

Marketing Society Awards for Excellence 2013

Category T: Business to Business

Entered by Aviva and Teamspirit

Time for New Thinking: staying successful after the death of commission

In late 2012, Aviva faced a huge challenge. The government's Retail Distribution Review (RDR) promised one of the biggest regulatory changes the industry had ever seen. In particular, it threatened financial advisers, one of Aviva's key channels.

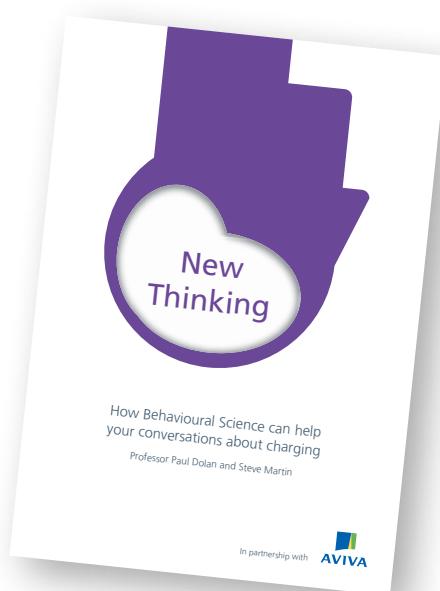
With the challenge set and the stakes high, how would Aviva respond?

As a direct result of RDR, it is thought that around 20,000 advisers have left the industry. Those remaining had a whole new challenge to overcome, the review marking the end of commission – most advisers' sole method of professional remuneration. They would now need to convince clients to pay fees for advice that many clients had seen as being free – or face bankruptcy.

Aviva initiated research along all elements of the supply chain – adviser, consumer and Aviva's sales force, a critical remaining point of influence for Aviva. The resulting insights led to the creation of a ground-breaking campaign which delivered unique, valuable advice in supporting advisers where their need was greatest – having more effective fee conversations with their clients. This cut to the heart of advisers' single biggest issue and differentiated Aviva against their bigger spending competitors.

Two of the UK's leading Behavioural Scientists were commissioned to produce tools, content and video that gave advisers the tools to best ensure their business survival. And create loyalty to the Aviva brand at this critical formative time for relationships and habits.

Campaign results surpassed all targets, hopes and expectations. Key Net Promoter and 'Likelihood to Recommend' scores rose dramatically against targeted measures and new conversations with the sales force exceeded 600% over already aggressive targets. The 'New Thinking on Adviser Charging' book was requested by over 5,040 advisers which would have put it in the business best-sellers list if it had been a paid-for work.



Time for New Thinking: staying successful after the death of commission

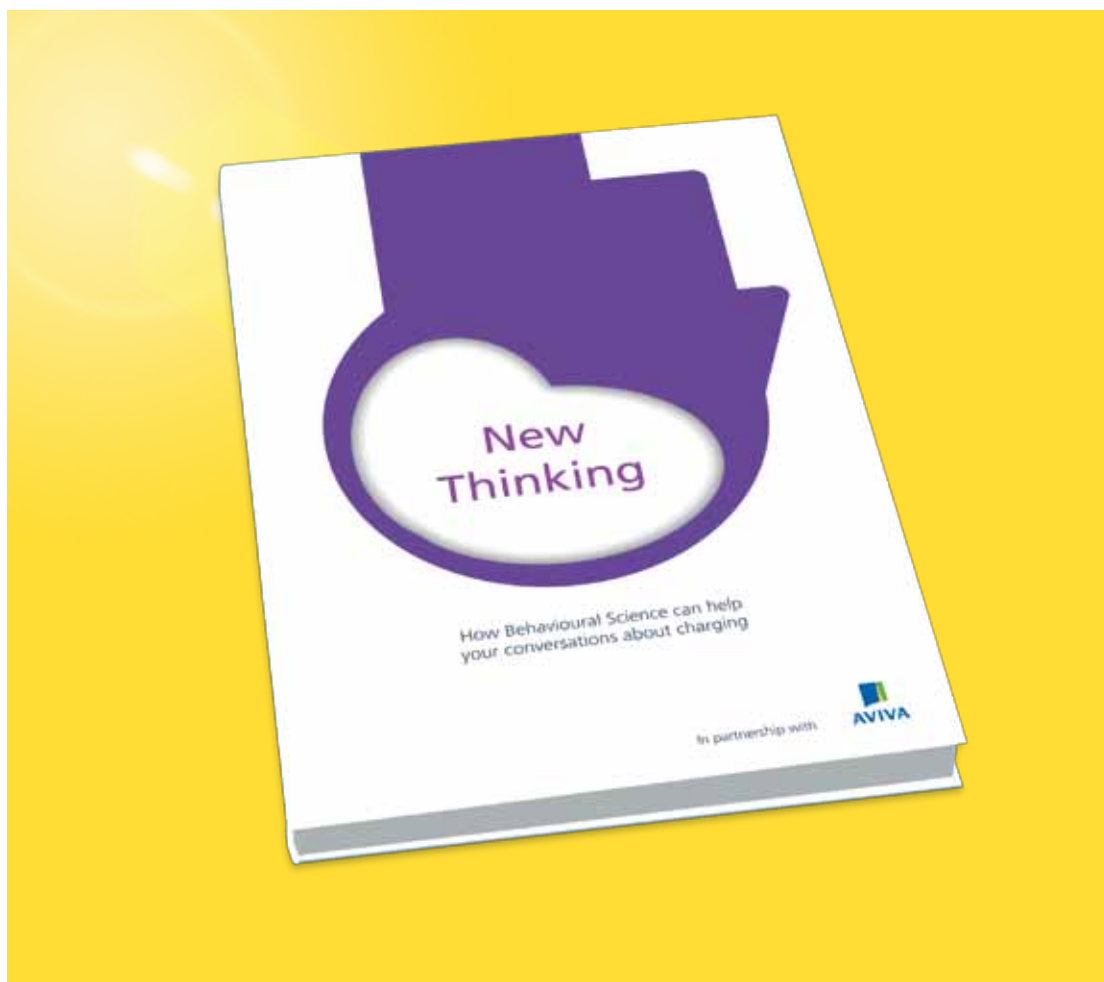
1. The Market Challenge

December 31st 2012 marked the advent of the biggest single threat to the survival of Britain's UK financial advisers – and the product providers who depend on them for sales.

On that date, the Government-led Retail Distribution Review (RDR) came into force, meaning that commission on product sales was no longer payable to advisers from product providers – and transforming the distribution status quo that had existed for decades. Overnight, fees from clients became the sole method of remuneration for financial advisers. This shifted the balance of power between brands and their adviser distributors forever, as follows:

- a) The adviser market would be smaller overall. Many advisers had planned to quit the market post RDR, industry numbers shrinking from 37,000 to 20,000 and growing the importance of remaining advisers to product providers such as Aviva.
- b) Advisers' businesses would now live or die based on the fees negotiated with their clients – the majority of whom had never paid their advisers a penny directly. Many clients would be resistant to the fees – and the required cost per hour. This was stressed in Deloitte's white paper 'Bridging the Advice Gap' which revealed that consumers would be willing to pay under £70 an hour, while advisers needed £110-£150 per hour to cover their time.
- c) Financial brands would now have massively increased importance at all stages of the customer journey – for advisers and consumers. With commission removed, sales would be based not only on the cost of advice but also brand's credibility, recognition and quality.

Business and marketing conventions that had triumphed for decades in this market no longer applied. **New Thinking was required.**



2. The Commercial Challenge for Aviva

A major part of Aviva's business was sales from advisers, representing a significant proportion of the UK Life business's turnover.

With all providers jostling for shrinking adviser share, spend from competitors such as Standard Life, Scottish Widows and Prudential had been significantly increased – Aviva's marketing budget remained level reducing their share of voice, and compromising their ability to influence advisers at this critical time.

While the strength of Aviva's relationship with advisers was now more key than ever, due to a recent reallocation of sales territories, relationships between sales force and advisers were strained. Advisers found they had a new Aviva contact that they had no previous relationship with.

And while brand perceptions with consumers were high and positive, Aviva's brand relationship was far more inconsistent with intermediaries.

Aviva fully recognised that this was a formative time for the industry and that brand, relationship and business links forged now with the remaining advisers would have a lasting impact on Aviva's business for years going forward.

Aviva and Teamspirit, their agency marketing partner of a decade, undertook root and branch analysis of adviser activity resulting in a campaign whose results exceeded targets, hopes and expectations.

3. Aviva Consumer Insight and its Impact on their Strategy

In early 2012, Aviva commissioned three pieces of research to generate insight along all stages of the customer journey and distribution chain. They commissioned ...

- a) **Adviser:** a new wave of their Adviser Brand Tracker and issue-specific research with adviser specialist NMG
- b) **Consumer:** research to probe understanding of the all-important changes to fee-based remuneration
- c) **Aviva sales force:** quantitative research

Importantly, Aviva also commissioned painstaking analysis of competitor activity at marketing and business support level – both being key dynamics for intermediary brand influence. This activity created the following insights that the subsequent ‘New Thinking’ campaign capitalised upon with effect.

- a) **Fee conversations would be difficult.** Consumers revealed a stark lack of knowledge about the fact that as of December 31st 2012 they would need to pay fees for advice that they had previously perceived as ‘free’.
- b) **Advisers were so busy planning for RDR, their time and interest for non-essential meetings with sales people would be low.** This would obviously be a barrier to Aviva’s sales force meeting with advisers at a critical time – unless the conversation was of a high value.
- c) **Profitability post-RDR was the most pressing adviser issue.** Aviva research revealed that this was the most critical concern at 44%.
- d) **Competitors’ marketing activity around RDR was intense, but ‘me-too’ and short on practical content.** Many had focused marketing support on similar topics: helping advisers define business models, understand new regulation and post-RDR



Source: Aviva Adviser Barometer (October 2012)

- customer remuneration. Yet Aviva and Teamspirit spotted a gap – a distinct lack of support on the critical issue of influencing fee conversations.
- e) **Aviva was seen as a strong consumer brand by advisers, but advisers questioned their ability to support small intermediary businesses innovatively post-RDR – when they needed it most.**

4. ‘New Thinking’ Campaign Objectives

Drawing on these insights Aviva and their communications agency, Teamspirit, devised an integrated communications plan with the following objectives:

- a) Position Aviva as a practical, business partner that understands the adviser’s critical post-RDR business issues
 - Measures of success: positive shifts in perceptions from Aviva’s Adviser Tracker against the measures ‘Aviva is committed to supporting advisers’ and ‘Aviva provides me with practical business support’

- b) Start conversations with advisers for Aviva’s sales force about Aviva’s post-RDR product and service proposition
 - Measure of success: 300 new conversations between the sales force and advisers
- c) Generate an aggressive increase in Aviva’s Net Promoter Score of 5% – and an increase in ‘likelihood to recommend Aviva’ of 5%
- d) Generate engagement with advisers, via high levels of interaction with campaign materials
 - Measures of success:
 - 500 requests for the campaign hero ‘New Thinking’ book
 - Targeted interactions with online materials and content: 4,000 web visits, 2 minutes online dwell time

5. New Thinking Campaign Timing and Budget

Timing: October – end November 2012

Campaign budget: £220,000

6. Campaign Strategy

a) Creative Approach – The creation of Aviva's 'New Thinking on Adviser Charging'.

Aviva and Teamspirit recognised that the most effective ways to drive adviser influence was by increasing adviser profitability.

This translated into helping advisers have a higher success rate in conversations about fees with clients. Cutting edge influence in verbal and written communications was being achieved by Behavioural Scientists such as Professor Paul Dolan of the LSE and Steve Martin who had already been applying their thinking successfully in a variety of sectors, including the raising of an incremental £1bn in revenues for local authorities through science-based phrasing and contextualising of messaging.

Despite their track record of consulting only on million pound projects, Teamspirit persuaded both to take part in this campaign and conduct adviser research. A range of guides and videos were then produced with practical tips on how Behavioural Science could help advisers communicate the value of financial advice more persuasively. Materials and initiatives included:

- **Book.** 'New Thinking on Adviser Charging'. A 42 page guide was commissioned as the hero content of the campaign. Authored by Professor Dolan and Steve Martin, it applied Behavioural Science to the issue of charging fees – with practical tips on influencing clients.
- **Videos.** A series of films were created, presented by Dolan and Martin, which gave advisers tutorials on how to have more successful fee conversations using Behavioural Science.
- **Sales Aids.** A number of practical, downloadable sales aids were created showing how advisers could influence using key adviser channels: letters, emails, face-to-face and telephone.

ADVERTISEMENT FEATURE

Post RDR, client conversations will call for some 'New Thinking'



Andy Beswick
Intermediary Director, Aviva

So we need to think differently in how we engage with both advisers and clients. Conventional and traditional ways of communicating need to be abandoned. It is a new world for the adviser market and it's time for some new thinking.

At Aviva, we know that many advisers want to find ways to best communicate these changes to both new and existing clients with the greatest possible effect, ensuring they understand the value of advice. Some of these communications may be difficult – get it wrong and it will have an adverse effect on your business. Get it right, however, and clients will have an even clearer understanding of advisers' service and value propositions with the positive effect being felt by businesses for years to come. And that's where Behavioural Science can come in, helping advisers make small changes... but with big effect.

How can Behavioural Science help?

At Aviva, we have a track record of supporting advisers in practical and innovative ways and Behavioural Science is at the cutting edge of business communication.

It can help replace and recontextualise these difficult subjects and topics – making clients more engaged and receptive. No wonder it's having a growing impact on many businesses and industries, including financial advice.

That's why Aviva commissioned one of the UK's leading Behavioural Scientists, Professor Paul Dolan of the London School of Economics, and best-selling business author Steve Martin, to speak to advisers and look at how Behavioural Science can

help generate more successful commercial conversations in the new world of charging. The findings can be found in our new book 'New Thinking: How Behavioural Science can help your conversations about charging'.

The book is full of practical, useful insights, tips and suggestions to help advisers have more successful conversations about the value of advice, more often, when communicating charging structures to clients.

What next?

So as we move into the new world of financial advice, it's clear a lot of 'New Thinking' with clients can help them to understand the real value of advice. Yet Behavioural Science has contextual applications for advisers far broader than charging. It can help with starting new conversations about products and services, reactivating dormant clients and generating new clients to name but three.

What is Behavioural Science?

Behavioural Science is attracting significant and growing interest in business. It teaches us how the behaviour of people is often not thought about, but in fact comes about. This can be due to the setting of their environment or the way things are discussed with them. But what's most important is that it enables you to better communicate with your clients.

To read more about Behavioural Science and for practical business help, visit www.aviva.co.uk/adviser/ntr



Download your copy of the 'New Thinking' book, written in partnership with Aviva

Visit www.aviva.co.uk/adviser/ntr




b) Utilisation of the Aviva sales force at the heart of the strategy

- Aviva’s sales force were engaged in the campaign far earlier than usual to both gain their insight into advisers’ needs – and co-ownership of the strategy and results. They were briefed to select new and existing advisers that they wanted to start new sales conversations with.
- The commercial importance of this campaign was stressed through regular internal communications:



c) Media strategy – A media strategy was designed that used complementary media to their individual strengths:

- Privileged pre-lease of ‘New Thinking’ campaign content to targeted advisers. Advisers selected by the sales force were mailed advance information on the campaign, highlighting its business value and inviting requests for the ‘New Thinking’ book.
- Rich media sampling and web traffic building. Crucial to the campaign’s success was driving interactivity with campaign materials on Aviva’s adviser website. Responsive rich media units were embedded with rich media footage, teasing to the high value Behavioural Science films and materials advisers would find on Aviva’s website.
- Thought leadership communications. Aviva sponsored the high profile Online FT Adviser Surgery – and the opinion page - to achieve the moral high ground. Advertorials, Public Relations and industry events (such as the IFP conference) were utilised to communicate how RDR necessitated New Thinking on fees – with Aviva as the champion of the issue.



d) Internal Communications – Regular communications with the sales force during the campaign maintained all important momentum, shared successes and used Behavioural Science principles to help Aviva’s sales force have more successful conversations with their targeted advisers.

e) Regular Campaign ‘refreshing’ – To keep campaign momentum and response rates high within a low media spend, the campaign updated creative three times in an eight week period – far more regularly than historically for Aviva campaigns.



7. Results and ROI

a) Significant outperformance against targeted NPS and referral scores.

As a direct result of this campaign (source: Aviva brand tracker):

- Advisers were **15%** more likely to recommend Aviva (target 5%).
- A **31%** higher Net Promoter Score (target 5%) was achieved.

b) Dramatic over-achievement of post campaign adviser brand metrics, for 'completely/very important' scores, against key campaign categories:

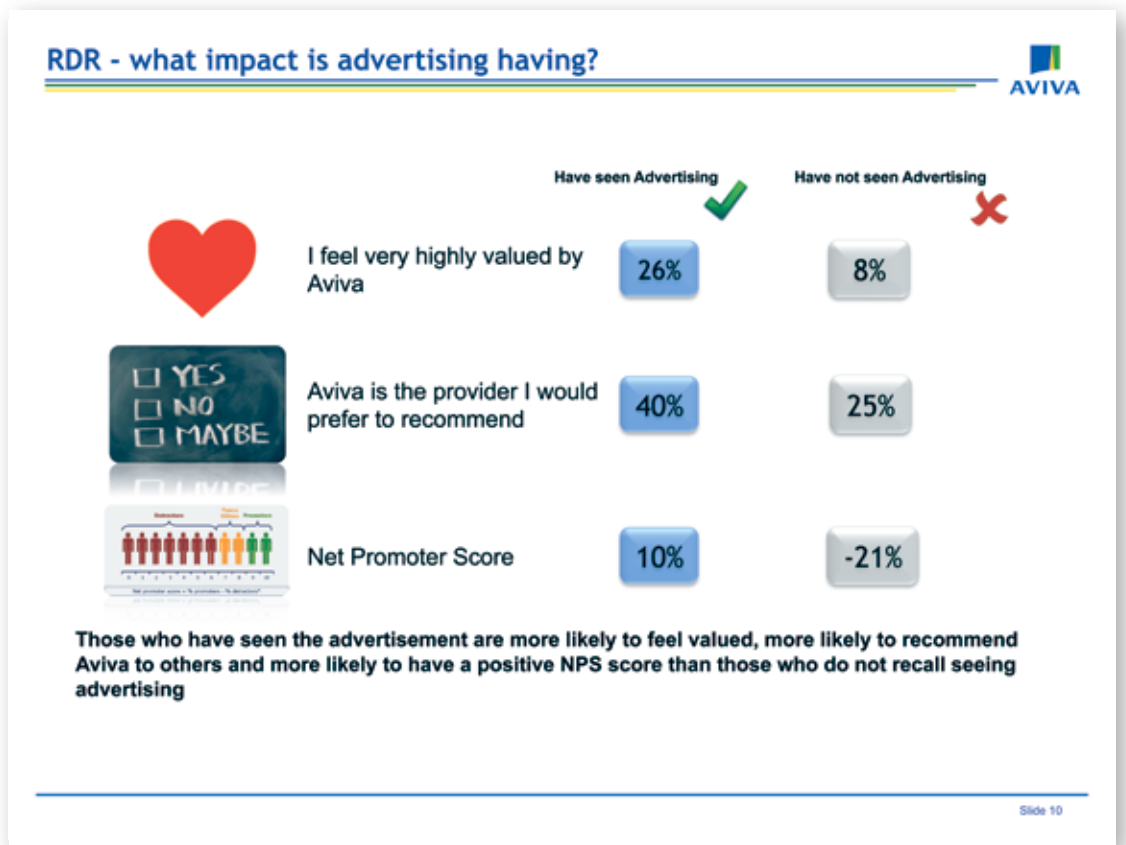
- 'Aviva provides me with practical business support'. Increase of **240%** against previous brand tracker wave
- 'Aviva is committed to supporting advisers'. Increase in **60%** against previous wave

c) Massive over-achievement against key metrics of adviser interaction with campaign channels and materials.

- **'Top 10 bestselling business book'**. The 'New Thinking' book was requested by 5,004 advisers (or the equivalent of 54% of Aviva's 8,000 adviser partners), against an initial print run of 500. If the book had been sold, this would have put it in the 'Top 10' non-fiction UK book chart.
- Over-achievement of campaign adviser web visits by **254%** against an already aggressive target of 4,000.
- Interaction with 'New Thinking' content on website **510%** over target. Downloads of Behavioural Science top tips was over five times that of targets based on recent high-performing Aviva campaign benchmarks. Dwell time on the site was an average of 4.25 minutes.

d) Over-delivery of campaign targets for new adviser conversations by an impressive **624%** at an industry-critical time. Over **2,050** new conversations were started with the sales force as a direct result of the campaign.

e) Industry recognition. So successful was the campaign that the CEO of the industry's independent trade body, the Institute of Financial Planning, Nick Cann commented.



“The biggest change in financial services regulation means that in 2013 many advisers clearly need to think differently if they are to deliver the kind of service that their clients will happily pay fees for. What stands out to me about the 'New Thinking' campaign from Aviva is that it focuses on behavioural issues and gives financial planners relevant and practical help that they can apply immediately to their businesses. It is an innovative approach and shows that Aviva is a company that understands advisers' needs.”

Nick Cann, CEO, The Institute of Financial Planning.