



Digital Evolution and the Empowered Super Fund Member

IQGROUP
Intelligence. Applied

6th Annual Study

Digital Engagement in the Superannuation Industry 2019



Foreward — From Brian

“Mapping the customer journey and 360-degree integration has never been more important”

Since 2014, we have published an annual study on the state and progress of digital engagement in the superannuation industry. Now in its sixth year, we are clearly able to see distinct trends and directions of the industry. What's clear is that digital capability in the funds goes hand in hand with the expectations of members...mostly.

It's a reciprocal relationship – technology advances, benchmarks are set, consumers' expectations are heightened, technology advances further...and repeat

Those in the superannuation industry are well aware that the member journey is no longer a funnel, it's a series of loops and networks across all touchpoints, from apps to smartphones to PCs to social media. Yet the challenge for super funds is to bridge the gap between digital literacy and responsible and practical financial literacy. While engaging via technology is second nature for many, superannuation and the many important decisions that go with it are not necessarily something members are well-versed in. However, we are seeing this caution in things like robo advice, when it is difficult for members to trust AI, in a field where their confidence is low.

Members are engaging with their super funds in a plethora of different ways on any given day. They require fast response, personalised service and 24/7 access. Funds are acting in a way that values the important strategic approach to member engagement, rather than a reactive approach attempting to be in all places at all times.

Data is vital. A seamless member experience means mapping the customer journey and 360-degree integration has never been more important.

So where should funds be focusing their attention? Our 2019 survey shows that super funds are in fact pulling back in certain areas while investing in others. Chatbots, hyped to be “the new black”, have experienced a drop. Instagram on the other hand, a visual platform that may not instantly associate with superannuation, has experienced significant growth. Our survey this year pushes the boundaries of digital and customer experience by covering off the functionality, how well are they doing it, and a view of the horizon – what we all may be doing in 12 months' time. I sometimes miss the days when a technology strategy had a 5-8-year life span!

As always, I hope the 2019 study on Digital Engagement provides you with some practical insights. For more information, please contact us directly.

Brian Peters
Chief Executive Officer, IQ Group

About the — Study

It's no secret that funds today need to keep up with market leaders when it comes to the uptake of technology, or risk losing out to the competition. This is not a case of technology for technology's sake. Whether it's millennials joining a super fund for the first time or retirees with a wealth of experience managing their superannuation, members are engaging with all facets of the digital landscape and they expect their super fund to be where they are, at any given moment.

While it's vital for super funds to be fast-moving and agile, it's also essential to ensure a seamless customer experience at every point, a people-first approach rather than a technology-first approach.

“A clearer context and an insight into what is happening over the horizon”

Since 2014, IQ Group has published an annual study on Digital Engagement in the superannuation industry. Now, with data collated over six years, we are able to draw comparisons and map trends to make some observations about where we're headed as an industry.

Bigger and more detailed than ever before, the 2019 study comprises three sections:

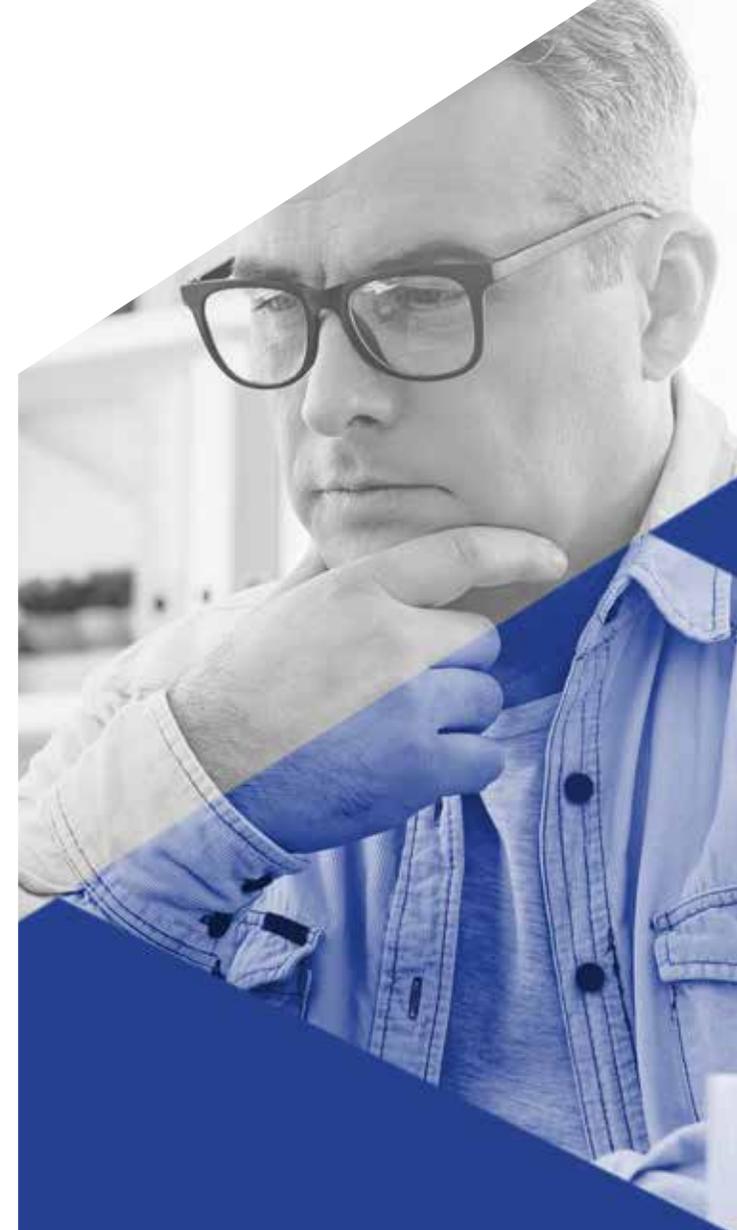
PART 1 TECHNOLOGY – THE DIGITAL PROGRESS REPORT

As in previous studies, the Digital Progress Report looks at Australia's top 50 super funds for 2019, based on APRA for the financial year. We then investigate each website and note the features on offer in comparison to previous years. This is a breakdown of the digital landscape within the superannuation framework and takes a detailed look at the uptake of technology and shows what's working and what's not.

PART 2 SURVEY – THE CUSTOMER PERSPECTIVE

The study uses a framework of reviewing the most common activities that a member would undertake within their super fund. The members who completed the survey ranged across multiple age groups and super funds - including Industry, Retail, Corporate, Public Sector and ERFs. Their customer experiences recorded the following:

1. Checking beneficiaries
2. Viewing current superannuation balance
3. Viewing superannuation investment
4. Checking insurance



5. Testing retirement calculators
6. Locating statements
7. Locating corporate governance
8. Testing chatbots or live chat
9. Learning how to open a Transition to Retirement (TTR) account
10. Locating information on the aged pension

The members were asked to assess these criteria using a 10-point scale, with one being unsatisfactory and 10 being excellent. We also included 10 sub-questions asking about page responsiveness, ease of navigation, whether the process is straightforward or frustrating, and asked for any individual comments or feedback. We then took the responses and weighted each super fund, using a 10-point scoring system to provide a High, Medium or Low result (High being scores from 8-10, Medium from 4-7 and Low from 1-3).

PART 3 - NEW TO THE STUDY FOR 2019 INNOVATION INTERVIEWS - IN-DEPTH INSIGHTS

What has become most apparent both this year and last year is that many areas of functionality have become standard. The digital revolution is now firmly the Digital . This year we are broadening the scope of our research by including a collection of Innovation Interviews. These are multiple interviews with nine thought-leaders in the superannuation industry, covering everything from their thoughts about robotics, moving to a paperless environment, and how they are detecting upcoming change. The interviewees included heads of digital at major superannuation funds, senior executives from consulting companies and product manufacturers.

The member survey results show us what's happening now, and these interviews give us insight into what is happening over the horizon.

To ensure a thorough examination of the experience, we used these criteria to assess each task.



RESPONSIVENESS

How quickly and error-free the pages loaded.



SIMPLICITY

How easy it was to find what you needed on the page.



VISUAL AIDS

How much the visual presentation of the pages helped or hindered.



CONSISTENCY

How consistent each of the pages looked.



FAMILIARITY

How similarly the site worked in comparison to other similar sites.



INFORMATION CLARITY

How easy it was to read and understand the wording on the page.



PROCESS EFFICIENCY

How quick was it to complete the task.



PROCESS FORGIVENESS

How easy it was to correct a mistake.



OVERALL SATISFACTION

How pleasant or frustrating it was to complete the task.

Our Study Findings

TECHNOLOGY INSIGHTS

1. Super/Retirement Projection Calculator down 13 from last year (-27%)
2. Requesting Financial Advice Online down 8 from last year (-20%)
3. Employer Online down 5 from last year (-11%)
4. Chatbot Customer Service down 5 from last year (-56%)
5. YouTube down 7 from last year (-16.7%)
6. Retirement Income Calculator up 8 from last year (34.8%)
7. Single Sign On – 3 super funds started this this year
8. Insurance Needs Calculator up 2 from last year (6.9%)
9. Electronic Membership Card/Digital Wallet up 2 from last year (10%)
10. Live Web Chat Customer Service up 1 from last year (6.25%)
11. Instagram up 14 from last year (74%)

SURVEY INSIGHTS

1. Members moved from mobile app to laptop/desktop throughout the survey to complete more complex tasks.
2. Pie Charts were not useful visualisations.
3. Super fund investment mix was visible but did not allow members to make changes.
4. Mobile apps time out quickly.
5. Some members didn't understand how insurance fitted in with their superannuation.
6. Process to change insurance has both positive and negative feedback.
7. Retirement calculators often did not clearly advise.
8. Corporate Governance documents were not easy to locate.
9. Chatbots are generally viewed as unhelpful while Live Chats are generally helpful but have limitations.
10. Transition to Retirement features were not available for some super funds.
11. Superannuation and aged pension information was difficult to locate.
12. Industry vs Retails results

INDUSTRY INSIGHTS

1. Super funds need to take control of their data in order to better serve members' interests and empower members to make informed decisions.
2. Having received improved member data, super funds will need to be able to undertake member journey mapping and incorporate feedback learnings to improve customer experience.
3. The industry should take the initiative to move to a totally paperless member experience. Super funds should be ambitious about this, use multiple digital channels and not wait for Government direction.
4. Super funds need to confront regulatory hurdles around the use of data in order to work towards straight-through-processing, greater accuracy and reduced errors.
5. The implementation of real time reporting will give super funds the capacity to understand members, meet their needs, and predict behaviours.
6. The problem with Artificial Intelligence and robotics is that it hasn't worked well and often doesn't improve the super fund member experience.

Our Study Findings

SETTING UP AN ACCOUNT

78%

Let members join online ↓

74%

Let you search for your lost super online ↓

80%

Provide online rollover —

22%

Provide electronic membership cards ↑

6%

Provide single sign-on ↑

RETIREMENT CALCULATORS

62%

Provide retirement income calculators ↑

62%

Provide insurance needs calculators ↑

74%

Provide accumulation calculators ↑

42%

Provide retirement budget calculators ↓

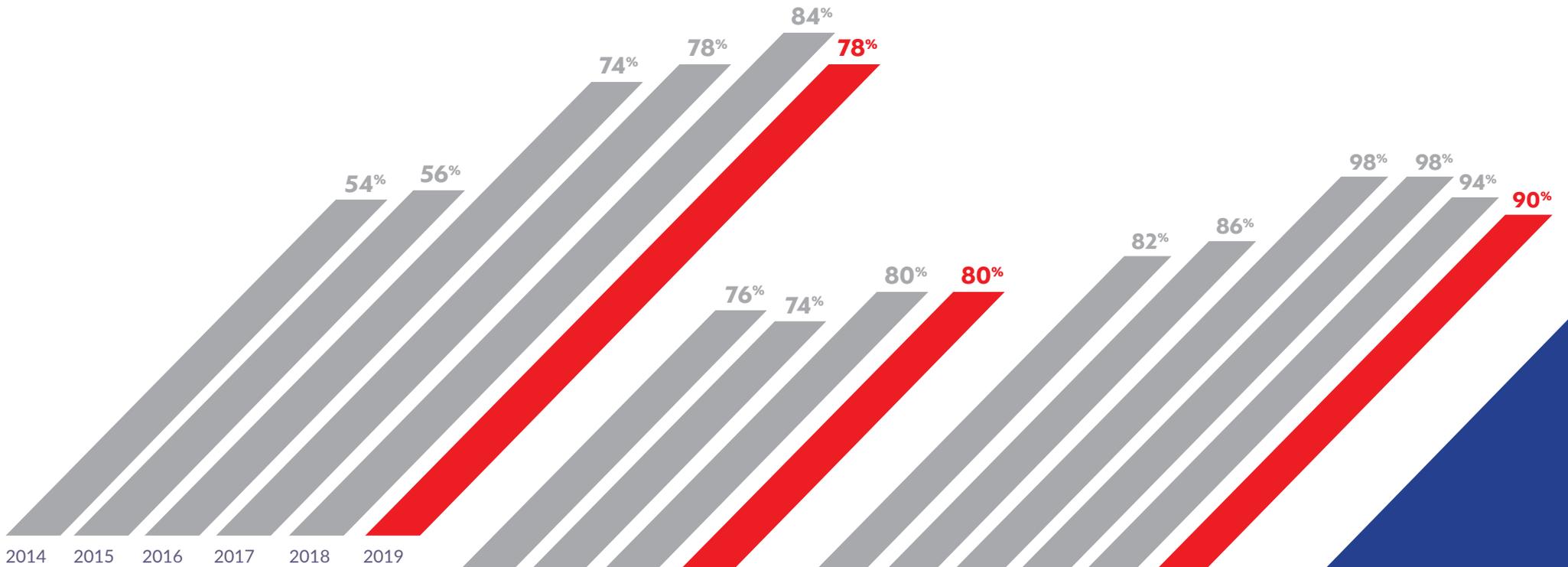
INVESTMENTS

90%

Let members switch investments online ↓

28%

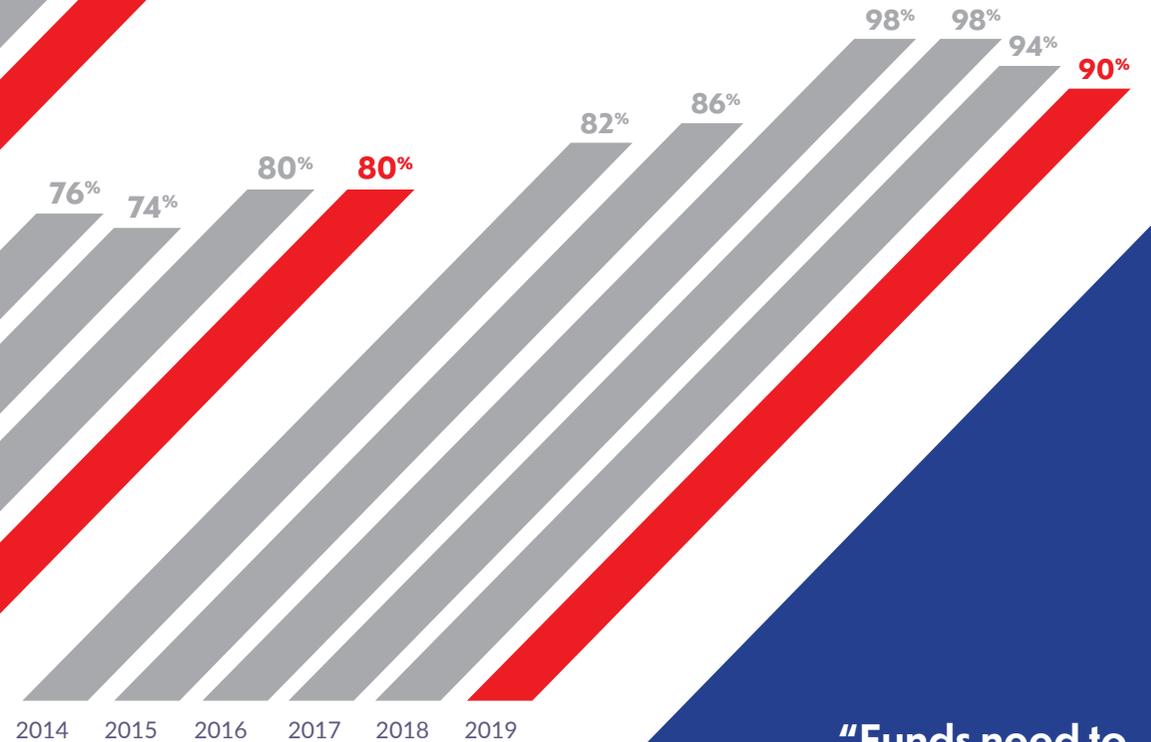
Offer direct ASX Trading Online ↓



ONLINE JOIN MEMBERS



ROLLOVER ONLINE



SWITCH INVESTMENTS ONLINE

“Funds need to take control of their data in order to better serve members’ interests and empower members to make informed decisions”



How can you engage with your super fund?

MOBILE APPS



Funds that provide member apps



Funds that provide employer apps

ONLINE

14%

RSS feeds have increased from 10% in 2018 ↑

34%

Have live webchats customer service ↑

8%

Are using Chatbots on their websites ↓

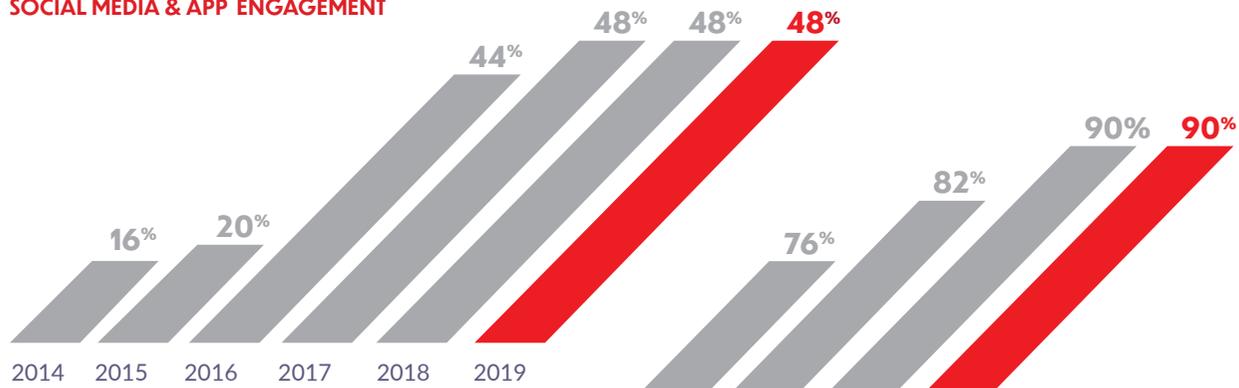
64%

Let you request financial advice online ↓

10%

Provide online financial advice ↓

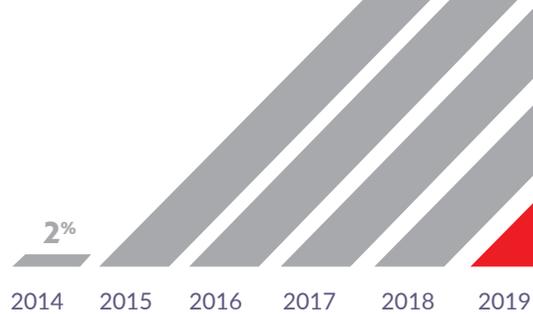
SOCIAL MEDIA & APP ENGAGEMENT



MEMBER APPS



FACEBOOK



LINKEDIN

USE OF SOCIAL MEDIA TO ENGAGE WITH SUPER FUND IN 2019

38% 
INSTAGRAM

70% 
YOUTUBE

90% 
FACEBOOK

0% 
GOOGLE

92% 
LINKEDIN

0% 
SNAPCHAT

84% 
TWITTER

Our Digital Progress Report

For a few years now, the superannuation industry has been inundated with talk of technological change. Each year, this conversation gets louder and louder. New developments that are happening in the technology space are both extraordinary and game-changing.

INFORMATION IS AT OUR FINGERTIPS

Digital and Social Media technologies are giving superannuation members more information than ever before. As technology has advanced, many super funds have attempted to streamline the member experience through the use of artificial intelligence (AI), chatbots and robotics, which signifies a new order. This is evident by the use of online calculators, single sign on (SSO), live chatbot service and many other capabilities.

Social Media channels including YouTube, LinkedIn, Instagram, Facebook and Twitter are gaining momentum as super funds increase their presence on these channels. IQ Group has identified 42 features to review including 10 that relate to social media.

WHAT'S ON THE DECLINE?

While technology is advancing at a rapid pace, this doesn't mean that every element that serves to streamline processes for consumers and super funds alike actually succeed. Looking at the decline of certain elements drives home the message that just because super funds can utilise certain technologies, doesn't mean they should.

HOW WE GET INFORMATION HAS CHANGED

The Super / Retirement Projection Calculator is the perfect example of this. Ninety-percent of super funds offered them last year compared to 66% of super funds offering them this year, marking quite a significant drop.

Out of the top 50 super funds, there were 46 super funds offering this service in 2016 and 2017, remaining steady at 45 super funds in 2018, but in 2019 there was a significant drop to 33.

Similarly, the tool to help members make the right investment choice for their Super via Online Advice experienced a similar drop. Eighty-percent of super funds offered the Requesting Financial Advice Online service compared to 64% of super funds this year.

A smaller decline was seen in Employer Online, the service portal for employers. Ninety-four percent of super funds offered this last year, dropping to 84% of super funds in 2019.

CHATBOTS ARE FAILING TO MAKE THEIR MARK

What is particularly fascinating here is the drop in chatbot uptake. There was a lot of talk in the industry (and in the digital space in general) about chatbots being essential for 24/7 customer service.

This led to many Superannuation companies investing heavily in chatbots. The numbers reveal that the technology seems to have failed, because many Funds didn't offer this capability in 2019. Far from being the 'must-have' technology of the year, only 8% of Funds offered this service in 2019 compared to 18% in 2018.

That's a substantial drop which is one of the standout figures from this year's study. The general consensus is that these numbers would increase as the technology advanced, however the opposite seems to have occurred.

“Just because funds can utilise certain technologies, doesn't mean they should.”

KEEPING UP WITH THE PACE OF SOCIAL

The fast pace of change in social media usage makes it particularly difficult for businesses of any size to keep up. In 2018 a massive 84% of the top 50 super funds had a presence on YouTube. Video seems like the perfect medium for super funds to reach their audience. Yet this year, the number dropped to 70%.

Obviously, a drop in these figures doesn't mean a drop in activity overall. The trends reveal a strategic shift to other areas. So, where are super funds focusing their efforts to connect with members?

Key Growth Areas

CALCULATOR NUMBERS ADDING UP

The Retirement Income Calculator is up almost 35% year-on-year. This calculator helps members work out what income they are likely to have from Superannuation and the Age Pension when they retire. Last year, 46% of super funds were offering this service and this year it has increased to 62%. The numbers appear to reflect that members are getting value out of this calculator and equally that it's an effective way to help members get the information they need quickly.

Last year, 58% of super funds offered an Insurance Calculator. This year the number has increased to 62% of super funds. This metric was in the IQ Group Digital study last year and this year as well. The increase is noticed as of last year.

This calculator can illustrate a member's potential needs which could be met by Death or Death and Total and Permanent Disablement (TPD) insurance cover that is typically available within superannuation. This calculator does not consider members' overall insurance needs including for trauma, private health, or long-term income protection cover.

Members' insurance needs are assessed as the amount of cover as a lump sum that is sufficient to meet short term financial needs and maintain the desired living standard for you and/or your family in the event of your death or TPD. The calculator does not consider your eligibility for insured cover or the affordability of the estimated insurance cover.

SO...WHAT'S NEW?

What we've seen over the last couple of years is a greater diversity of systems and tools that are provided to the customer. This year, 6% of super funds started using Single Sign On (SSO) capability, rising from 0% usage last year. This is a way in which a customer can access all tools instead of re-signing into individual systems. Given the diversity and the security requirements, we can see that this SSO will most likely increase in the coming years.

Digital Wallets

22%

Increase from
2018 - 2019



Chatbots

56%

Decrease from
2018 - 2019



HAVE DIGITAL WALLETS PEAKED?

In 2014 and 2015 there was only one super fund offering a digital wallet option out of the top 50 super funds. While 20% of super funds offered digital wallets last year, the number has only slowly risen to 22% in 2019. In a general sense, digital wallets are on the rise, but whether this is replicated in the superannuation space is yet to be seen. Digital wallets certainly had a slow start but experienced a sharp spike from 2017 to 2018. It will be interesting to see if 2020 marks another trajectory upwards or whether uptake has already peaked and we see usage plateau.

CHATBOTS DOWN, LIVE CHAT UP

We know that chatbots saw a decline this year, but what about Live Web Chat Customer Service? This metric shows a slight increase year-on-year.

The figures reflect that members seem to want transactional help from an actual customer service representative. Directional help, offered by bots may be less appealing to members.

Last year, 32% of super funds offered Live Chat, whereas this year there are 34%. While this doesn't seem like a huge increase, it is more significant given the 56% drop in chatbot usage in the last 12-months (from nine super funds to only four super funds).



The figures could reflect a number of factors, including that while super funds wait for chatbot technology to advance, they are providing Live Chat to ensure immediate member engagement and that queries are resolved quickly. What's driving super funds seems to be efficiency in engagement and super funds are using the tools at their disposal to ensure members are able to connect in whatever way meets their needs at any given time.

#SUPERSUPER FUNDS

We know that Instagram is experiencing strong growth overall. Despite this, it doesn't necessarily follow that this would be the platform for super funds to engage their members. Yet, we have seen a massive 74% increase in Instagram, jumping from 10% of super funds using Instagram in 2018 to 38% of super funds in 2019. Instagram's image-based content is a more relaxed or 'fun' way of engaging with members. It's the perfect way to offer bite-sized snippets of content and to reinforce branding in a relatively controlled environment. The number of super funds on Instagram is still relatively small, giving the opportunity for someone to be the leader in the space.

The super funds' presence on LinkedIn, Twitter and Facebook have stayed stable year-on-year, while YouTube has seen an almost 17% decline as compared to last year.

WHAT'S REMAINED UNCHANGED?

Public website did not show any change as compared to last year's data (as well as stability in numbers for 2015 to 2017). The metrics for Member Online did not show any change as compared to last year's data (with similar stability from 2015).

	Description	2019	2018	2017	2016	2015
Digital	Public Website	50	50	50	50	50
Digital	Member online	49	49	50	50	48

Chatbots

56%

Decrease from 2018 - 2019 ↓

Instagram

74%

Increase from 2018 - 2019 ↑

YouTube

16.7%

Decrease from 2018 - 2019 ↓

The Customer Perspective

THE MEMBER JOURNEY

The member journey is far from linear. While the digital space means that accessing information and setting up an account has never been easier, members are nevertheless finding hurdles as they progress through the superannuation funnel.

Looking at the customer experience, it's clear that members move from mobile apps to laptop/desktop to complete more complex tasks. For some, investment details did not load clearly on mobile apps, with members resorting to laptops or desktops for page rendering. When members were assessing the criteria on their mobile app, many experienced 'time outs', creating a sense of frustration in using the service.

VISIBLE GAPS

Although the majority of super funds display their members' investment strategy, some super funds still do not allow members to alter their investment choice. Some super funds did not have a navigation reference to beneficiary details on their webpages which proved difficult for members to find.

Statements, Corporate governance documents, superannuation documents, and Aged Pension documents were hard to find on Mobile Apps causing members to switch from apps to laptops or desktops to view these documents. As has also been found by ASIC, these documents were hard to find and still remain challenging to locate.¹

The process to change insurance cover was easy for some members to follow, while other members found the process more difficult.

Retirement Calculators will often not clearly advise if they include the Age Pension and some retirement calculators do not have the ability to customise variables to the personal needs of the member. On occasion, Retirement Calculators were hard to find, with their location not closely associated with other relevant information.

Super fund Retirement Calculators must feature prominently, provide concise messaging and take into account the Age Pension to ensure a greater accuracy on projected income as well as balance through retirement. A consistent approach by the Industry on this capability will assist in removing barriers to understanding superannuation in retirement.

Furthermore, many people are in couple relationships and make decisions based on their anticipated total retirement income. Consideration should be given to calculators that provide joint projections for couples and how this could be delivered

MEMBER UNDERSTANDING

Pie charts were often plotted using the wrong visualisation for investments. Good visualisations are important to understand investment options and how performance affects superannuation when you're ready to retire.²

Some members find it difficult to understand how insurance fits in with their superannuation, with messaging not conveying the benefits of insurance cover. Early-age members are often disengaged with super funds and are unlikely to react to communications from super funds asking them to make a choice on insurance.³ It's not only that members don't understand insurance, they don't seem to understand how much it costs, or that they might have multiple accounts.

It was suggested that infographics, key fact sheets or videos could be integrated into super fund websites to help with this understanding. YouTube videos about key super fund features are a way of simplifying and effectively communicating.

¹ <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2015-releases/15-245mr-asic-reviews-transparency-information-on-super-websites/>

² <https://www.hesta.com.au/members/investments.html> [Accessed 13 Sep. 2019]

³ <https://thenewdaily.com.au/money/superannuation/2019/07/05/young-people-in-dangerous-jobs-lose-super/> [Accessed 18 Sep. 2019]

LIVE CHAT AND CHATBOTS

Some super funds offer both chatbot and Live Chat services, with some super funds offering one or the other and other super funds yet to offer these services. Chatbots are generally viewed as unhelpful while Live Chats are generally helpful but have limitations.

A chatbot is an adaptive technology conducting digital conversations via an auditory or textual experience with a key objective of driving down Contact Centre costs while maintaining an acceptable level of quality outcomes. Generally speaking, members are still limited to the information they can receive via chatbots, however it's predicted that the technology will improve. Live Chat is an online customer service software with live support. Most super funds offer this service between 8am and 7pm. Members found that the service was not available during busy cycles, bringing to mind the question: why offer the service if it's not available?

Although Live Chat is meant to provide a faster and more convenient service to members, the long wait time caused frustration, with caution applied on using the service for future engagement. In some cases, Live Chat was hard to find and should be more prominent for easy location.

INDUSTRY

Description	Check Beneficiaries	Check Super Balance	Check Investments	Check Insurance	Test Retirement Calendar	Check Statement	Find Corporate Governance Documents	Test Chatbots / Live Chat	Learn how to open TTR Account	Find Aged Pension Info
Page Responsiveness	0.1	-0.4	-0.2	-0.1	0	-0.7	-1.4	-0.9	0	-0.2
Page Simplicity	0.5	-0.1	0	0.2	0.2	-0.7	-1.4	-1.2	0.7	-0.3
Page Visual Aids	1.1	-0.2	-0.1	0.2	0.7	-0.4	-1.3	-1.5	0.7	0.1
Page Consistency	0.1	0.1	0.1	-0.1	-0.6	-0.1	-0.8	-0.3	-0.5	-0.8
Page Familiarity	0.9	0	0.3	0.7	1.1	-0.3	-1.4	-1	1.3	0.6
Information Clarity	0.2	0.1	-0.2	0.3	0.3	-0.3	-1.6	-1.3	0.4	-0.4
Process Efficiency	-0.1	-0.2	0.2	0.5	0	-0.2	-1.8	-1.5	0.5	-0.9
Process Forgiveness	-0.4	-0.4	-0.1	0.1	0	-0.3	-0.5	-0.4	-0.4	-0.8
Overall Satisfaction	0.4	-0.2	0.1	0.3	0.7	-0.3	-2.4	-1	0.6	-0.3

VARIANCES BETWEEN INDUSTRY AND RETAIL SUPER FUNDS

Last year, the study showed a clear difference between Industry Super funds overall performing better than Retail Super funds. This year paints a different picture. The scores for Retail Super funds have started to incline across the board while Industry Super funds have stayed reasonably the same. Industry Super funds particularly made a drop when members tried to 'Find Corporate Governance Documents' as well as when they were testing chatbots or live web chats. What does this mean? Either the super fund doesn't offer this feature, or they were subject to frustrating wait times or not getting the response they were looking for. Comparatively, Retail Super funds scored quite well in this area, with people reasonably satisfied when using chatbots and live webchats on their super fund websites.

Retail also rated better in 'Finding Corporate Governance Documents'. This came down to familiarity (how recognisable each page is) and how easily people could navigate the site. Last year, Industry funds rated higher in 'Learning How to Open a TTR Account' and 'Finding Aged Pension Information' compared to Retail Super funds. This year, the results are mixed. Scores declined for Industry in both these criteria.

Retail Super funds made small improvements in both areas, rating higher than Industry in the latter category. The scores are derived by calculating the average of each question for both Industry and Retail and subtracting the scores from one another to give the variances indicated.

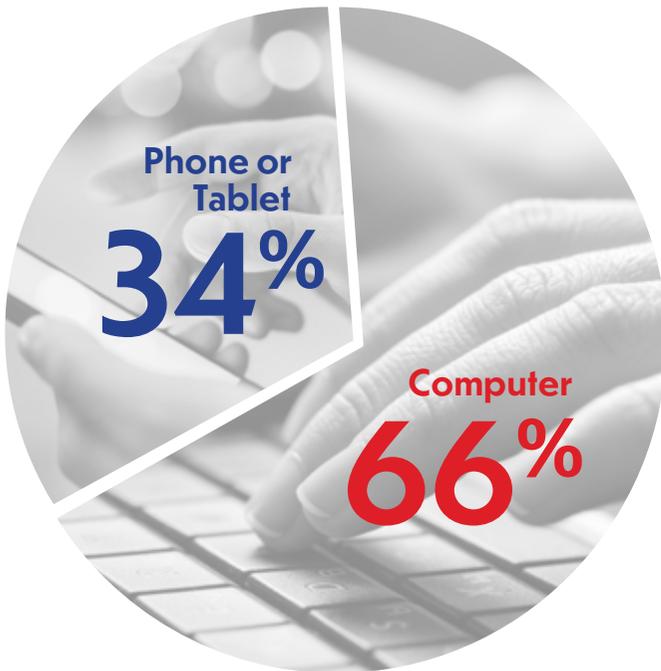
RETAIL

Description	Check Beneficiaries	Check Super Balance	Check Investments	Check Insurance	Test Retirement Calendar	Check Statement	Find Corporate Governance Documents	Test Chatbots / Live Chat	Learn how to open TTR Account	Find Aged Pension Info
Page Responsiveness	-0.1	0.4	0.2	0.1	0	0.7	1.4	0.9	0	0.2
Page Simplicity	-0.5	0.1	0	-0.2	-0.2	0.7	1.4	1.2	-0.7	0.3
Page Visual Aids	-1.1	0.2	0.1	-0.2	-0.7	0.4	1.3	1.5	-0.7	-0.1
Page Consistency	-0.1	-0.1	-0.1	0.1	0.6	0.1	0.8	0.3	0.5	0.8
Page Familiarity	-0.9	0	-0.3	-0.7	-1.1	0.3	1.4	1	-1.1	-0.6
Information Clarity	-0.2	-0.1	0.2	-0.3	-0.3	0.3	1.6	1.3	-0.4	0.4
Process Efficiency	0.1	0.2	-0.2	-0.5	0	0.2	1.8	1.5	-0.5	0.9
Process Forgiveness	0.4	0.4	0.1	-0.1	0	0.3	0.5	0.4	0.4	0.8
Overall Satisfaction	-0.4	0.2	-0.1	-0.3	-0.7	0.3	2.4	1	-0.6	0.3

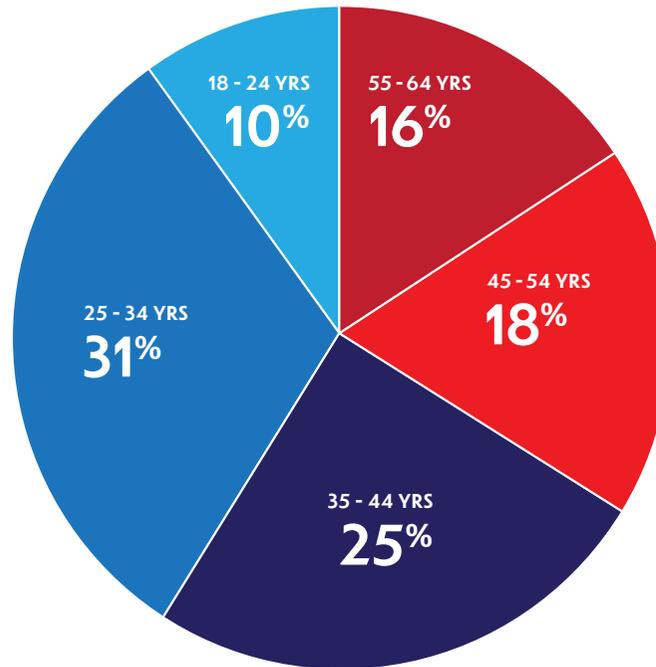
Survey Responses

“Just because funds can utilise certain technologies, doesn’t mean they should.”

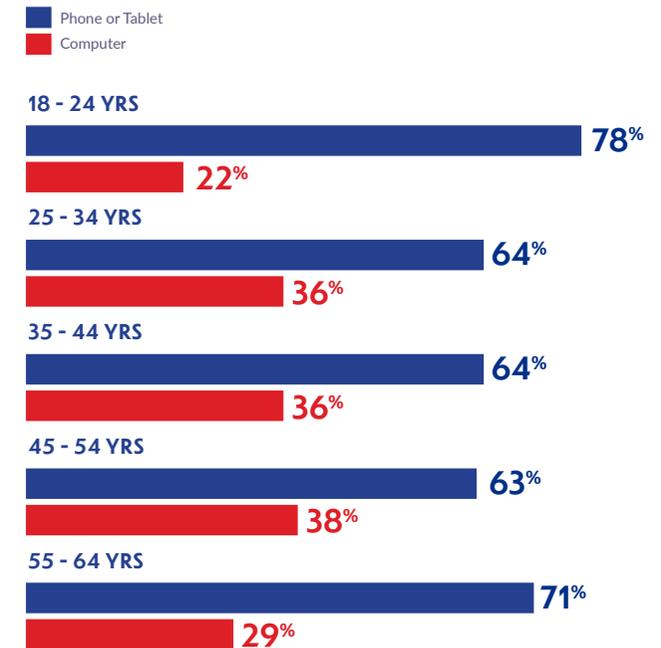
SURVEY RESPONSE BY DEVICE TYPE

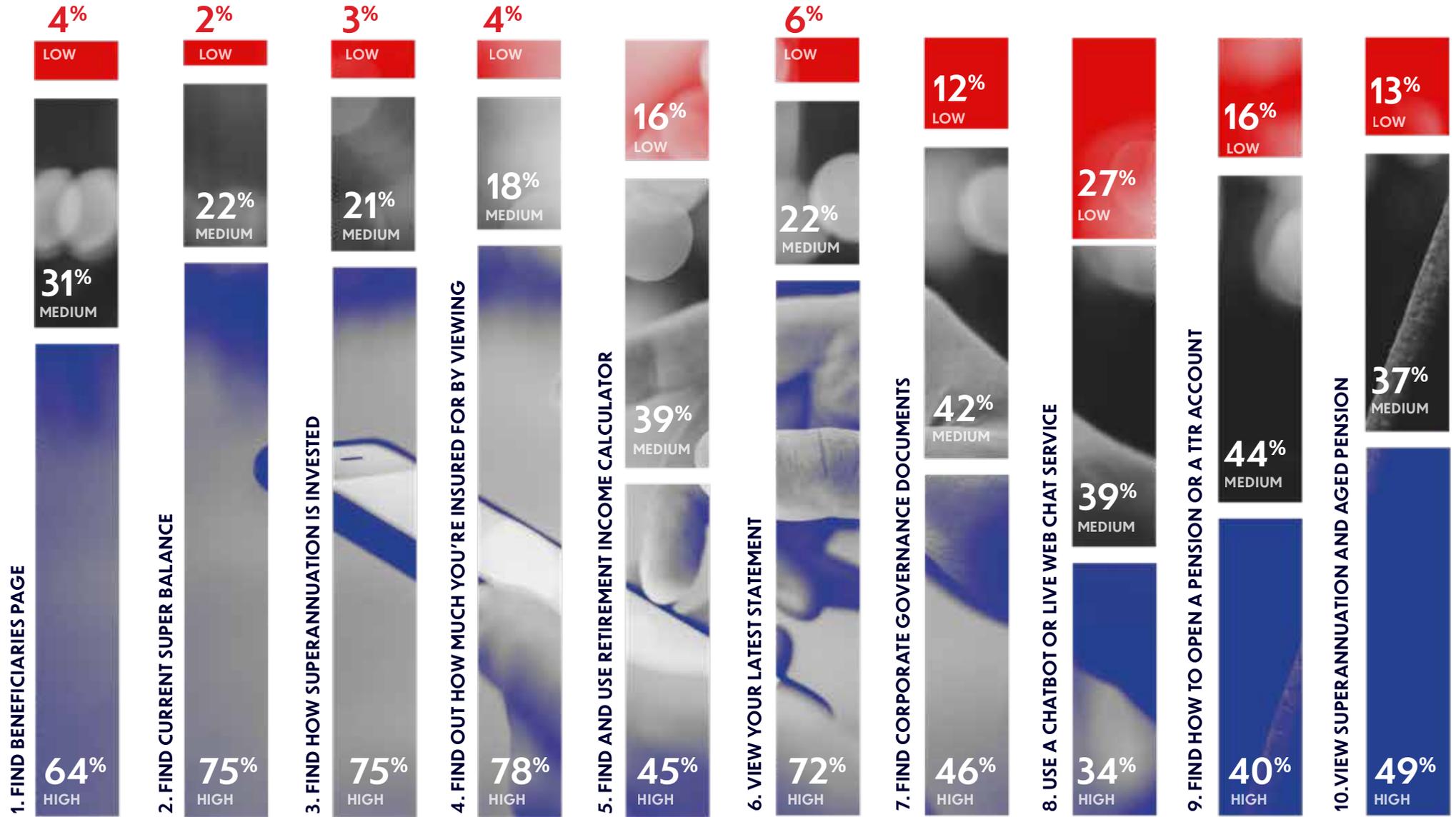


SURVEY RESPONSE BY AGE



SURVEY RESPONSE BY DEVICE TYPE BY AGE





OVERALL USABILITY AND SATISFACTION RATINGS

In-depth Insights

Where is the industry heading? We asked key thought leaders to find out.

Multiple interviews were conducted with nine thought leaders within the superannuation industry.*

Each thought leader focused on the need to deliver the best outcomes to super fund members. This was not just in relation to how a super fund and its services were presented to the world, but more importantly how super funds could deliver meaningful information to members, help them make decisions that help them prepare for retirement, and do so in the most efficient way possible (for both the member and the super fund).

The following are the top insights raised during these interviews. What funds need to do, what is needed from super funds, and where we're all headed:

DATA OWNERSHIP

Super funds will need to take control of their data in order to better serve members' interests and empower members to make informed decisions.

Super funds want to control the master data hub and want to ensure the data is complete and accurate to gain better insights for members. But, the issue remains: who owns the data?

Some administrators feel that they own the data—or at least the configuration of the data—and that they are contractually obligated to make sure the data is secure. Super funds, however, point to their obligations as Trustees and RSE Licensees, and are very conscious of their responsibilities as the ultimate owner of the data.

Some interviewees noted that there is less inter-fund communication about where the industry is heading. There used to be more sharing of information between super funds but that is now less apparent. Some super funds suggested it would be ideal if there were user groups that engaged with administrators. However, administrators often don't have the time to look at the issues that user groups want to discuss. Therefore, super funds are often reactive to what other super funds are doing and where the market is heading. This is why super funds require greater access to their data in order to determine what is happening to their members and the industries they represent.

Super funds continue to work hard to ensure back-office complexities do not dictate what the member experiences. They want to maintain positive member outcomes yet there are hurdles. Super funds want to be able to enrich, control, analyse and gain insights via data yet face restrictions, especially when working with back-office providers.

MAKING USE OF THE DATA

Having received improved member data, super funds will need to be able to undertake member journey mapping and incorporate feedback learnings to improve customer experience.

Once super funds have captured the data, they need to use it effectively. Ensuring as minimal clicks as possible for prospective members is also hugely important.

Member experience comes down to understanding your audience. Super funds need to start personalising experiences to drive different content for different audiences based on the data they have.

“the mobile experience needs to be limited and the more complex decisions must be made through desktop.”

Younger members expect to do everything through a mobile experience while older users want to use desktop. The concern some super funds have with an end-to-end mobile experience is the fact that members could make very important and impactful decisions while they are sitting on the train to work.

Therefore, the mobile experience needs to be limited and the more complex decisions must be made through desktop. The challenge is delivering a balance for members.

IT'S TIME TO GO PAPERLESS

The industry should take the initiative to move to a totally paperless member experience. Super funds should be ambitious about this, use multiple digital channels and not wait for Government direction.

Interviewees noted that the vision of a paperless environment, particularly within the superannuation industry, is something that is continually discussed. It was a common response that this is something the industry should take initiative on. Super funds need to be ambitious about this, using multiple digital channels and not merely wait for Government direction.

Yet despite this heated discussion, some said that for the industry to move to a totally paperless member experience, a lot more needs to happen.

Much super fund information is still sent to members by mail (even though many people won't open superannuation correspondence). If the information were to be sent electronically, the super fund could monitor when people receive the information and whether they opened the communication or not.

“for the industry to move to a totally paperless member experience, a lot more needs to happen. ”

A suggestion is for super funds to reverse the 'Opt-in' and 'Opt-out' options for member communications. Super funds make people jump through hoops to opt-out of being sent any information via paper, so nobody bothers. It needs to be the other way around, making people work harder to receive their information via paper so that everyone receives it electronically unless they specifically state otherwise.

REGULATORY HURDLES

Super funds will need to confront regulatory hurdles around the use of data in order to work towards straight-through-processing, greater accuracy and reduced errors.

The Government has introduced a compilation of regulatory hurdles following the Financial Services Royal Commission. This has had a major impact on the way super funds operate within the industry.

Digital engagement vis-à-vis adviser distribution is now even more important. The implementation of FoFA and the findings of adviser misconduct by the Financial Services Royal Commission mean that adviser distribution will be less significant and online channels more important. This will drive increased focus and investment on digital channels.

The interviewees recognised that super funds need to be able to react and respond quickly. Yet the Government is pulling data rather than pushing data to APRA. This means that the Government might know about breaches before you do.

Organisations are currently distracted by the activity around legislation and protecting your super (PYS). There may be a Strategy Officer with an organisation however that person is often 'fighting fires' and dealing with immediate challenges rather than big picture issues. Super funds must continue to confront the regulatory challenges at-hand while simultaneously staying focused on business strategy and development.

"A super fund that can deliver seamless and natural straight-through-high-volume-processing is going to be rewarded with increased customer loyalty."

The holy grail that people have been looking for is straight-through-processing. One interviewee suggested that this can substantially reduce administration costs. Regulators however, are doing everything in their power to stop this (without necessarily realising that this is what is occurring).

Super funds are looking to extract operational efficiency in their transactions and member communications, and increase their capacity for high-volume processing. Customers, on the other hand, expect increasingly tailored communications that speak directly to their needs (but not of the 'Dear Mr. Brian' variety).

A super fund that can deliver seamless and natural straight-through-high-volume-processing is going to be rewarded with increased customer loyalty.

Super funds must continue to utilise data and work towards the improvement of their member experience while juggling the challenges that are arising through Government regulation.

REAL-TIME REPORTING

The implementation of real time reporting will give super funds the capacity to understand members, meet their needs, and to predict behaviours.

Real-time reporting gives super funds the opportunity to best serve their members, tailoring the online experience to suit their needs. Real-time reporting also involves segmenting membership in terms of how people interact with technology and digital channels.

Tracking prospective members returning to a website is one way that super funds are using predictive analysis to understand what prospects look for within their website. This involves tracking what these people checked in both site visits, capturing this information, and assessing it to then find out more about them so that their next visit to the site can be tailored for them.

Existing members are the best ambassadors for a super fund. Super funds can profile their members and then attempt different, tailored landing pages. It's about trial and error, A/B testing and working out the best solutions to improve member experience.

To ensure retention within super funds, there must be a better understanding of where people are at in their life cycle. There is currently no sense of urgency amongst super funds, therefore there is limited engagement to date.

A consensus amongst interviewees was that there should be social media monitoring of how people are responding to super funds. It is important to watch what people do and where they are dropping-out online.

Implementing real-time reporting is going to give super funds the ability to further understand their members and therefore better meet their needs and tailor their online experience.

THE VALUE OF AI?

The problem with AI and robotics is that it hasn't worked well and often doesn't improve the super fund member experience.

Artificial Intelligence and robotics are currently hot topics within the superannuation industry. There's a debate between those who believe it is useful and delivers value, and those who believe it does not.

The biggest issue with AI and robotics is that intra-fund advice does not work. For example, whether someone is a homeowner or not limits what can be said. Robo-advice hasn't particularly worked well for those who have engaged with it.

A lot of the interviewees are of the opinion that chatbots are not useful. Everyone has a different way of expressing a question, and chatbots often cannot understand the question being asked.

If super funds are going to make this work, they will need to undertake more experimentation and investment when it comes to chatbots and AI. From a technology perspective, super funds should be keeping an eye out within the industry to see what forms of technology are coming up and what looks promising.

AI and robotics will continue to be used by some super funds however many others are not moving to introduce them at this stage. They are waiting for the evolution of functionality that is more user-friendly and actually works before implementing it themselves.

*Please note: The views of our interviewees represent a snapshot of the views of well-positioned and informed thought leaders on digital superannuation. When mention of "what super funds think" is made, it is referring to the super funds that have been interviewed and is not asserting these are the views of the whole industry.

"If super funds are going to make this work, they will need to undertake more experimentation and investment when it comes to chatbots and AI."



Conclusion

Members are looking to super funds to provide the same experience as all their digital interactions, from buying a pair of shoes online to researching and price comparing for a new car. Super funds can speak to members and engage with them via more touchpoints than ever before. This has the potential to create lasting and loyal relationships.

Yet, the opposite is also true. Super funds who don't adequately make use of the technology at their fingertips risk losing out to the competition. While in most areas m-commerce and smartphone usage is on the rise, this year's survey showed that PC usage is the preference in the superannuation industry. This is because of the limitations apparent in the mobile experience when it comes to super funds. The same can be said of chatbots and other AI tech which is currently overpromising and underdelivering.

The frustration caused by getting the basics wrong (such as slow page-load times, sub-par mobile experiences, infuriating chatbot experiences) is enough to make members look elsewhere.

It's also clear that trustees need to take control of the data. It's about developing innovative solutions based on real insights. When it comes down to it, this year's study showed that personalised customer experience should still be at the heart of all digital strategy.

It feels as if we are on the precipice. Since 2014, the changes in the space have been monumental. Yet it's now time to really hone-in on what's important, to make some big calls and to understand the 'why' behind digital strategy and play the long-game.

As always, we look forward to what the next 12-months will bring.

Appendix

Appendix A

Digital Data

Number of Funds with the capability
out of the top 50 Funds

2015

2016

2017

2018

2019

Description	2019	2018	2017	2016	2015
Public Website	50	50	50	50	50
Mobile optimised website	48	49	49	48	46
Online Join Members	39	42	39	37	28
Online Join Employers	30	33	34	33	27
Member online	49	49	50	50	48
Employer online	42	47	49	49	46
Member App	24	24	24	22	10
Employer App	1	2	3	0	0
Gateway Access June 2019	44	48	48	50	50
Switch Online	45	47	49	49	43
Rollover Online	40	40	37	38	0
Electronic Membership Card/Digital wallet	11	10	6	6	1
New Contributions via Bpay	46	48	48	49	-
Online (Cyber) Financial Advice	5	11	9	4	-
Live Web Chat Customer Service	17	16	15	13	-
Request Financial advice online	32	40	34	26	-
Search for lost Super Online	37	41	33	33	-
Direct ASX Trading option	14	18	17	15	-

Appendix A

Digital Data

Continued.

2015

2016

2017

2018

2019

Description (cont.)	2019	2018	2017	2016	2015
Super/Retirement Calculator	33	45	46	46	-
Accumulation Calculator	37	36	-	-	-
Retirement Budget Calculator	21	23	-	-	-
Retirement Income Calculator	31	23	-	-	-
Insurance Needs Calculator	31	29	-	-	-
Ongoing Member Engagement - SMS	-	0	-	-	-
Ongoing Member Engagement - Email	-	3	-	-	-
Ongoing Member Engagement - App Notification	-	21	-	-	-
Digital Assistant integration to get account information	-	0	-	-	-
Has a MySuper dashboard	42	44	42	-	-
MySuper Dashboard can be located within three clicks	38	41	39	-	-
MySuper Dashboard link off homepage	23	25	8	-	-
Single Sign on	3	0	-	-	-
Chatbot Customer Service	4	9	-	-	-

Appendix A

1.1

Survey tasks assessed data

2015
2016
2017
2018
2019

Web Pages Tested	High	Medium	Low	Grand Total
1. Find beneficiaries page	57	28	4	89
2. Find your current Super balance	67	20	2	89
3. Find out how your Superannuation is invested.	67	19	3	89
4. Find out how much you're insured for by viewing your insurance.	69	16	4	89
5. Find and Use the Retirement Income Calculator to Determine your Retirement Income	40	35	14	89
6. View your latest statement	64	20	5	89
7. Find the Corporate Governance Documents	41	37	11	89
8. Use a Chatbot or Live Web Chat to help you complete one of the previous tasks.	28	32	22	82
9. Find out how to open a pension or Transition to Retirement Account.	36	39	14	89
10. View the Information on Superannuation and the Aged Pension.	44	33	12	89
Grand Total	513	279	91	883

Appendix B

Social Media Data

Number of Funds with the capability out of the top 50 Funds

2015

2016

2017

2018

2019

Description	2019	2018	2017	2016	2015
Dedicated Online Community	36	40	34	28	-
RSS Feed	7	5	17	18	-
Twitter	42	39	38	37	18
YouTube	35	42	43	43	23
Facebook	45	45	41	38	21
LinkedIn	46	48	49	44	35
SnapChat	-	3	-	-	-
Instagram	19	5	-	-	-
Google+	-	4	-	-	-



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