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New research reveals quality communications are critical in stemming fund outflows. Endgame communications' Sally Wells explains how to reassure worried members and make the most of your communications.

High-quality member communications have always been important, but right now they're more important than ever.

Market volatility and plummeting returns have severely tested member confidence in super funds. In a recent survey initiated by endgame communications and conducted by Investment Trends, only 10 per cent of investors agreed with the statement: "The current market proves that your money is better invested with the experts."

A significant minority of 48 per cent also said their trust in their fund managers had been damaged and they would prefer to invest directly in future.

The report also found nearly one in 10 active members were considering a switch in their super fund provider over the next 12 months. At a time when funds under management are falling, the prospect of significant member outflows is clearly worrying.

Yet the research also contained good news for super funds. We found you can significantly reduce potential outflows simply by improving

the quality and frequency of your communications.

Not only did the survey show "keeping me informed" is the single most important factor in member satisfaction, it also showed members who felt well informed were much less likely to switch funds. For example, only 5 per cent of members who described themselves as "very well informed" by their super fund would consider switching, compared to 36 per cent of those who felt "very uninformed".

In other words, funds that don't keep members informed have a seven times greater chance of losing those members to another fund.

Cutting through

Some of these findings might strike trustees as a little unfair. After all, many funds can point to strong performance against their benchmarks and solid long-term returns, even after a year of negative results.

The problem is those messages aren't always getting through. Right now, anxious members are hungry for information, and if they don't receive it from their super fund, they'll take whatever they can find. Tellingly,

our survey showed the media is having more impact than ever on the investment decisions of Australians, with 46 per cent of members saying they were more influenced by the media than usual.

That's why a gap is opening up between those providers with best-practice communications and other providers targeting super members. The best providers have been reactive and proactive, responding quickly to market events with rapid email communications then reassuring their clients with regular investment updates. By consistently underlining key messages about the economy and your investment philosophy, you can shape the way your members interpret the news.

The connectedness of member communications and retention

The key point is that small improvements in communications can have a large impact on member satisfaction, retention and brand loyalty. Closing the communications gap has a real impact on switching intentions.

A best practice checklist



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When times are tough it's only natural that cost centres like marketing come under scrutiny. That's why you need to target your marketing and communications strategy where it will be most effective.

Fortunately, our research provides an analytical framework that adds some science to the art of communications. We've distilled it into a best practice checklist:

- Be current and immediate,
- If you don't have member email addresses, develop a campaign to get them,
- Respond rapidly to market events by email, with an analysis of their impact,
- Provide a regular newsletter or member update, preferably monthly,
- Communicate outside of regular reports. Members want more frequent

communications,

- Make it accessible,
- Centralise communications online and make them easily accessible from your home page,
- Use multiple communications in multiple mediums,
- Provide answers to frequently asked questions,
- Explain your role,
- Explain your investment strategies and your response to the crisis,
- Describe your financial strength,
- Highlight your track record in previous downturns,
- Give direction,
- Provide strategies and tips for managing volatility,
- Provide tools to help members identify their long-term goals. ✨