



Financial Services Authority

Pensions review phase 2:
report on the production
and outcome of the
advertising campaign

August 1999

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1 Campaign summary

At the beginning of 1999, the FSA launched a major multi-media campaign in support of mailings being sent by authorised firms to all investors falling within phase 2 of the personal pensions review. This was a unique and substantial campaign which was widely acknowledged to involve a particularly complex communication task. It broke new ground for a regulator, and was funded by a direct £10.5 million levy on the industry. This document provides an account of the campaign's objectives, its development and its results.

The campaign had three objectives:

- to create awareness of past personal pension mis-selling between April 1988 and June 1994 amongst the phase 2 population (the target group);
- to pre-dispose the target group to understand that it was their responsibility to request a review (if they wanted one) by returning a questionnaire;
- to avoid either causing unnecessary alarm to the general public or dissuading anyone from investing in their future financial wellbeing.

Achievement of these objectives during the period specified for the mailing – the campaign ran for the four month mailing period from January to April 1999 – involved mass market advertising. Research had shown that the majority of the target audience were unlikely to read the financial press or to be receptive to standard financial advertising. The FSA therefore concluded that television advertising at peak viewing times was essential. A total budget of £10.5mn was set, with the costs of the campaign being charged to those authorised firms conducting the pensions review.

The FSA has carried out research to assess the effectiveness of the campaign. This research has demonstrated that the first and third campaign objectives were certainly met, and that a reasonable measure of success was also achieved in respect of the second objective. The relative difficulty in meeting the second objective was not surprising: the message to be communicated was complex; a significant number of consumers are distrustful of the financial services industry;

and the target audience were not particularly interested in pension provision. The key results can be summarised as follows:

- awareness of the pensions review has increased markedly: from 70% to 89% in the target group;
- most investors who were aware of the pensions review also correctly understood its aims;
- 80% of the target group who recognised the mailing knew that they had to fill in and return a form if they wanted their case reviewed;
- attitudes to the financial industry and to saving were not damaged by the campaign.

Of course, as is often the case with research of this type, it is not possible fully to disentangle the impact of the multi-media campaign itself from that of the mailings that it supported. The latter were an important source of information for the target group. The campaign period also coincided with extensive public debate on other pension related matters – in particular on SERPS and on stakeholder pensions. This debate may also have affected investors' reactions and responses to the advertising.

Direct comparisons between the effectiveness of the FSA campaign and others are difficult as the FSA campaign was unusual in its objectives and in the complexity of the message to be communicated. Data on the effectiveness of other such campaigns are also not widely available. Nevertheless, the level of awareness generated by this campaign compares very favourably with other campaigns involving financial services products. Research also showed that the target audience's comprehension was above average for financial advertisements.

Throughout the development of the campaign the FSA was grateful for the views and advice of a Technical Advisory Group whose members included consumer and industry representatives. The group was established in the summer of 1998 to assist the FSA with the campaign, and met regularly to provide invaluable technical advice on the design and structure of the campaign.

2 Context and objectives

a Pension review policy background

- 1 In 1994/5 the investment business regulators¹ set out a programme of review by authorised firms of personal pensions sold between April 1988 and June 1994. This review was to identify cases where people were badly advised to take out personal pensions in circumstances where they would have been financially better off at retirement by staying in, or joining, an employer's occupational pension scheme. Where the review showed that an individual was badly advised, and that the advice had caused loss, the firm responsible was required to provide redress.
- 2 The review announced in 1994 required firms systematically to review the categories of investor most at risk of having lost out from bad advice – the so-called 'priority cases'. All firms were required to complete this stage of the review by December 1998. Latest data show that 690,000 cases have now been reviewed; that 384,000 investors have been offered and accepted redress; and that the amount accepted is £2.6 billion.²
- 3 In August 1998, the regulators announced the programme for a further stage of the review – the so-called 'phase 2 cases'. This followed extensive research conducted by the FSA and PIA and a joint consultation exercise as to how this review should best be carried out. The research found that although the losses for phase 2 cases were generally lower than for priority cases they were nonetheless widespread and material (see table 1). The available evidence suggested that in many cases the losses were likely to have resulted from bad advice and that the investors concerned would be owed redress. The regulators therefore decided, following consultation, that a phase 2 review should be undertaken.

¹ The FSA (then SIB), the chief investment business regulator, issued guidance to all Self Regulating Organisations (SROs) and Recognised Professional Bodies (RPBs) in October 1994. This was implemented in all cases over the following twelve months – in some cases, after consultation. The membership of the Personal Investment Authority (PIA) account for by far the majority of the relevant personal pensions sales, and the PIA has therefore been in the forefront of monitoring review progress.

² Some of the redress offered and accepted has been in the form of either unconditional offers of reinstatement or a guarantee. Where this is the case, the value of the redress is as yet unquantified, and the figure of £2.6 billion therefore understates the full amount of redress to be paid as a result of the priority review.

Table 1: Population and average prospective loss data for investors falling within the pensions review

The first number in each cell is the estimated number of reviewable cases in that category. The second is the estimated average prospective loss per case.

Transfers		Men aged 50 or over and women aged 45 or over		Men aged under 50 and women aged under 45	
		Number of cases	Average prospective loss	Number of cases	Average prospective loss
		155,000	£8,000	985,000	£4,000

Opt outs/non-joiners		Aged 35 and over		Under age 35	
		Opt out	Non-joiner	Opt out	Non-joiner
Same employer	Chose to contribute	33,000 £14,500	110,000 £12,250	66,000 £7,750	187,000 £6,000
	Rebate-only	11,000 £13,500	11,000 £11,250	40,000 £5,500	200,000 £3,250
Changed employer	Chose to contribute	33,000 £8,000	55,000 £7,000	44,000 £4,500	132,000 £3,500
	Rebate-only	11,000 £7,000	22,000 £5,750	60,000 £2,250	340,000 £1,750

Notes

- 1 Shaded cells are priority cases, non-shaded cells are phase 2 cases.
- 2 For transfer cases, opt out/non-joiner own contribution cases and population data for rebate only opt outs aged 35 and over, source of data is *Pension transfers and opt outs review phase 2. Consultation Paper 7* issued jointly by FSA and PIA in March 1998.
- 3 For remaining data on rebate-only cases, source is a summary of information contained in *Response to the consultation on phase 2 of the Pensions Review* issued jointly by FSA and PIA in January 1999.

- 4 For phase 2 of the review, the FSA and PIA introduced – following consultation – an important change to the process that firms were required to use in order to identify the investors whose cases were to be reviewed. In contrast to the priority review (where firms were required to review all eligible cases), the phase 2 process was as follows:

For all investors other than rebate only investors aged under 30 at time of sale

- Firms were to invite investors to put their case forward for review (via a ‘direct invitation’). The invitation was to be accompanied by simple guidance to help investors to decide whether the review was relevant to them. Where investors requested a review they were asked to return, with their request, some basic information about themselves.

- These direct invitation mailings from firms to investors were to be accompanied by a multi-media advertising campaign, to increase awareness and understanding among phase 2 investors both of the review as a whole and of the potential implications of any decision on their part to participate, or not, in the assessment of their own case.

For rebate-only³ investors aged under 30 at time of sale

- Firms were to send a specially tailored factsheet to relevant investors which, alongside general information about the need for such investors to improve their pension provision if they were able to, would alert recipients to the opportunity to request a review of their case should they wish.

5 A key part of this phase 2 approach was a desire actively to involve investors so that they made ‘informed decisions’ about their own circumstances. Firms would review a case only if an investor requested it; and investors who read the materials sent to them, concluded that they did not want a review and, as a result, did not return a form would also have made an informed decision.

b Campaign objectives

- 6 Against this background the phase 2 publicity campaign had three objectives as set out in paragraph 2 above.
- First, the FSA needed to ‘*create awareness of past personal pensions mis-selling between April 1988 and June 1994 amongst the target group (i.e. the phase 2 population)*’. Qualitative research undertaken before the campaign amongst individuals within the review population had suggested that general awareness of the review was high and widespread. But, significantly, the research also indicated that phase 2 investors were less likely than those in priority categories to feel that they might personally be at risk of losing out as a result of past mis-selling.
 - Second, there was a need to ‘*pre-dispose the target group to understand that it was their responsibility to request a review by returning a questionnaire*’. Here, experience of the priority review had been that some investors do not reply to letters, or tend to reply slowly and may provide inaccurate information. Research suggested that this would be particularly problematic in the case of younger phase 2 investors. They are typically uninterested in pensions, often unaware that mis-selling could have happened to them, and where there had now been a considerable passage of time since the initial sale. The publicity campaign therefore needed to encourage these less motivated investors actively to engage in the process,

³ A rebate-only investor is one who took out a personal pension during the review period into which the only contributions were National Insurance contribution rebates, and contracting-out incentives paid by the DSS.

to recognise the direct invitation mailing when it reached them, and to realise that it could be of sufficient importance to them for it to be worthwhile working carefully through the contents.

- Third, however, the campaign needed to **avoid** either '*causing unnecessary alarm to the general public*' or '*dissuading anyone from investing in their future financial wellbeing*'. In particular, the FSA was keen to ensure – so far as possible – that pensions mis-selling was seen to be a past phenomenon (rather than something that is pervasive now), and therefore that investors' confidence in the financial services industry and their propensity to save was not further damaged by this advertising.

3 Campaign development and scope

a Appointments

- 7 Given the complexity of the communications task and the need to ensure that the interests of both consumers and industry were heard and considered in the development of the campaign, the FSA set up a Technical Advisory Group to advise on campaign development. The group met regularly while the campaign was being developed and then throughout the period that it was on air. They provided invaluable advice and were unanimously content with the advertisements in their final form.
- 8 The Technical Advisory Group was chaired by Philip Robinson, Director, Communications and Corporate Affairs. Its external members were:
 - Janice Allen*, Senior Press Officer, National Consumer Council
 - Tony Baker*, Deputy Director General, Association of British Insurers
 - Sandra Chalmers*, Director of Communications, Help the Aged
 - Brendan Cook*, Head of Sales and Market Development, Midland Bank
 - Cathal Dowling*, Group Advertising and Brand Manager, Legal & General
 - Steven Gould*, Head of Corporate & Media relations, Consumers Association (later replaced by Marcus Rand and then by Jenny Driscoll)
 - Maurice Healy*, member, PIA Consumer Panel
 - Roger Sanders*, Roger Sanders Associates
- 9 Internally, the FSA assembled a Steering Group to oversee the campaign. This comprised staff from the Pensions Review, Consumer Relations, and Communication and Corporate Affairs Divisions. It included a professional campaign manager, with extensive prior experience of financial services advertising, who was recruited specifically to assist with this campaign.
- 10 The FSA appointed the following professional advisers:
 - Central Office of Information (COI)*, the UK's sixth largest buyer of advertising – to assist in the appointment and subsequent management of the

advertising agency and other advisers, and to deal in particular with buying the media time and space for the campaign.

Lowe Howard-Spink – to advise on the creative content of the campaign, to produce the advertising material, and to devise the media strategy.

Reflexions Communication Research – to conduct consumer research on the initial creative concepts of the pitch and on the creative development of the campaign.

Millward Brown International – to conduct consumer research through pre-testing public reactions to, and understanding of, a TV advertisement prior to campaign launch

IFF Research Ltd – to conduct consumer research into understanding of the phase 2 mailing materials amongst various groups.

BMRB International – to conduct pre and post campaign research to establish the impact of the campaign on various audiences

Broadsystems ADS – to manage a dedicated consumer helpline service

Ludgate Communications – to advise on public relations.

b Campaign development

- 11 The campaign was developed between July and December 1998, culminating in the launch on 5 January 1999. During this time four pieces of research were conducted to support development of the campaign: *pitch research* (to enable a choice to be made between the creative ideas of two different advertising agencies); two *creative development studies* as the initial ideas of the successful agency evolved and were refined; and finally a *communications check* tested the near-final television advertisements on samples of the target audience and the general public.
- 12 The ‘pitch research’ set out to answer the following questions:
 - *Was the creative approach effective? Did it raise awareness of the review?; did people understand that a form would be sent to them?; and did it motivate consumers to complete the form if appropriate?*
 - *Were there any unwanted responses among the target audience or the control groups?*
- 13 The research was qualitative in nature. It consisted of 12 discussion groups – comprising either consumers in the target audience or people who were not (a control group).
- 14 There were two key research results. First, the need to raise awareness of the review was very evident – a significant proportion of the target audience tended not to be aware of the pension review as a live issue as opposed to a historical problem. Second, research showed that of the two proposed creative

approaches tested, one was effective. Most particularly, the target group welcomed the fact that information was conveyed straightforwardly, and they understood it.

- 15 In terms of the three campaign objectives, the key ideas underlying the creative approach adopted can be summarised as follows:

Creating awareness

- Pensions were made more immediate and relevant for the younger phase 2 audience through the underlying thought 'If you care about small sums, why not bigger ones?'
- A controlled sense of injustice was created through use of the concept of being 'short changed' and use of the phrase 'They .O.U.'

Communicating consumer responsibility and encouraging appropriate action

- Recognition of the mailing was created through use of a distinctively designed envelope.
- A question was posed: 'Mis-sold a pension?'
- The audience was empowered through the use of an everyday familiar scenario in order to explain what they should do; through stating in the explanatory text of the press advertisements that a large number of investors had already succeeded in getting compensation; and through making it clear that there was regulatory oversight of the review process.

Avoiding alarm or dissuading people from saving

- Emphasis was put on the past through use of the review dates.
- The situations depicted in the advertisements avoided the notion of blame or retribution – a mistake was put right and the customer went away happy.

- 16 Two creative development studies were conducted in autumn 1998. These too were qualitative. The first was to provide further guidance on the development of the campaign by obtaining consumer reactions to new or revised material. The second was to test whether the inherent strengths of the campaign had been maintained during its evolution since the pitch research and whether the advertising across the various media formed a coherent campaign. Each of these projects resulted in further refinements to the advertising. They also further confirmed that the 'They .O.U.' theme engaged the target audience and was understood; and that the theme could work across a range of media, i.e. TV, radio and press.

- 17 One of the most important lessons learned through research concerned the limited amount of information that could be carried in the television and radio advertising. The campaign message was complex and there was a particular

need to filter the audience as much as possible – so that the target audience recognised themselves while the general public was not unnecessarily alarmed. It was found however that if all the necessary filters were included (i.e. relevant dates, purchase of a personal pension, *and* eligibility for membership of an occupational scheme) viewers and listeners became confused and actually retained less information than if the message was kept relatively simple. It was therefore concluded that references to eligibility for membership of an occupational scheme should be omitted from TV and radio. They were however included in teletext, in the explanatory text of the press advertising, and on the website.

- 18 As a final communications check, the TV advertisement was pre-tested on samples of the target audience and the general public. The research was conducted during November 1998 and consisted of 100 interviews with people in the review target group and 98 interviews with the general public.
- 19 The findings from the pre-test confirmed the earlier creative development studies and can be summarised as follows:
 - People found the advertisement to be very engaging and involving – unusually so for a financial advertisement. This was critical since it is the first stage of the communication process.
 - Comprehension of the content was above average for financial advertisements, but as was to be expected given the complexity of the message, slightly below average for advertisements in general. In particular, viewers focused on the generic message of ‘pensions mis-selling’ rather than on specifics related to further action.
 - The target audience found the advertisement much more relevant than the general public.
 - The target audience also felt that the message was credible (i.e. they would get their money back if owed), and the majority intended to take action either proactively by contacting their firm or reactively by completing and returning the form when they received it.
 - There was no evidence to suggest that the advertisement caused any collateral damage e.g. reduced the propensity to save in the future.

c Media scope

- 20 The final campaign (launched on 5 January 1999) had a wide scope in terms of types of media covered:

Television: There were two 40 second and one 30 second advertisements.

Radio: There were five advertisements for commercial radio.

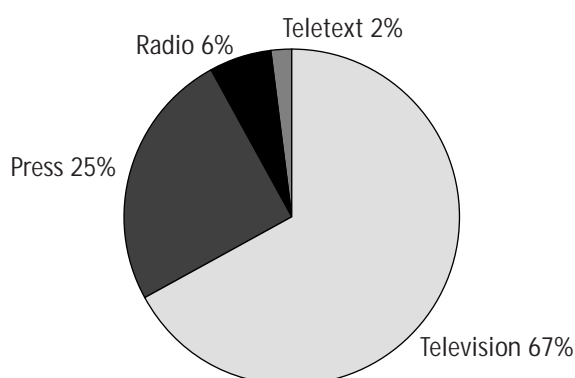
Teletext: Those watching the television advertisements or listening to the radio were directed to a dedicated teletext page, which provided further details on who might be affected by mis-selling and what to do if viewers thought they were. Details of the website and helpline number were also provided.

Press: Six advertisements were developed. These provided (in the body copy) an opportunity to provide more information. Later in the campaign, they were designed to address particular issues thought to be preventing some who wanted (or might want) to respond from doing so.

Website: A dedicated consumer website was created.

- 21 An initial burst of publicity was planned, followed by a slightly lower key approach in the middle period and then a 'final reminder' stage in April. It was also decided that advertising was most effective if concentrated on Sundays – the day when many people find time to deal with administrative chores including their finances. The chart below shows the resulting media split (in terms of expenditure) and further details of media spend are given in Section 6.

Chart 1:
FSA Pensions
mis-selling:
campaign
media share
January to
April 1999



- 22 Details of the advertisements and copy are given in Section 5.

d Public relations

- 23 In support of the advertising, the FSA developed a public relations strategy. The key components of this were:

- to assist in preparing the industry and consumer groups for the campaign;
- to seek to generate supportive press comment generally;
- to support the advertising once it was on air through provision of the detailed facts and figures which would help consumers to understand the significance of the review for them, but which it was impossible to incorporate in mass market advertising;

- to reach particular audiences not otherwise likely to understand the advertisements (minority groups, for example, were a key concern).
- 24 Briefing of the relevant industry sectors was essential for campaign success – the purpose of the advertising needed to be accepted and understood; and firms’ helplines needed to be staffed and briefed appropriately to deal with consumer enquiries. Similarly, consumer groups needed to be made aware of the FSA’s plans, in order to be able to deal with enquiries.
 - 25 Joint FSA and ABI briefings were held (both in London and in Edinburgh) for life offices and IFAs in mid December. The contents of the briefings (along with details of the TV schedules etc) were made available on the FSA’s website. A separate briefing session was held for consumer groups. This activity was publicised through a press release issued on 17 December – ‘FSA prepares industry and consumer groups prior to January launch of pensions review phase 2’.
 - 26 Work to ensure that press coverage (on the campaign’s aims and objectives) would further encourage interest from the target audience continued throughout the campaign. Initial response to the advertisements was very positive. Moreover, in the ten day period from 2 January (with pre-publicity) to 13 January, press coverage was extensive – equal in cost terms to a substantial amount of paid advertising (£630,000 in equivalent column inches). Thereafter, momentum was maintained primarily through use of local radio – the campaign featured frequently on BBC local radio mid-morning programming in the major regional centres; and also received coverage through IRN, the news provider for Independent Radio News. The FSA also issued a press release on 3 March about its helpline – which was receiving 10,000 calls a week. This was widely reported.
 - 27 The FSA provided more detailed supporting information in three main ways: through production of a flowchart to assist consumers wishing to work out whether they should be in the review; through sending information packs to those who might come into contact with consumers affected by the review (employers, MPs, trade unions etc); and through the provision of case studies for use by journalists. The latter proved especially effective – and were used in particular by those newspapers whose readers were a major part of the target audience.
 - 28 Finally, the FSA made efforts to reach specific audiences through specialised media. It developed materials for consumer and women’s magazines; issued a press release targeted at men’s magazines; and sent press packs and advertising materials to the major newspapers and journals with readership from the ethnic minorities.
 - 29 For the end of the campaign, the FSA also produced materials specifically designed for carers who look after people who might have been mis-sold a

pension. This followed research conducted in the middle of the mailing period to establish whether there were specific groups of investors who were finding the mailing difficult to understand or who did not understand the significance of the review for them.⁴ The materials designed are included in Section 5.

e Helplines

- 30 All firms in this review were required to provide a telephone number for investors in their mailings, and the firms with larger reviews operated specific helplines. The FSA participated in work co-ordinated by the ABI to ensure that firms' helpline scripts were accurate and consistent.
- 31 The FSA was also aware that it would need to run a helpline service itself – to offer consumers a direct source of information and advice, including where relevant directing them to the firm dealing with their case. While the FSA already runs both a general public enquiries service and a dedicated pensions review helpline for consumers, it recognised that the potentially large volume of calls meant that a dedicated campaign service was required.
- 32 A freephone number was appropriate. The number was advertised in the press and on the factsheets received by consumers in their direct invitation mailings. The FSA considered including the number in the TV and radio advertisements. However, research suggested that viewers and listeners would then misinterpret the content of the advertisement – inferring that they should phone the number to receive a direct invitation mailing rather than that one would (in most cases) arrive automatically. This research result was in fact borne out by experience during the campaign. When the FSA helpline number was shown on Watchdog and on BBC Breakfast News, the helpline was flooded with calls immediately afterwards. Furthermore, in many cases the callers had general pension enquiries not connected with the review.
- 33 The requirement for a flexible service – able to cope with peaks and troughs in calls, and to operate at weekends and in the evenings – led to the decision to outsource. The FSA appointed a professional call centre and worked closely with them to ensure that training was good and the quality of call handling consistently high.
- 34 An extensive training exercise was undertaken – both to ensure that call centre general staff could handle straightforward information requests, and to ensure that there were staff available to deal with those callers requiring detailed explanations and assistance. To meet the latter demand, a specialist team of twelve was recruited and trained. The training included FPC1⁵ and the Pensions Module of FPC2.

⁴ See Section 4 for a summary of this research and details of further steps taken in response.

⁵ Financial Planning Certificate parts 1 and 2. This is an industry qualification operated by the Chartered Insurance Institute.

- 35 The FSA designed fulfilment materials to be sent out by the call centre staff. In particular, two factsheets were developed specifically for general enquiries relating to the campaign: 'Mis-selling: The Facts'; and the 'FSA Guide to contracting out of SERPS'. There was also considerable demand for the FSA's Guide to Pensions – one of a range of consumer leaflets developed for more general distribution earlier this year.
- 36 It became evident early in January that a significant proportion of callers had questions and problems relating to their occupational pension scheme. The FSA therefore agreed with the Occupational Pensions Advisory Service to set up a call transfer facility in order to be able to respond to the needs of these customers.
- 37 The table below sets out key statistics for the FSA helpline.

Table 2: Key statistics of the FSA helpline for the period January-May 1999

Total calls taken:	114,594
Calls transferred to specialist team	40,341 (35.2%)
Factsheets supplied:	
Mis-selling: The Facts	29,007
Welsh version	82
Braille version	52
Large print	134
Guide to contracting out of SERPS	4,951
FSA Guide to Pensions	12,344

4 Campaign results

38 Two pieces of research gave information on the impact of the campaign. The first, conducted half way through the mailing period, was designed to establish whether there were particular groups of investors that were either finding the materials sent to them difficult to understand or remained unaware of the potential significance of the review to them. The intention was then to give consideration to tailoring the later press advertising to meet the concerns of any such groups. The second piece of research compared consumer attitudes before and after the publicity campaign and was designed to establish more directly whether the campaign objectives had been met. The results of these two pieces of research are discussed in detail below.

a Research during mailing period

Methodology and sample for research

39 A total of 1,509 telephone interviews were conducted amongst a cross-section of investors who had been mailed between 4 and 16 January 1999. All those interviewed were selected as having not yet replied to the mailing. Interviewing commenced on 22 February, to allow all investors the opportunity of receiving a reminder letter (due within 21-28 days of the original), and finished on 7 March. Given the timing of the fieldwork, rebate-only investors were not included.

Summary of non-respondents

40 For the purposes of research, non-respondents were classified into four groups, with the fourth being further sub-divided.

Table 3: Non-respondents from research conducted during mailing period

Non-respondent group characteristics		Proportion of non-respondents
Group 1	Had read the materials and decided what to do	40%
Group 2	Had read the materials but not yet decided what to do	10%
Group 3	Had read the materials and were confused	9%
Group 4	Had not read the materials	42%
Group 4.1	Not found time	21%
Group 4.2	Believe review not relevant	18%
Group 4.3	Difficulties reading English or official documents	1%
Group 4.4	Other reasons	2%

Figures do not add up to 100% due to rounding

- 41 The research showed that, even for non-responders, the publicity campaign had undoubtedly had a significant impact in raising awareness. Of investors in groups 3 and 4, 72% were aware of the pensions review and, when prompted, 63% connected the advertising with the mailing received.

Further steps taken

- 42 FSA decided to take further steps to reach two categories of non-responder: those who were confused (group 3); and those that had not read the materials due to a lack of time (group 4.1). For the first group, press advertising in the last month of the campaign included an advertisement encouraging investors to ‘fill in as much they could’ and then return the form without worrying if it was incomplete; and also one that listed sources of advice and help. Particular materials were developed to be sent to carers (as detailed in paragraph 29 above).
- 43 Of those who had simply not found time to read the materials, it was found that only 37% believed that this would be their last prompted opportunity to request a review. This might have significantly affected the degree of urgency with which they were dealing with the materials. In addition to promoting a ‘last reminder’ message through the media in the final weeks of the campaign, the FSA has decided to address this group through press advertising in advance of the final ‘sign-up date’ for the review (31 March 2000).

b Pre and post campaign research

44 The extensive advertising development research (detailed in part b of Section 3) suggested that the campaign was likely to meet its objectives – that is, it would project the desired messages without causing unnecessary collateral damage to financial services in general. However, in order to assess the effectiveness of the advertising campaign in practice, an extensive programme of quantitative research was also conducted. The overall objective was to answer the following questions:

- Did the campaign raise awareness of the pensions review?
- Did the campaign explain the objectives of the pensions review?
- Was the advertising memorable, i.e. did people recall having seen the advertisements either on TV or in the press?
- What effect did the advertising campaign have upon attitudes towards financial services and pensions in particular?

Methodology and sample for research

- 45 In order to obtain a comparative benchmark, the evaluation research was conducted in two stages, pre-campaign in December 1998 and post-campaign in May 1999. Both stages of the research were further divided into a main survey and a general public omnibus.⁶ The main survey consisted of face-to-face interviews amongst the target audience for the campaign, and for comparative purposes a control group of those who had purchased a personal pension but fell outside the target group. The omnibus survey consisted of face-to-face interviews with a representative sample of the UK adult population.
- 46 For the main survey, the sample was free-found, i.e. recruited door-to-door. At the pre-stage, a total of 253 interviews with the target group and 329 interviews with the control group were achieved. In the post-stage a total of 257 interviews were conducted in each group. For the omnibus, the BMRB Access face-to-face omnibus survey was used to interview 1,951 adults in early December 1998 and 2,012 adults in May 1999.

Did the campaign raise awareness of the pensions review?

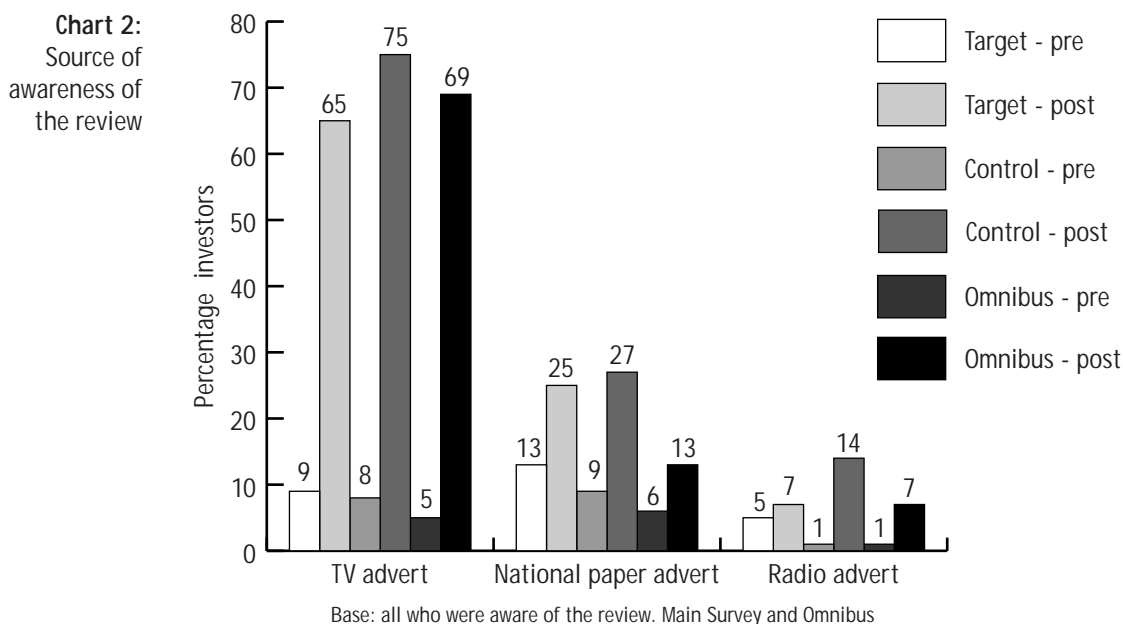
47 The results can be summarised as follows:

Main survey – amongst the campaign target group, the awareness of the review rose from 70% of respondents at the pre-stage to 89% at the post-stage. A similar shift in awareness was also measured amongst the control group, 60% pre-campaign, compared to 79% post-campaign.

⁶ An omnibus is a consumer survey that consists of a series of short questionnaires on behalf of different clients who share the costs incurred.

Omnibus – the percentage of the general public that were aware of the review rose from 49% at the pre-stage to 77% at the post-stage.

- 49 To check the cause of this awareness, respondents were asked where they had seen or heard about the review. A summary of the responses mentioning advertising before and after the campaign is shown below:



- 50 As can be seen, in the main survey those mentioning TV advertising as a source increased markedly for both the target group and the control group. A similar increase in mentions for TV advertising was recorded between the two omnibus surveys. There were also increases in both press advertising and radio advertising as a source of awareness.

- 51 These results clearly demonstrate that the campaign met its first objective of raising the awareness of the pensions review.

Did the campaign explain the objectives of the pensions review?

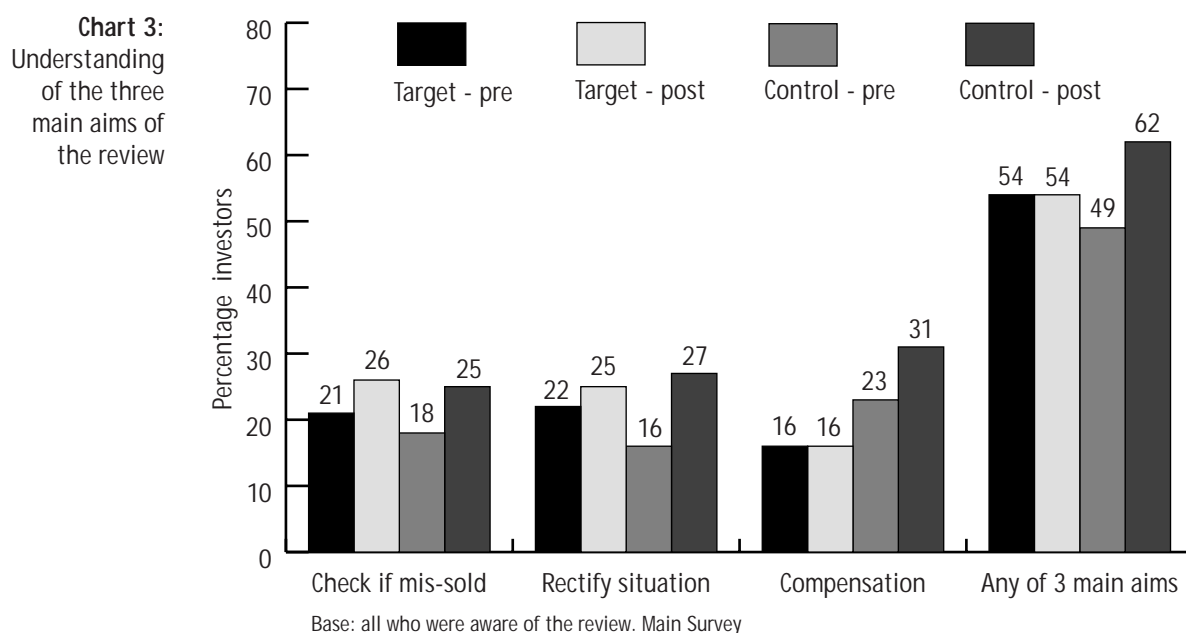
- 52 All those aware of the pensions review and who had also seen the advertising were asked (without prompting) what the advertisements were trying to say. In addition, all those aware of the review were asked (again without prompting) for their understanding of its aims.
- 53 For the first question, a pre and post campaign comparison was clearly not possible. The most commonly mentioned advertising messages were: pensions being mis-sold; people being badly advised on pensions; the need to review pensions; and the possibility that money may be owed. These messages were closely related to the intended messages of the campaign.

54 All those who were aware of the pensions review were asked what they thought its aims were.⁷ This question was asked both pre and post the campaign. The results were as follows:

Main survey: Respondents unprompted answers were categorised. Any falling into one of the following three categories were deemed to be consistent with the responder having an understanding of the aims of the review:

- checking if my pension had been mis-sold/whether I was given wrong advice;
- correcting or rectifying the situation regarding the mis-selling of pensions;
- identifying those who might be owed compensation.

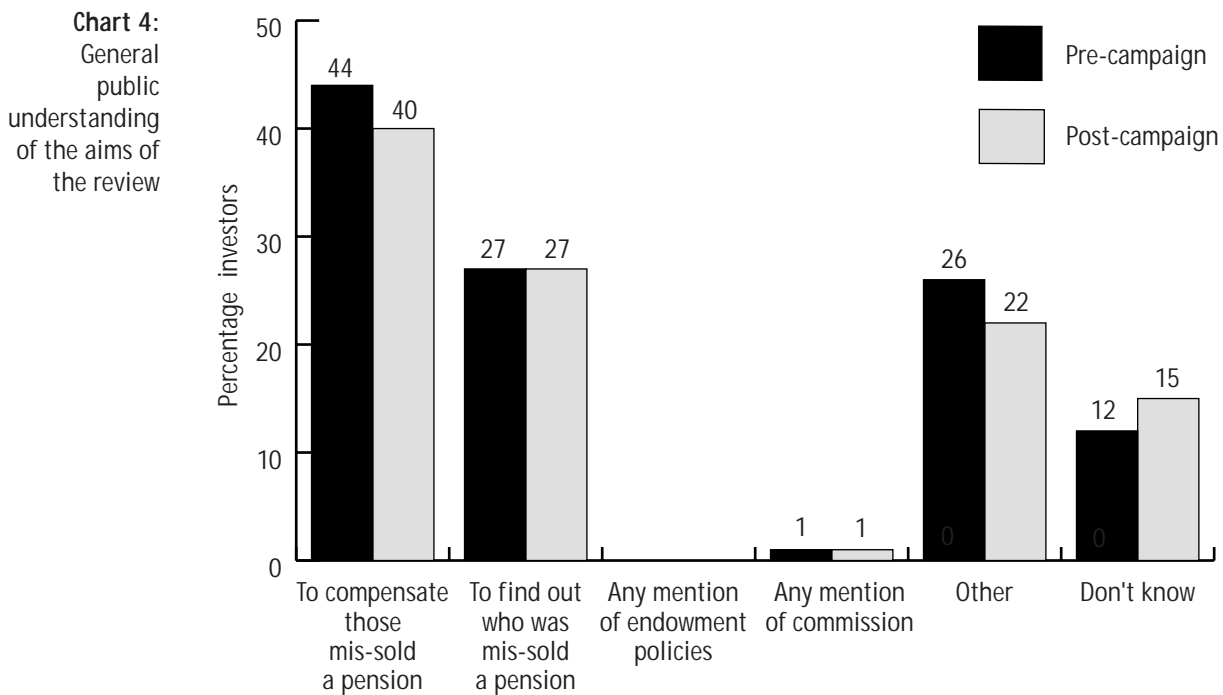
As the following chart shows, those who were aware of the pensions review appear to have understood its aims relatively well at the pre-stage – with around half of responders in both the target and the control group identifying one or more of the three aims specified above. At the post stage, although there was a slight increase in the proportion of respondents mentioning each of the three aims individually, the proportion of respondents in the target group mentioning *any* of these aims did not change (54% pre and post). This perhaps reflects the fact that there was a limit to what the TV and radio advertisements could successfully communicate – see paragraph 17 above. It is important to note, however, that – given the increased proportion of the population who were aware of the review post the campaign – the proportion of the target group as a whole who were aware of any of the three aims rose from 38% to 48%.



(Other aims mentioned by both groups include identifying companies who mis-sold pensions and preventing mis-selling in the future.)

⁷ It should be noted that around 90% of this group were also aware of the advertising and had already given their impressions of what the advertising was trying to say. This may have had an effect on their responses to a question about the aims of the review.

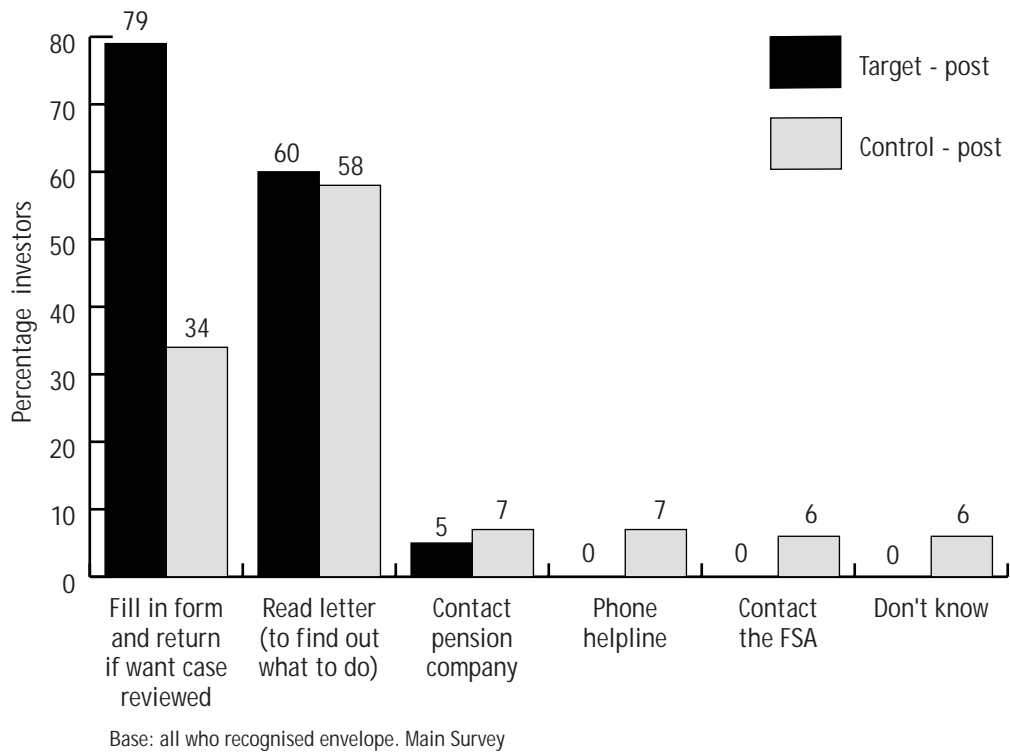
Omnibus – Those in the omnibus research who were aware of the review were also asked what they thought its aims were. Again, respondents could identify more than one aim.



Base: all who were aware of the review. Omnibus

55 The research also provided some insights into the campaign mailing. Of the target group, 44% recognised the mailing envelope when shown it, and of those that did recognise it, 95% had received one personally. Those in the target group who recognised the envelope appeared to have a good understanding of what to do after they had received the mailing, with almost 80% saying that they would fill in the form and return it if they wanted a review. These results suggest that the mailing materials designed by the FSA were effective in explaining what to do next.

Chart 5:
Investors' understanding of next steps if received campaign mailing

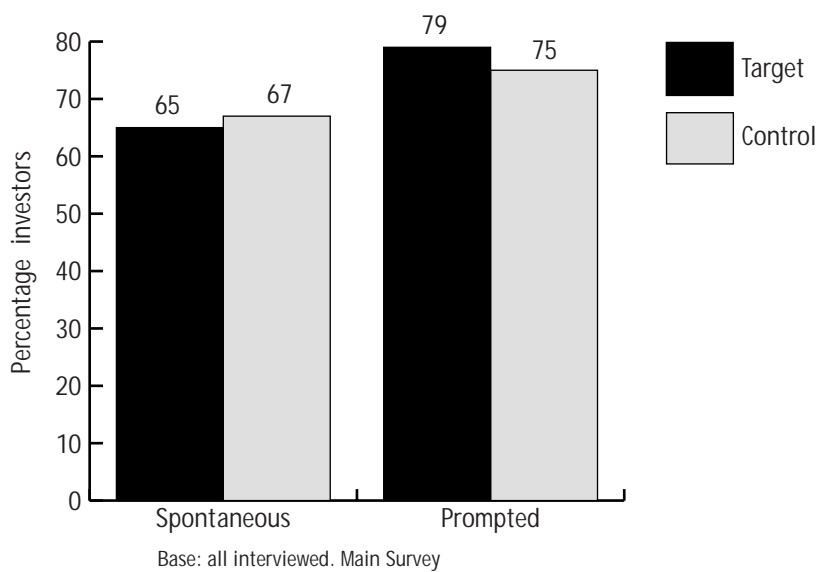


Was the advertising memorable?

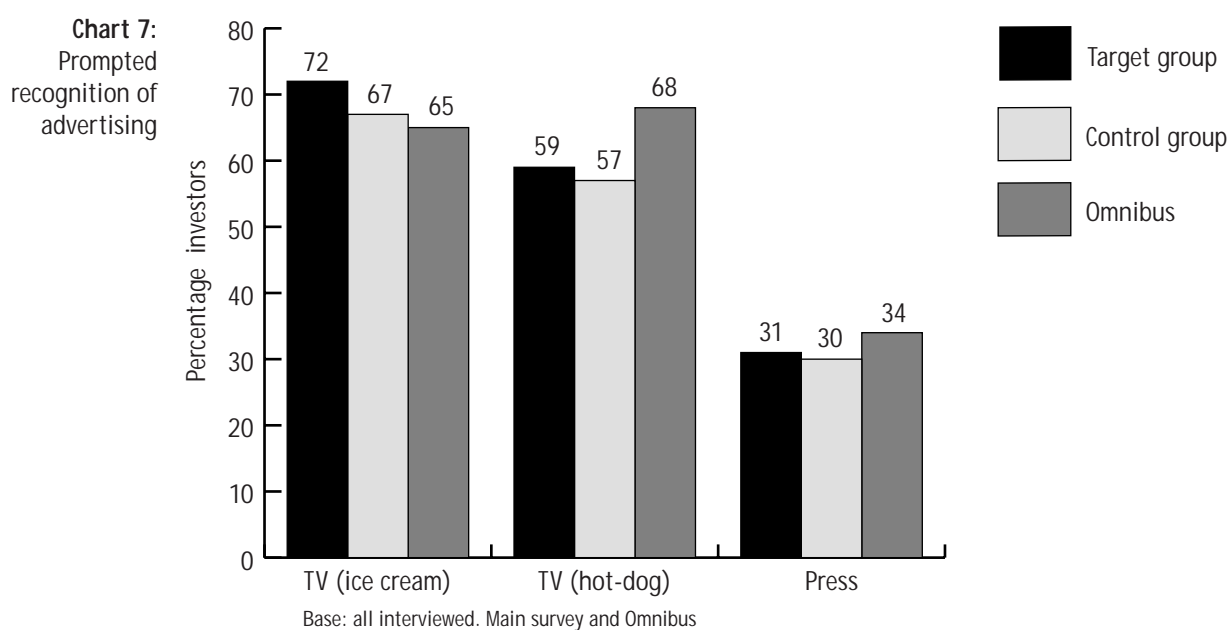
56 The results were as follows:

Main survey – as an initial measure of advertising recall, the main survey asked all those who were aware of the review whether they had seen any recent advertising about it. The following chart summarises the spontaneous and prompted awareness of the advertising:

Chart 6:
Awareness of advertising about the review – post campaign



Main survey & omnibus – both research segments also measured the prompted recognition of the advertising campaign. All respondents were shown a storyboard of screen pictures from the TV advertisements and copies of the press advertisements to test for overall recognition. The advertisements chosen were two of the three TV advertisements broadcast during the campaign – one of the 40 second advertisements called ‘ice cream’; and the 30 second advertisement shown later in the campaign and called ‘hot dog’. Five advertisements which appeared in the press were also shown. The prompted recognition of these advertisements was as follows:



57 As can be seen from the table, the TV advertisements had the highest levels of prompted recognition across all groups. The target group had a particularly high level of recognition for the ice-cream TV advertisement. This may be related to the fact that this was run for a longer period – it ran January-March whereas the hot dog advertisement ran only in April.

58 The results demonstrate that the advertising campaign was memorable and that all sections of the public had a very high recognition and recall of the advertisements used during the course of the campaign.

What effect did the advertising have upon attitudes towards financial services?

59 Both the main survey and general public omnibus segments of the research measured any changes in attitudes towards financial services by comparing responses pre and post campaign to a range of statements.

Main survey – As part of the main survey respondents were asked to comment on a wide range of statements. In total the responses to 29 separate statements were measured. No significant change in the attitudes towards financial services was evident.

Omnibus – A smaller range of statements were used in the omnibus. Responses to nine statements covering different aspects of financial services were measured. Once again, there was no evidence of any adverse impact in attitudes to financial services as a result of the advertising campaign.

Examples of the results recorded are shown below.

Table 4: Effect of advertising on attitudes to financial services

	Target Group		Control Group		Omnibus	
	Pre	Post	Pre	Post	Pre	Post
I would consult a professional adviser before deciding on financial matters						
<i>Agree</i>	79%	80%	79%	77%	72%	73%
<i>Disagree</i>	21%	20%	21%	21%	18%	19%
It is essential to have savings						
<i>Agree</i>	95%	94%	90%	90%	87%	87%
<i>Disagree</i>	5%	5%	8%	8%	8%	9%
There are better ways of saving for retirement than through a pension						
<i>Agree</i>	38%	35%	35%	41%	40%	42%
<i>Disagree</i>	60%	59%	60%	54%	41%	41%

Base: all interviewed. Main Survey and Omnibus

- 60 The evidence from a comparison of attitudinal statements before and after the advertising campaign clearly demonstrates that the campaign met its objective to minimise collateral damage to financial services.

Conclusion

- 61 Research has demonstrated that the first and third campaign objectives – increasing awareness and avoiding unnecessary alarm – were clearly met. A reasonable measure of success was also achieved in meeting the second objective – predisposing the target group to take responsibility for action on their part. This outcome reflects the complexity of the communications task

(where early research showed that there were limits to what consumers could focus on and absorb); and also the balance that needed to be struck in the interests of consumers generally between motivating the target group to act and avoiding alarming the general public.

6 Campaign costs and media audit

a Campaign costs

- 62 The budget for the phase 2 multi-media campaign was £10.5mn. This was to cover all expenses incurred in the period up to end-May 1999. In the event, some funds have been reserved to be used early next year to publicise the final sign-up date for investors that wish to request a review (31 March 2000).
- 63 The table below provides a high-level analysis of campaign expenditure:

Table 5: expenditure analysis
(all figures are inclusive of VAT)

	£000
Media costs	
- TV (and teletext)	5,587
- Press	1,993
- Radio	500
- Production	689
- Other	242
Helpline (1)	599
Funds reserved for 'sign-up' publicity	568
Research (2)	235
Public relations	87
TOTAL	10,500

Notes

- 1 The FSA continues to run a free campaign helpline service, as the number was widely advertised. This is now managed as an extension to the pre-existing pensions review investors' helpline. Any expenditure incurred after 30 May 1999 is charged to the pensions review generally rather than specifically to the publicity campaign.
- 2 This excludes fees for research on the mailing (reported in Section 4a above) as – in common with all expenditure incurred on the development and production of the mailing materials – these are charged to the pensions review generally rather than specifically to the publicity campaign.

b Media audit

- 64 In view of the scale of expenditure on media – particularly airtime and press space – a specific audit was carried out by a specialist company (Media Audits) to determine the efficiency with which these funds were spent.
- 65 Given the particular need to reach those parts of the pension review population whose awareness and motivation was low (as opposed to those who were anyway likely to read materials once received), the media target or core audience was C1C2 adults in the age group 20-54. The chart below shows, for each of relevant media, the number of opportunities that each member of this audience had to see the advertising.

Chart 8: Media data for the pensions review phase 2

	January				February				March					April			
	4	11	18	25	1	8	15	22	1	8	15	22	29	5	12	19	26
Television	40" - All time 469 TVRs 83% @ 5.7 OTS*				40" - Sundays only 473 TVRs 86% @ 5.5 OTS*									30" - All time 433 TVRs 82% @ 5.2 OTS*			
Press	Black & white page/directional 78% @ 8.3 OTS*								Black & white page 80.6% @ 8.3 OTS*								
Trade	Black & white page								Black & white page								
Radio	2 x 40" and 1 x 50" 39.6% @ 6.5 OTH*								40" 41.4% @ 7.6 OTH*								
Teletext	Trailers on weather and source pages				TV listings									Trailers on weather and source pages			
Website	13,256 visits to the site from 5 January to 31 July 1999																

* The data shown is as follows:

- 1 TVR – The British Audience Research Bureau calculates TV rating data (TVRs). The figure on the chart is the cumulative viewing of the advertisements over time by the target audience (C1C2s) expressed in terms of TVRs. A TV rating of 1 means that 1% of the target audience within a TV region who were available to watch the advertisement did watch the advertisement. A rating figure is calculated separately for each TV region, and the results are then added together to produce the cumulative nation-wide figure shown.
- 2 Coverage – the percentage figure shown on the chart is the percentage of the target audience who saw the advertisement at least once.
- 3 OTS/OTH (opportunities to see and hear the advertisement) – are the number of opportunities on average that the target audience has to see or hear the advertisement.

66 In terms of quality of coverage, other key points are:

- TV – The scheduling of the advertisements, both by TV channel and time, was carefully controlled throughout the campaign. The result of this was that the ratings achieved were within 5% of the target set at the beginning of the campaign;
- Press - 75% of the target audience saw an advertisement at least once, and 50% saw an advertisement at least 8 times. The advertisements were always well positioned within the press (using news sections rather than financial services pages) without any premiums being paid to achieve this.

67 Overall, the COI calculate that in excess of £2.8 mn of additional media in terms of value was delivered across the campaign. The additional value was calculated using standard industry measures such as Station Average Price for TV and radio, and ratecards for press. Discounts negotiated by the COI's appointed media buyers ranged from 18% to 47%.