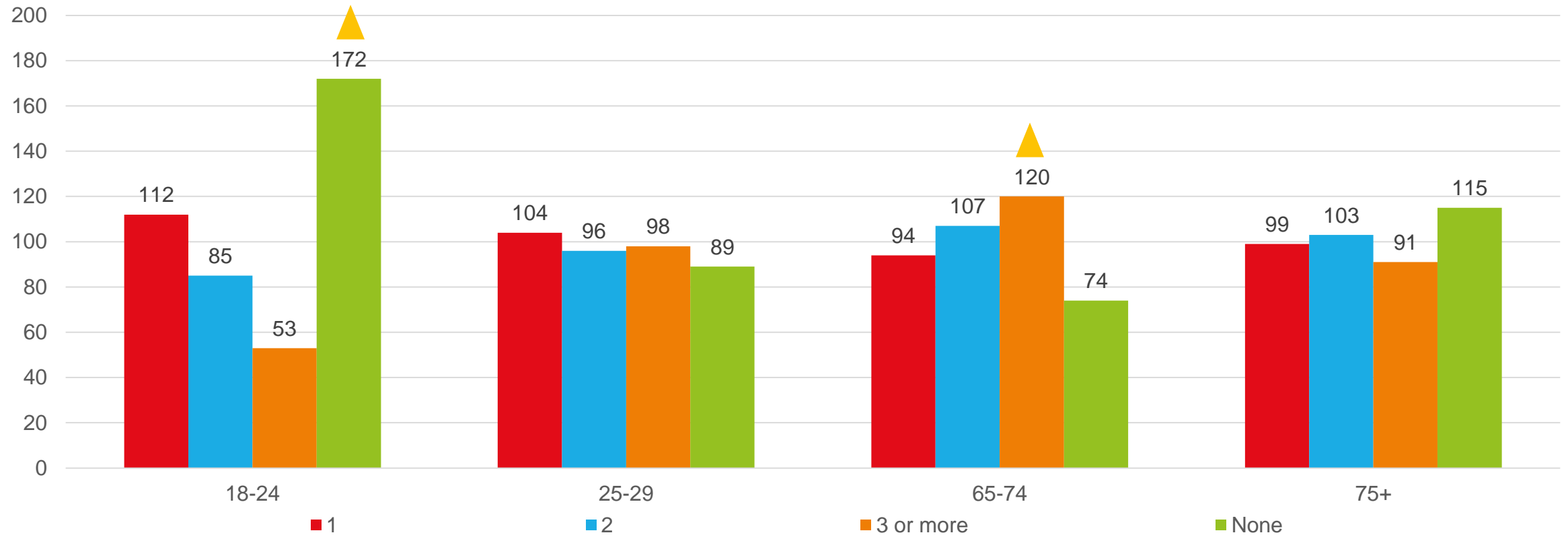


# HOW MANY BANKS THEY BANK WITH

## NUMBER OF CURRENT OR SAVINGS ACCOUNTS HELD

■ 18-24 year olds significantly over-index on the likelihood of not having a bank account of any sort.

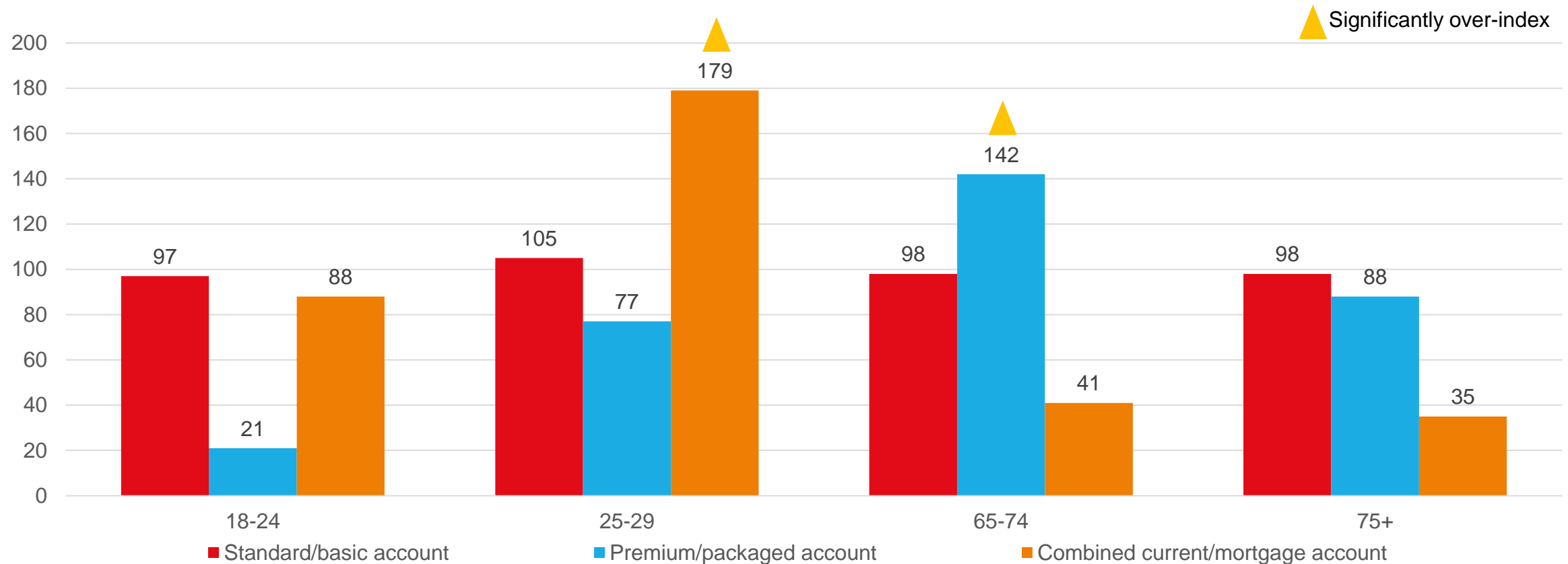
▲ Significantly over-index



# WHAT TYPE OF ACCOUNT DO THEY HAVE

## TYPES OF MAIN CURRENT ACCOUNT

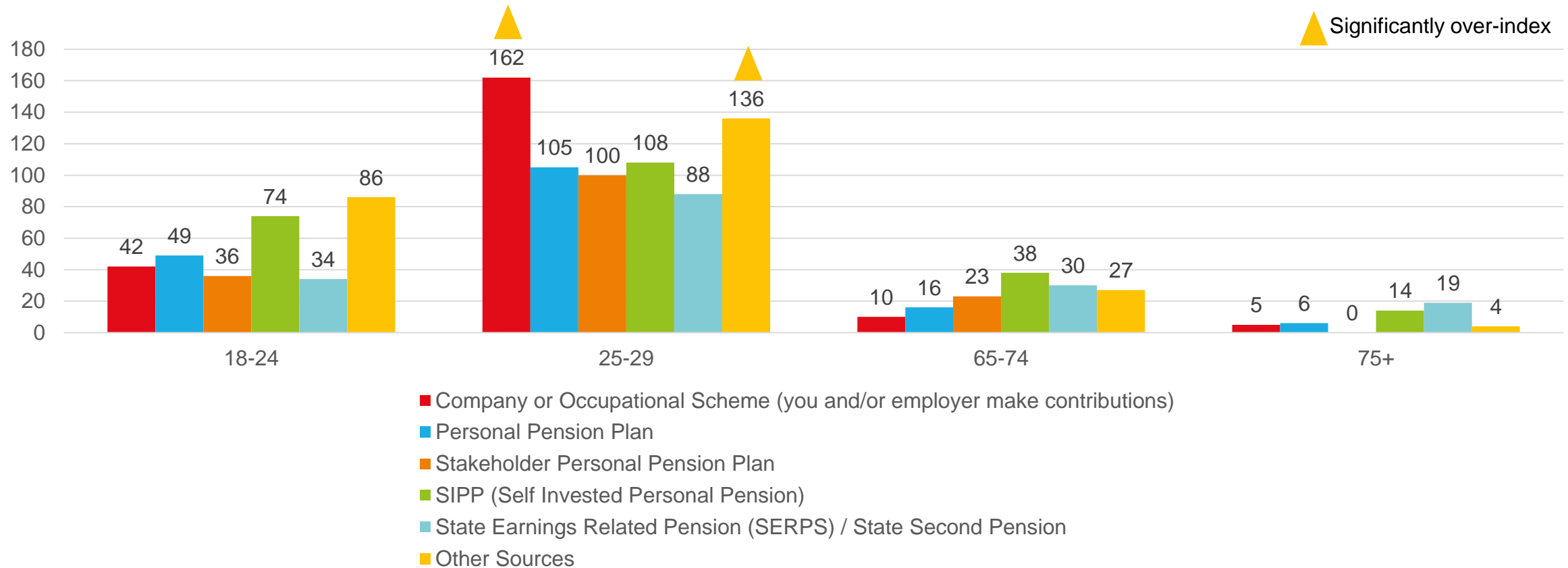
- Not surprisingly you are much more likely if you are older to hold a premium/package account.
- But it might be a surprise that the 25 to 29 year olds index so highly against have a combined current and mortgage account



# WHO IS CONTRIBUTING TO A PENSION

## ACTIVELY CONTRIBUTING TO A PENSION

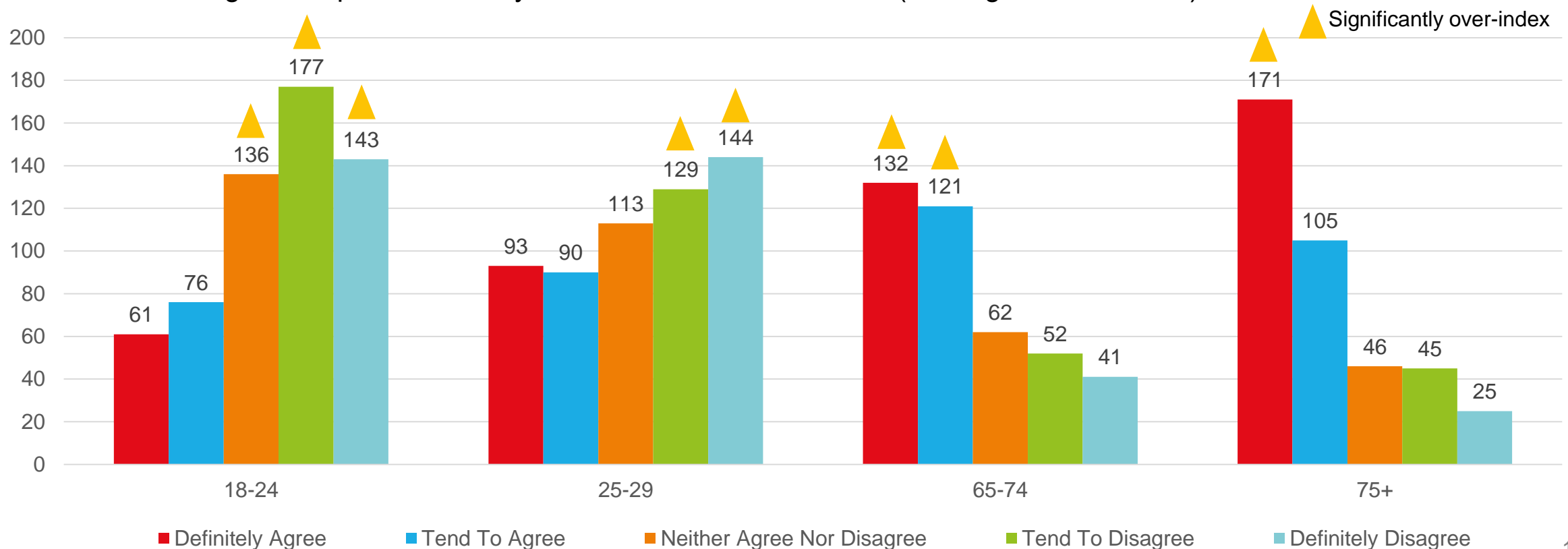
- Whilst 18-24 year olds are clearly not get engaged in planning for their retirement, this leaps within the 25 to 29 year old age group.
- Whilst of course the over 65s have more than likely started drawing on their pension.



# HOW DO THEY FEEL ABOUT PLANNING

“FINANCIAL SECURITY IS YOUR OWN RESPONSIBILITY AFTER RETIREMENT”

- The younger you are the less likely you are to agree with the notion that it is your responsibility to plan for stability in retirement, even though by the age of 25 many of them have started doing so, perhaps it seems to be still a long way off that you grudgingly start making some preparation
- On the flip side the older generation definitely feel it is their own responsibility and that's perhaps because they are now drawing on the provisions they've made for their retirement (although not all will be).



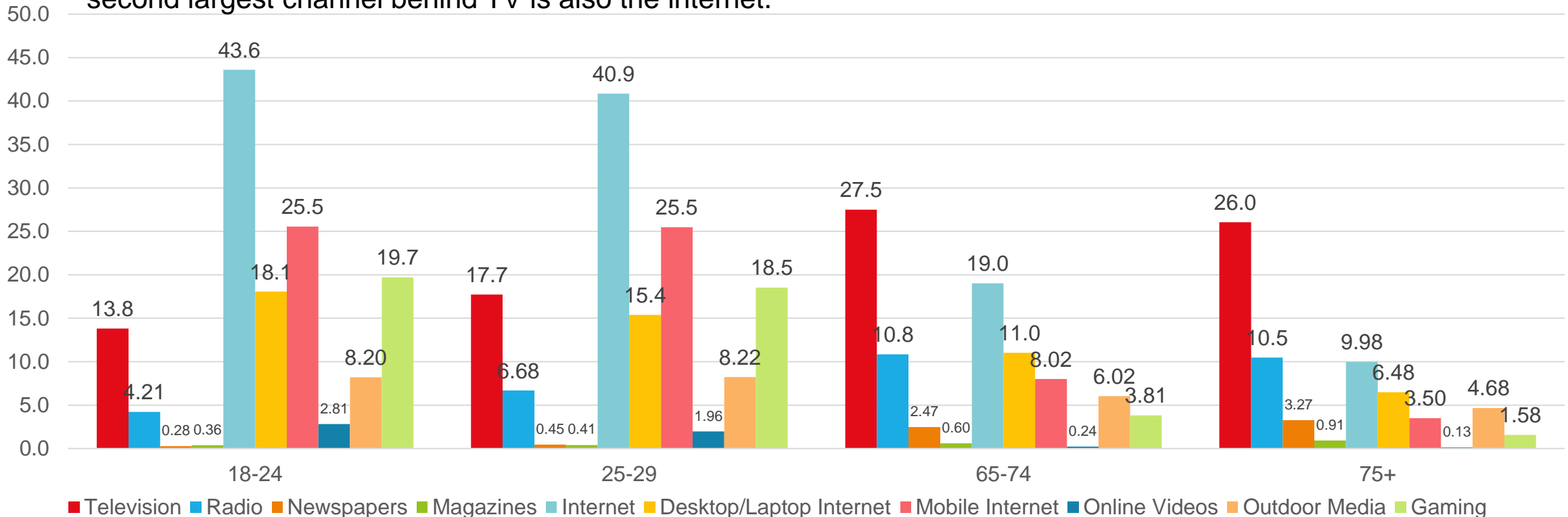


# HOW DO THEY CONSUME MEDIA CHANNELS AND ESPECIALLY MAIL

# TIME WITH DIFFERENT MEDIA CHANNELS

## AVERAGE NUMBER OF HOURS PER WEEK ENGAGING WITH DIFFERENT MEDIA

- Our younger cohorts are definitely spending a lot of time online – 18-24 year olds averaging 6.2 hours a day engaging with online content and 3.6 hours a week on their mobiles. This is only slightly lower for the 25-29 year olds. With gaming being the next most significant channel.
- The older cohorts are more likely to be watching TV or listening to the radio. Apart from the 65-74 year olds whose second largest channel behind TV is also the internet.

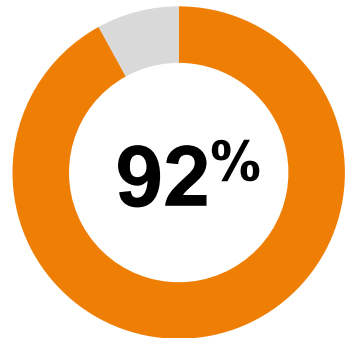
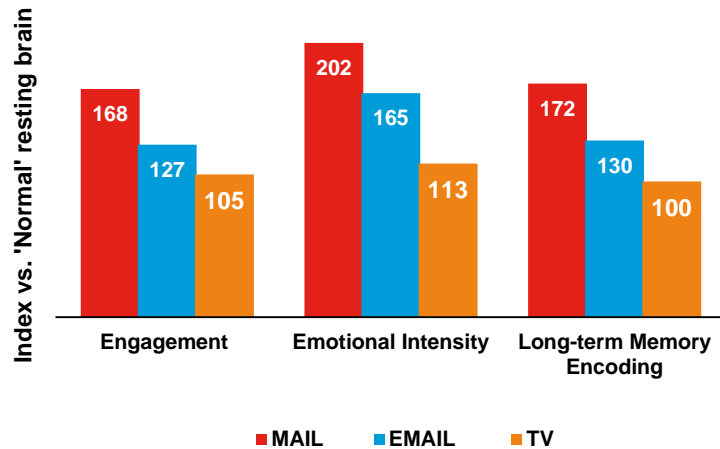




# WHY WE WANTED TO LOOK AT MAIL?

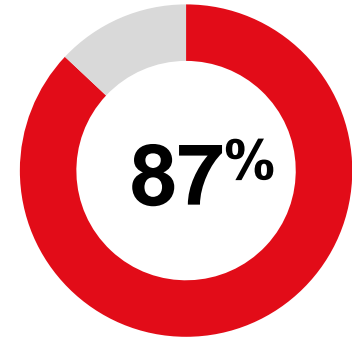
OUR RESEARCH HAS CONSISTENTLY SHOWN

The brain responds more strongly to mail than to TV or email

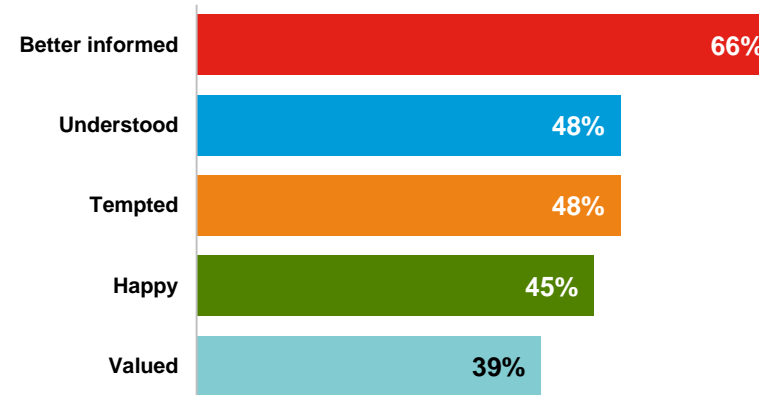


Valued mail makes people feel something. 92% of people who felt something as a result of receiving valued mail, did something

Mail adds a believable element to the mix. 87% of people consider mail to be believable, compared with 48% for email



Valued mail inspires both rational and emotional feelings



# HOW THE DATA IS GATHERED

- Mail is collected in the first week and recorded, then that week's mail is tracked over 28 days.
- People record what they do with their mail physically.

Opened it

Read / looked at / glanced at it

Put it on display e.g. fridge / noticeboard

Passed it on / left out for the person it's for

Put it aside to look at later

Threw it away / recycled

Took it out of the house e.g. to work

Used / did something with the information

Put it in the usual place



They tell us the type of mail, i.e. is it addressed or unaddressed to them or someone else.

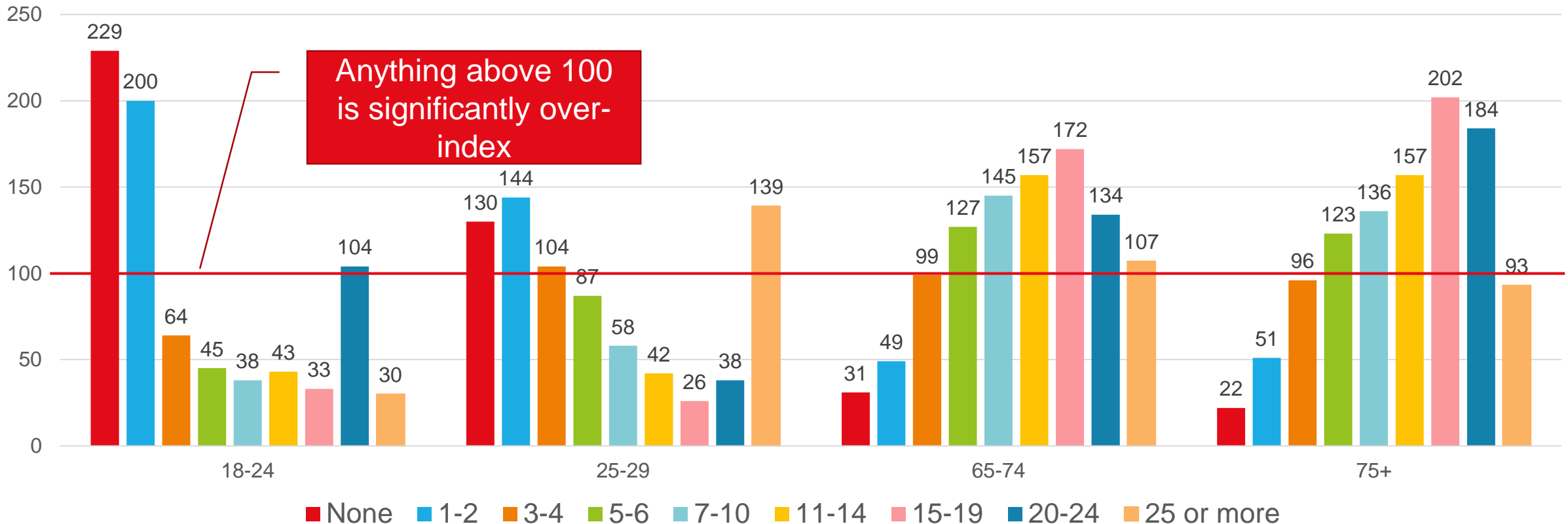
They capture what sector does the mailing or door drop come from.

The contents is it information, special offer, etc. You can tick all that apply here.

# WHICH AGES RECEIVE MAIL

## NUMBER OF MAILING PACKS RECEIVED BY AGE GROUP EACH WEEK

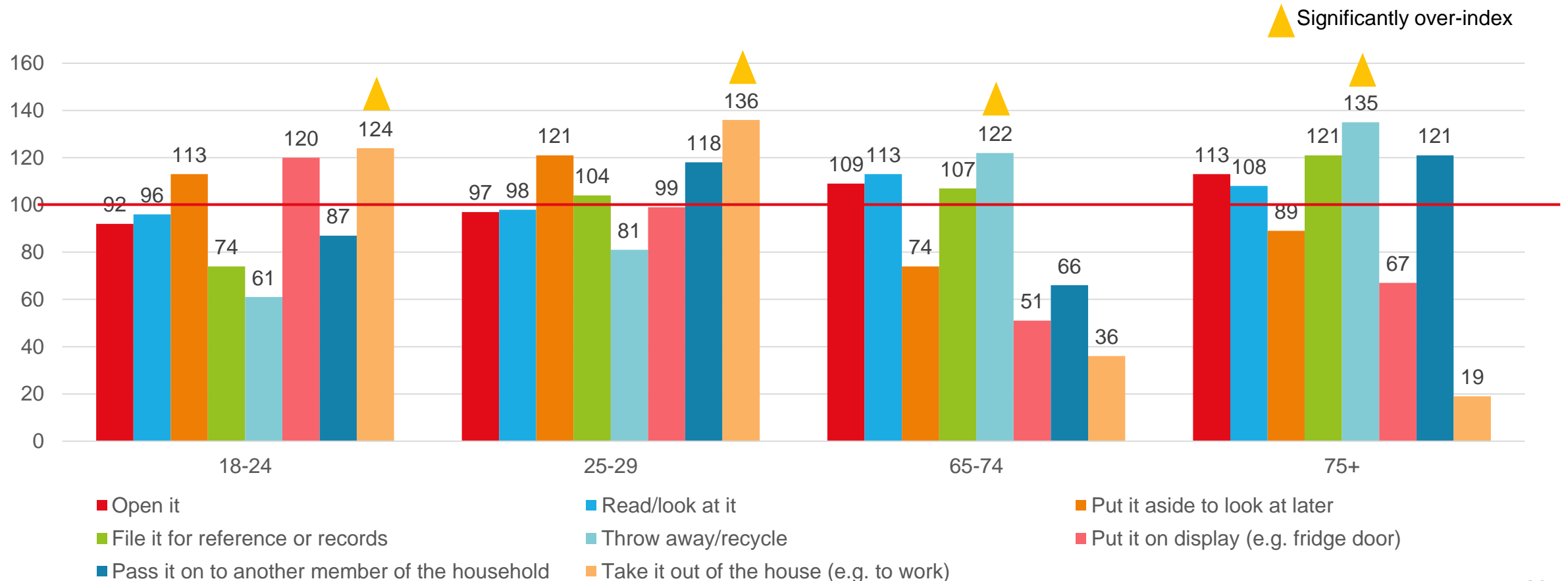
- If you are under 30 you are much more likely to be receiving just no mailing or just 1-2 pieces of mail a week. But by the age of 25-29 this starts to change.
- In the older cohort you are much more likely to receive more than 7 pieces of mail a week, rising to 15-19 for those over the age of 75.



# WHAT DO THEY DO WITH IT

## WHAT DIFFERENT AGE GROUPS DO WITH THEIR MAIL PHYSICALLY

- The younger age groups interact with mail in a broadly similar way to older groups but are more likely to put off dealing with it by putting it aside to look at later and significantly more likely to take it out of the house
- The older group look like they deal with their mail more decisively with more recycling and less putting aside



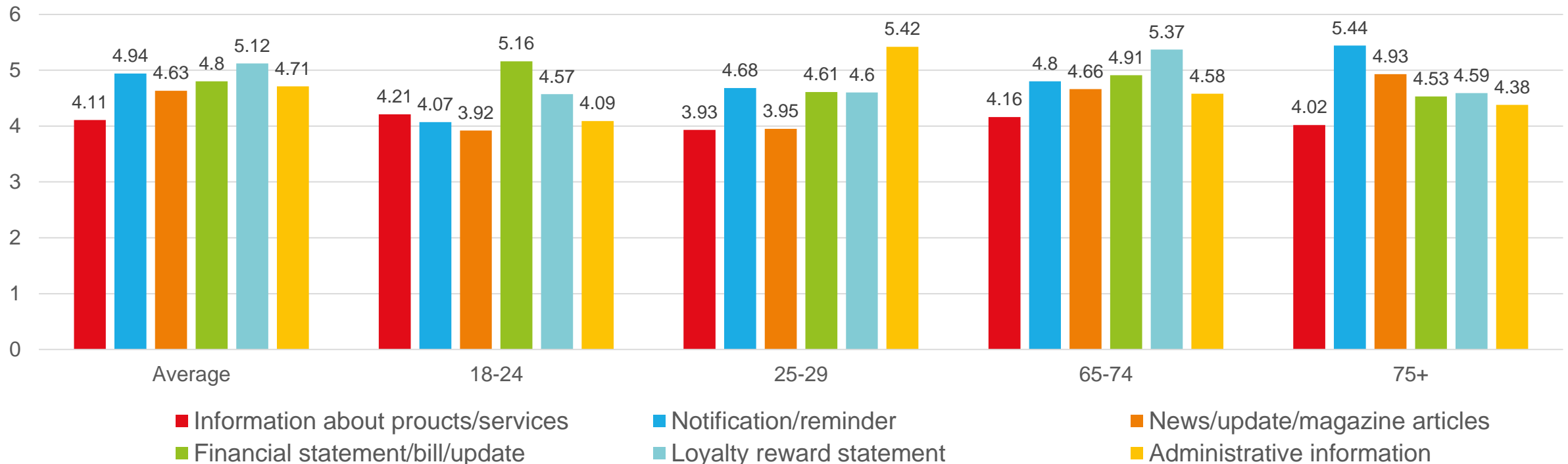
# MAIL INTERACTION BROADLY THE SAME

REGARDLESS OF AGE GROUP

Average Frequency for  
Business Mail = 4.8  
Financial Services = 4.7

Frequency is the number of times an individual interacts with their mail, physical actions only.

Frequency of mail interactions



# COMMERCIAL ACTIVITY WITH MAIL

29% OF ALL FINANCIAL SERVICES MAIL DRIVES SOME FORM OF COMMERCIAL ACTION

- Whilst not part of the JICMAIL reach and frequency data panellists are also asked to record the commercial activity which is prompted by mail. These actions are:

Discussed with someone

Visited the sender's website

Used a voucher/code

Went online for more information

Bought something, paid a bill or donated

Looked up my account details

Used a table or smartphone

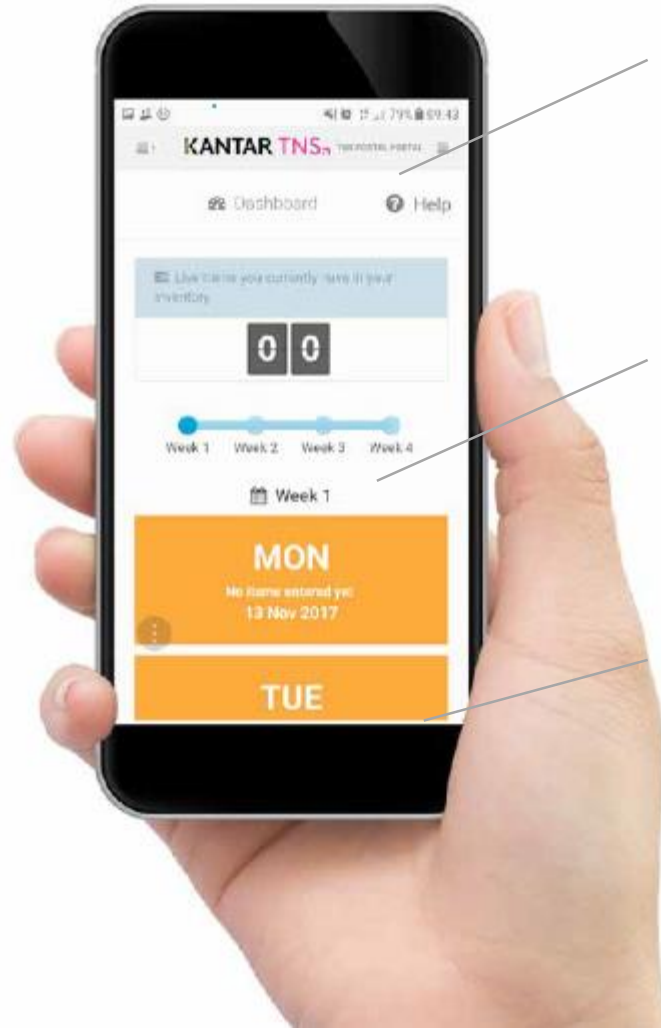
Posted a reply to the sender

Called the sender

Planned a large purchase

Visited sender's shop/office

Ordered a catalogue



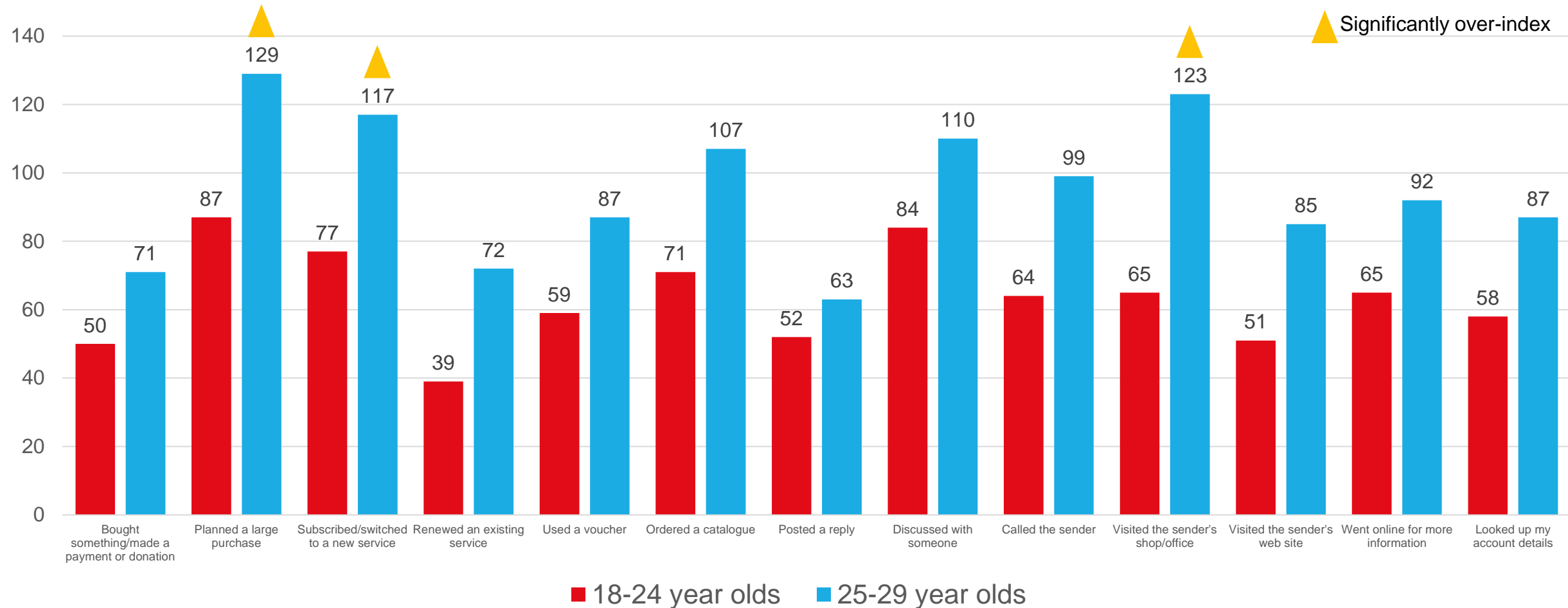
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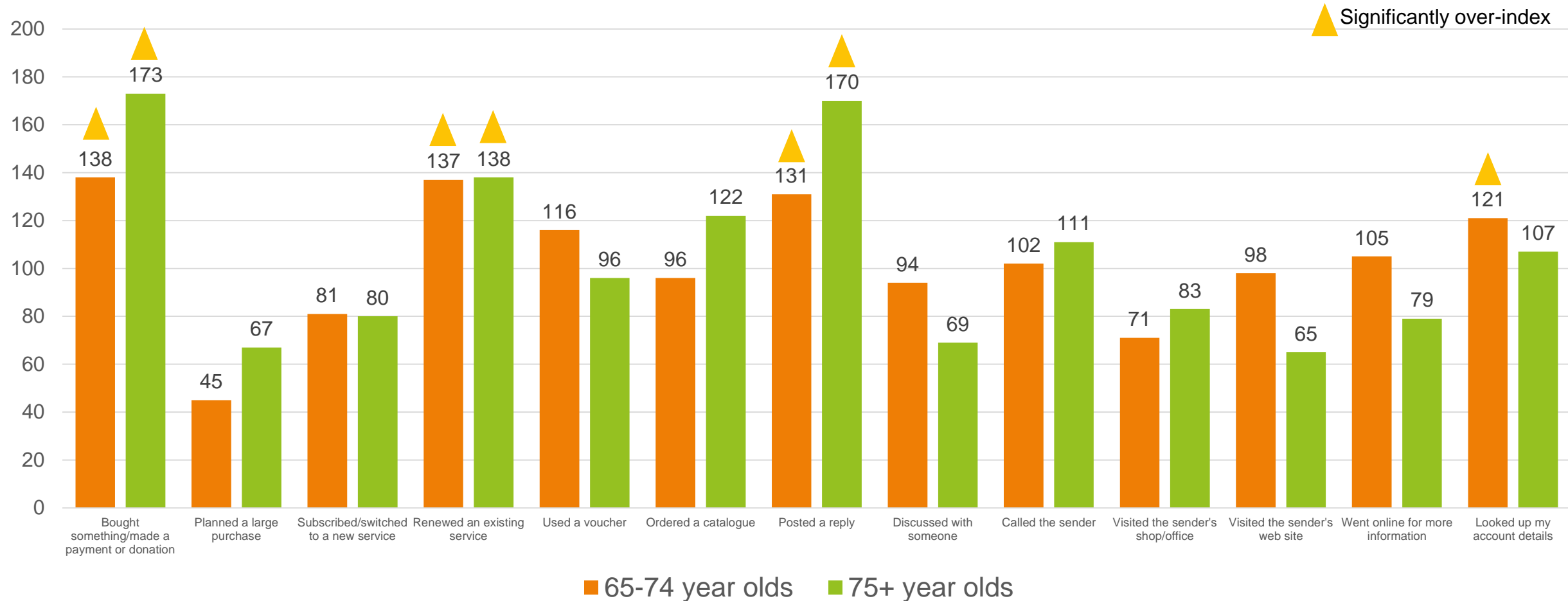
# WHAT COMMERCIAL ACTIONS ARISE FROM MAIL

THE YOUNGER COHORTS BECOME MORE COMMERCIALY ACTIVE AS THEY AGE



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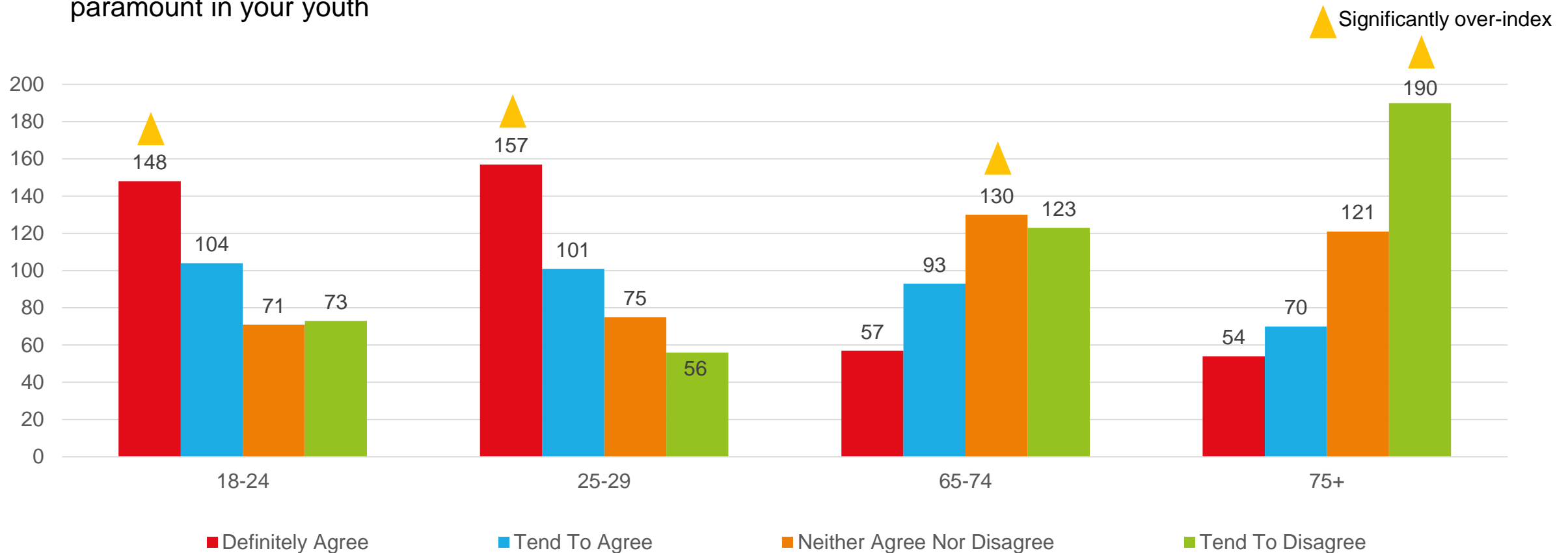


# THE GENERATIONS' OUTLOOK ON THE FUTURE

# AS YOU AGE YOU STOP LOOKING FOR FUN

“WHAT I WANT MOST IN LIFE IS TO HAVE FUN ENJOY LIFE’S PLEASURES”

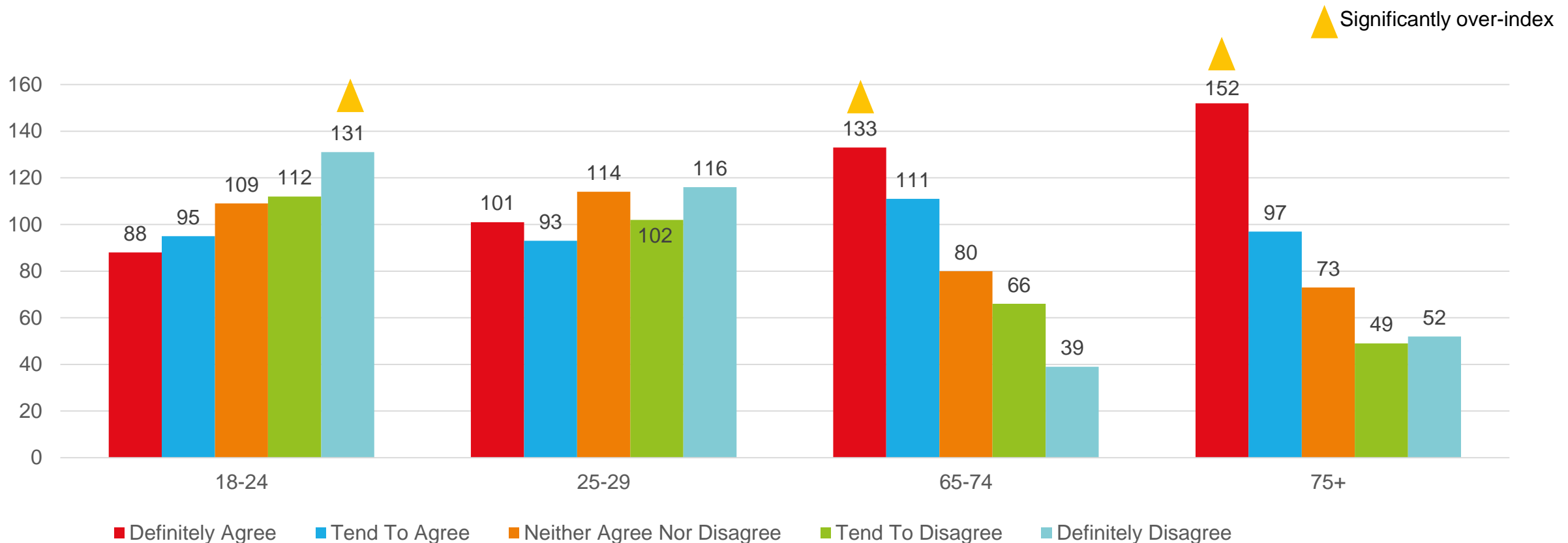
- And if none of the rest of what we’ve looked at is much of a surprise this demonstrates that the young are at a very different life-stage, which inevitably shapes how they view financial planning
- By the time you reach 75 you are not thinking much about having fun or enjoying life’s pleasures whereas it is paramount in your youth



# BUT THAT'S BECAUSE YOU'RE PRETTY CONTENT

“I AM VERY HAPPY WITH MY LIFE AS IT IS”

- But all is not lost, the older generation, whilst not wishing to live their lives having fun are pretty happy with their lot thank goodness, perhaps all their financial planning is now paying off.
- The younger age group clearly have some way to go on achieving happiness in their lives





# SO WHAT ARE THE IMPLICATIONS?

## WHAT MIGHT THIS MEAN IN TERMS OF MARKETING TO THESE GROUPS?

- Hardly surprising but our two age groups have radically different views of the world and their situation within it. Starting out you are less confident in your ability to manage and plan for the future.
- By the time you reach retirement age you're reasonably content with where you have ended up and you are pretty happy with your lot.
- And whilst the younger groups are not targeted with a lot of mail, they interact with it at similar levels.
- Young people are planning large purchases and looking to maximise subscriptions and services, so they are active commercially.
- Older people are renewing existing policies and making payments and purchases. And the 65 to 74 year olds appear to be the most commercially active with their mail.
- If you think about your own segmentation and how you interact with your customers might this make you think differently about the channels that you think are most appropriate for your audiences – mail actually works for all age groups, not just the over 70s.

# THANK YOU



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