

Annex 5

Geared for action: developing the generic financial advice service

5.1 The Review commissioned the National Social Marketing Centre (NSMC) to examine three key elements of delivering generic financial advice (GFA):

- effective engagement with the potential users of the service;
- brand development; and
- demand management.

5.2 This annex is an examination of delivery of GFA, based on experience of analogous public sector work. It provides recommendations on next steps, and examples and case studies of what has and has not worked from across the public sector for the service to learn from.

5.3 The NSMC recommendations offer practical suggestions on how to engage with each potential segment of service users, describes the background and gives examples of what strategies have worked and proposals for engagement in the development phase, including indicative costs of doing so.

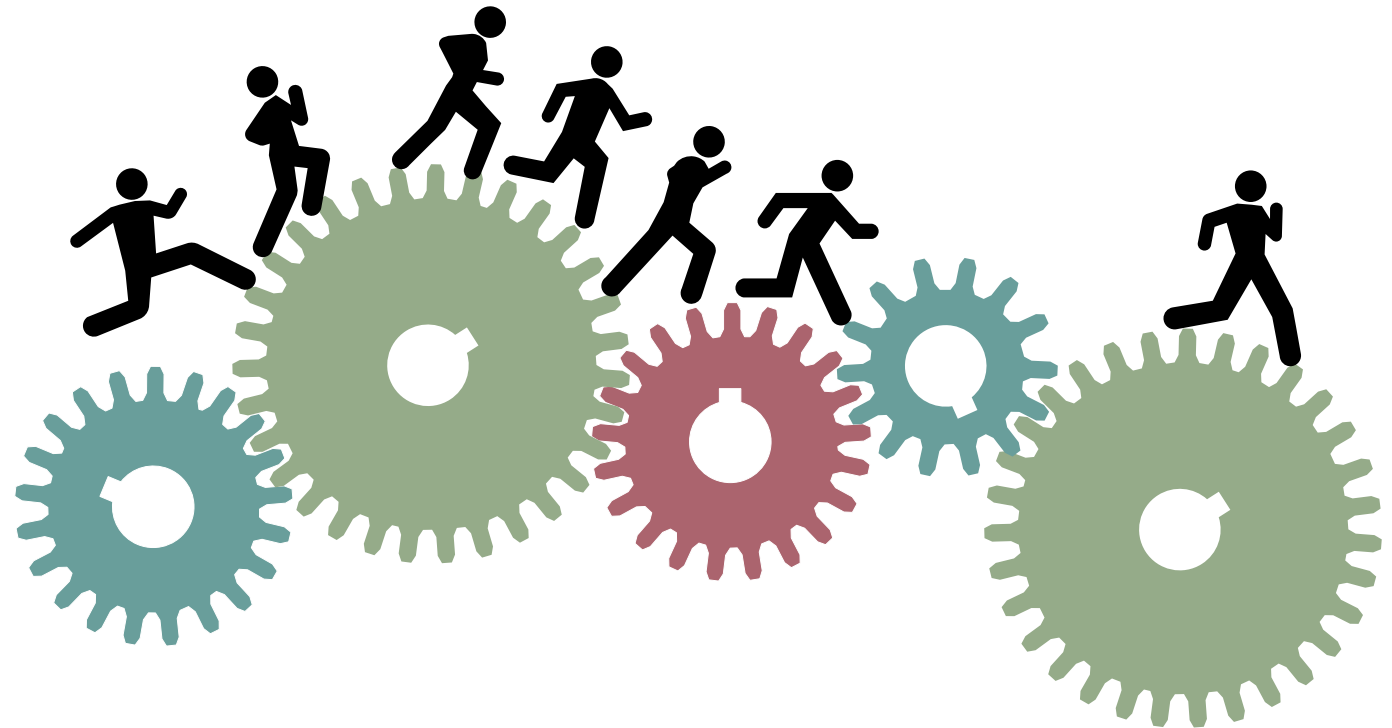
5.4 This report has contributed significantly to the formation to the Review team's views on engagement and will assist in creating an appropriate strategy for the next phase. It is clear that the work undertaken by NSMC is useful to both the Review and the organisation tasked to take the policy forward.

5.5 Hard copies of the full report provided by the NSMC for the Review are available on request.

Geared for action

Developing the generic financial advice service

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Executive summary

The Thoresen Review asked the National Social Marketing Centre to examine how effective engagement, brand development and demand management could help deliver a generic financial advice (GFA) service. In this report, we set out 21 recommendations for action related to these three key elements of service delivery.

The GFA service needs to be a long-term commitment. Its delivery must be underpinned by clear, measurable goals, a compelling message, and a service offer based on a rich understanding of those the service is trying to reach.

Similar to the process the Thoresen Review has already taken in testing out the concepts in the prototypes to refine the blueprint and design, we recommend this blueprint needs a one year full development phase and we would expect this to be underpinned by a marketing budget in the region of £4 million. This phase of research, testing and piloting the service will enable a good knowledge base to be built before a national roll-out.

Building on the research–test–pilot approach will also help predict likely demand and enable whoever is responsible for service delivery to create operating procedures for a clear and consistent service that people will recommend to others.

The GFA marketing strategy needs to be developed by experienced marketing professionals. Specialists should be sourced as a priority for key areas, including:

- strategic objective setting;
- further segmentation research;
- brand strategy;
- new media strategy;
- stakeholder management strategy;
- telephone advisory services; and
- an evaluation strategy.

We recommend a balanced and sustained deployment of above- and below-the-line marketing spend to ensure maximum success. Above-the-line techniques use mass media to promote brands. Below-the-line techniques can also help build brands, but may also be used for direct response or to stimulate purchase at

point-of-decision. They can include activities such as direct mail and sales promotions, for which a fee is agreed and charged up front.

A ‘one size fits all’ approach should be avoided; instead, the marketing mix and service delivery should be tailored to key population segments (already identified in the Interim Report), once again on the basis of extensive field piloting. The Thoresen Review team have already asked the geodemographic supplier Experian to work up solutions based on this baseline data. The Review team also have a package of research completed on the 12 segments: focus groups, qualitative research with prototype users and quantitative research with control groups. This could be linked to geodemographic mapping to give you a universal yet still segmented audience based on reported attitudes and behaviour. This will give you a more precise tool for understanding the different groups and creating and delivering tailored solutions for each group.

We recommend you draw on a range of experts, including financial capability, financial inclusion and financial advice professionals from all sectors, to refine the content of the GFA service and to consumer test it based on evidence from prototype testing. During the development phase, there is a need to make explicit:

- the service that is on offer;
- the extent of its remit;
- what it can’t do;
- how people can influence how the service is delivered; and
- how they can complain, if necessary.

It is likely that the launch of this service will create a slow burn of demand rather than a big rush. Indeed, it may be the case that even with a big ‘splash’ of a launch there will be a need to be patient. We predict that, over time, growth will follow an S-shaped curve, with demand accelerating in the mid phase, then leveling off as new demand slows as the GFA becomes a well recognised and trusted part of the financial advice service environment. However, accurate forecasts of this S shape must be based on the pilots and a full development phase.

Executive summary

The days of ‘the answer is an advert: now, what was your question?’ have gone. The GFA service will be launched in an era of complex multi-channel and multimedia solutions. Those delivering the service will need to plan for multi-agency, multi-channel delivery. When establishing the implementation team, these requirements need to be factored into management structures and contracts.

The GFA brand promise (we are on your side, we’re not trying to sell you anything, and we’re free) is very attractive, but delivering it means that trust in the impartiality and integrity of GFA is vital. The GFA service delivery agent needs to manage very carefully the choice of partners, and there is a need to articulate clearly the roles of stakeholders, intermediaries, delivery partners, funding partners and referral agents. It will be necessary to build on the Review’s ideas for accreditation and service outcomes by explicitly setting out the standards of conduct you require of partners, how these will be policed over time and the consequences of non-compliance.

We recommend that, as part of the next development phase, you draw up a comprehensive mapping of delivery, promotion and referral partners based on how the GFA service is to be positioned against other public and private sector generic (and preventative) advice offerings.

The GFA brand should be shaped by the needs of the communities that GFA service will serve. Literacy levels amongst some communities are low. Communications should be guided by extensive market testing and, for example, avoiding words like ‘finance’ in favour of ‘money’. For some communities, it may be necessary to find an alternative to literature-based communications. We recommend briefing a specialist branding agency to create a layered GFA brand – a simple memory trigger, underpinned by details of the functional service offer and emotional benefits, such as the joy of financial worries solved and the happiness of feeling in control.

The GFA brand promise must be met by efficient brand delivery. The tone of GFA communications must be backed up with motivational internal marketing amongst all suppliers, intermediaries and partners to ensure that what is promised is delivered. For example, a ‘helpful and friendly’ brand promise must be matched by consistently helpful and friendly delivery.

On completion of a full development phase and the production of a full business case, there should be a phased, regional roll-out of the service across the country. This will allow you to better control any over- or under-heating of demand.

Finally, we recommend the development of a fully integrated GFA marketing plan, with a budget in the region of £20 million per annum for the first four full operating years of the new service, after the piloting stage.

1 Policy context

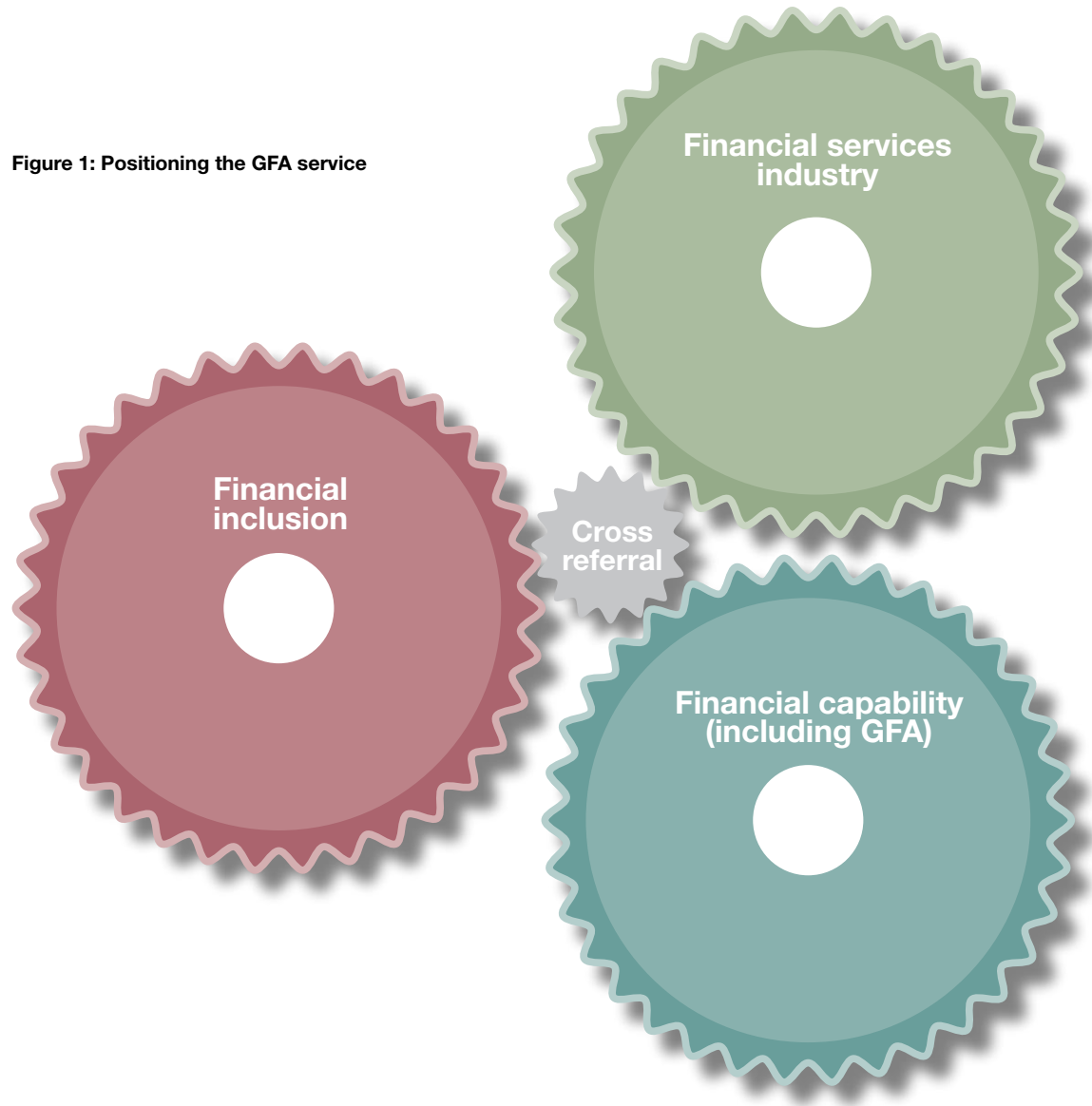
The GFA service needs to fit into the wider policy context of financial capability, financial inclusion and regulated financial advice. Each of these policy areas needs consideration, as they will present a range of opportunities and challenges.

1 Policy context

Positioning

Clarity on how a GFA service will fit with the other major drivers of the Government's long-term approach for financial capability, including personal finance education in schools, and complement the FSA-led National Strategy for Financial Capability, is important for stakeholders as well as users. You should also be clear about where the GFA service sits in relation to wider services, particularly regulated financial advice, other market developments and financial inclusion initiatives. Ongoing work on the retail distribution review, the expansion of financial inclusion work into savings and home insurance and the advent of price comparison websites are important considerations in positioning the service. Marketing the GFA service as complementary to these services is important to its long-term success. Figure 1 illustrates how the GFA service interconnects with the current landscape.

Figure 1: Positioning the GFA service



Co-ordination

Where possible, strong co-ordination between all these programmes will be required to avoid duplication, provide consistent messages, benefit from referrals between services and ensure delivery partners can work on more than one of these areas, where appropriate. Practical measures, such as the implementation of clear protocols for referrals between these services and consistency in the look and feel of consumer materials and contact points, will be necessary to ensure the long-term success of the GFA service.

Joint learning and resources

There is scope for the GFA and other financial capability and inclusion organisations to share learning on working with intermediaries, engaging different target groups, service delivery and joining up central programmes at a local level. The new financial inclusion champions, the face-to-face debt advice work of the Department for Business, Enterprise and Regulatory Reform (BERR) and the money advice projects of the Learning and Skills Council (LSC) will all provide important insight. Other resources, such as the financial capability baseline survey, will also be useful as potential measures of the GFA service's progress.

New developments

Future developments, financial service industry or government initiatives as well as market forces are all likely to affect demand for the GFA service. Managing demand from such developments will present a challenge for the service. Ongoing horizon scanning and assessment of what this will mean for the service will be necessary.

Conclusion

The current policy environment is positive in terms of launching the GFA service. You will need to ensure good co-ordination and clear referral processes between the GFA service and other financial capability and inclusion services where appropriate. Positioning the GFA brand in relation to these services is a key challenge. You should place emphasis on the complementary and preventative nature of the GFA service.

2 Engagement

2 Engagement

Ensuring effective engagement

These are the ten most important characteristics for designing effective engagement interventions¹:

1. Ensure interventions are consumer-focused and driven by theory, evidence and research.

- Understanding of the everyday lives and aspirations of the audience is essential.
- Use theory to ground and inform development learning from previous work.
- Draw from a wide range of different types of evidence. Look beyond the visible iceberg of published evidence to evidence locked in the experience and expertise of practitioners and communities themselves.
- Use a range of research methods to get a rounded understanding of what people do and why they do it.

2. Ensure explicit behavioural goals are in place.

- Make sure that it is possible to express the overall aims of the work in terms of specific behaviour (i.e. as behavioural goals).
- Avoid reliance on broad and general behavioural goals and instead tailor these to specific sub-groups and segments of the population.
- If there is a need for information, knowledge and awareness goals, make sure these can be directly linked to an impact on behaviour – otherwise avoid them.

3. Use segmentation to tailor approaches to different customers.

- Go beyond traditional targeting approaches that rely heavily on demographic and observational data.
- Broaden the approach to use more developed segmentation approaches that include use of psychographic and other data, to develop a deeper understanding of what people feel, think and believe about their lives and the specific issues being considered.

“Engagement is turning on a prospect to a brand idea enhanced by the surrounding context.”

ARF, 2006, www.arfsite.org/about/news/2006-04-04clickz.html

- Avoid blanket messaging. Instead tailor approaches to the different needs of different sub-groups.

4. Use combined approaches (don't rely on single methods).

- Use multi-intervention approaches.
- Systematically consider the use of the four primary domains of influences:
 - educating, informing, building awareness;
 - servicing, supporting and practically assisting;
 - designing and altering the physical context; and
 - requiring, regulating, legislating and controlling.
- Avoid focusing on the individual in isolation. Address the wider social context and wider determinants to address factors outside of the individual's direct control.

5. Work to actively engage individuals and communities.

- Recognise that engagement is far more important than communication.
- Active involvement strengthens development, delivery and evaluation of any intervention.
- Build ‘social value’ into interventions to strengthen the meaningful and valued benefits of the intervention.

6. Invest in multi-sector partnerships and mobilising ‘delivery coalitions’.

- Partnership working significantly extends the capacity and capability of interventions.
- Partnerships bring different perspectives, intelligence, evidence and expertise that can significantly enhance customer understanding and insight generation.

¹National Consumer Council (2006), *It's our health: the National Independent Social Marketing Review report*, June 2006.

Case study: working in partnership and measuring outcomes Home Office: Vehicle Crime Reduction Action Team

In 1998, vehicle crime – theft of and from vehicles – was still the largest single category of recorded crime, accounting for 24 per cent of all crime. In that year the Home Office set up a crime reduction action team to address the Government’s target of reducing this type of crime by 30 per cent between 1999 and 2004, a proposed reduction of 317,000 offences.

Partnership activity was a key aspect of the subsequent strategy, and operated at a number of levels. The team set up a specific task group among motoring manufacturers and retailers. A private sector agency was appointed to seek other appropriate partners, who included the AA, the RAC and Halfords. Local partnership activity was co-ordinated by crime prevention officers, and at a national level the Home Office worked with the Association of Chief Police Officers and the Department of the Environment, Transport and the Regions to create a 14-point plan.

Another major strength of the initiative has been the ability to measure outcomes: the team has collected and monitored tracking data. Unpublished crime data submitted by local police forces gives a detailed and up-to-date picture of car crime across the country. The British Crime Survey also provides a high-quality data set, giving a nationally representative picture of trends in experiences and perceptions of vehicle crime.

Since the peak in 1995, both the British Crime Survey and police figures show that the number of thefts has fallen considerably. The number of vehicle-related thefts fell by eight per cent between 2004/05 and 2005/06.



7. Commit to a sustained approach, that mobilises resources and assets.

- Avoid isolated one-off interventions. Ensure all smaller-scale time-specific interventions are developed and framed in the context of a broader, longer-term strategy or approach.
- Don't focus exclusively on financial resources. Build human skills and capacity and work to mobilise communities to help themselves.
- Don't just focus on 'deficits' and problems. Instead, frame interventions around mobilising assets and building latent strengths and capacities within individuals and communities.

8. Use an integrated model to connect national, regional and local efforts.

- Connecting interventions at different levels can significantly enhance potential impact and effectiveness.
- Focus on building links, connections and synergies between work at different levels. Recognise that this will take time, effort and some resources.

9. Build a 'learning and reflective' culture.

- The greatest resources available are the people, communities and practitioners involved.
- Valuing and sharing the evidence for effectiveness that rests in people's experience and expertise is important for strengthening and sustaining work and for motivating people.
- A great deal of evidence and learning never gets published but should be shared in other ways.

10. Invest in coordination (it won't happen spontaneously).

- Organising and planning interventions can be complex, and investing in coordination is critical.
- Helping summarise and co-ordinate work is a key to ensuring effective stakeholder engagement.

Engagement – the ‘must haves’

Engagement delivers benefits. Research by Gallup suggests that for all kinds of companies, fully engaged customers – those who score in the upper 15–20 per cent on Gallup’s measure of emotional engagement – deliver a 23 per cent premium over the average customer in terms of share of wallet, profitability, revenue and relationship growth.

Organisations have to be committed for the long term. One of the key mistakes often made by public sector marketing efforts is that organisations want to win the battle and the war in one step, when the evidence tells us this is not the way it works. They often build campaigns and initiatives on assumptions rather than tested, well-honed strategies. The organisations sometimes think that the issues they are dealing with are too complex for simple, concise messages.

In preparing this report, we examined factors that underpinned successful campaigns – and those that were likely to bring failure. We conclude that there are at least three ‘must haves’ for the GFA service, each of which is discussed in more detail below:

1. Clear, measurable goals.
2. Extensive knowledge of the target audience and what moves them.
3. Compelling service offers and messages that connect with, and deliver real benefits to, the target audience.

1. Clear, measurable goals

We all know the importance of setting out clear aims and objectives. Yet too often we start campaigns and engagement strategies without clearly setting out what success will look like, what precise behavioural goals we have and how we are going to measure progress. The GFA service will need to set unambiguous targets that relate to each stage of the AIDA model.

The AIDA model

AIDA is an acronym for: awareness, interest, desire and action: it forms a well known model for engaging audiences, and was developed by Howard and Sheth in 1969². The AIDA model has been used to shape many advertising and marketing programmes in the public, private and third sectors. It sets out four processes that people

“People start from the wrong place and have the wrong goal. Ask yourself: what behaviour do you want to achieve and by what degree? Is it doable?”

Bill Novelli, American Association of Retired Persons (AARP) Organisation, USA

need to go through before they actually take up a new service.

The first stage involves consumers being *aware* of what is being offered. This requires an organisation to spend on awareness-raising through advertising and marketing promotions.

The second stage is personal *interest*: organisations aim to get people to believe that a service may be helpful to them. Again, at this stage, advertising and marketing promotions are the main communication channels, but organisations can also exploit social networks and PR.

The third stage is *desire*. At this stage it is necessary to convince consumers of a service’s advantages and that it can satisfy their particular needs. Typically, media, PR and direct marketing will all need to be applied.

In the last stage of the model, consumers take *action*: organisations need to convince consumers to use the service and support them in doing so. Excellent marketing materials, word-of-mouth recommendations, ease of access, good follow-up of any ‘hot prospect’, an adequate response to people who express an interest in the service and excellent delivery are all key. We have set out an AIDA investment table for the GFA service (see p.28). But we also recommend that you develop a clear set of key performance indicators (KPIs) for each of the AIDA stages, in conjunction with key partners, stakeholders and intermediaries. Such a process has recently been completed by DEFRA in its plans for the new environment strategy.

²Howard, JA and Sheth, JN (1969), *Theory of Buyer Behaviour*, New York: Wiley.

Possible KPIs for each AIDA stage of the GFA marketing strategy

Awareness

- Knowledge level of GFA existence
- Recognition and recall levels of GFA brand, key slogans and straplines
- Correct identification level of GFA service offering
- Positive disposition towards GFA service offering

Information-seeking

- Attitude to finding out more about GFA
- Web searches for GFA
- Telephone directory enquiries for GFA
- Number of enquiries through other routes

Decision to act

- Positive attitude towards contacting GFA
- Ease of access and response rating
- Number of people accessing stakeholders' and intermediaries' services

Action: visiting GFA

- Level of footfall into service and type of assistance requested
- Number of telephone enquiries and types
- Number of web-based enquiries and types
- Number of referrals and sources
- Number of households in unmanageable debt

Action: behaviour change

- Financial capability survey
- Number of people saving
- Number of people defaulting on mortgages and other loans
- Number of households in unmanageable debt
- Number of people with adequate pension provision
- Decrease in number of calls to crisis services
- Decrease in number of complaints
- Increase in product and service purchases
- Decrease in calls on benefit claims
- Increase trust index

Case study: setting clear, measurable goals
Department for the Environment, Food and Rural Affairs (DEFRA): environment strategy

DEFRA undertook an extensive behaviour-mapping and target-setting exercise during 2007 to inform its new approach to environmental sustainability and reducing the UK's carbon footprint. As part of a wider review of its marketing strategy, the Department compared those behaviours that would make a significant impact on climate change against its knowledge of the attitudes, knowledge and behaviour of different sections of the population. This exercise allowed it to prioritise those behaviours it could realistically target in the next phase of its strategy and set realistic objectives.

**Case study: using SMART objectives and tracking evaluation
Inland Revenue's self-assessment campaign**

Persuading other people to do something they don't really want to do is always a challenge. In fact, so difficult was the task of marketing self-assessment for tax that by 2002 it was dubbed 'one of advertising's poisoned chalices' by the trade press, and the number of tax returns submitted on time was in decline. The conventional advertising wisdom of the time – that it was best to 'nag' people into submitting their returns – was obviously not getting the results government needed.

An innovative response was needed to make self-assessment a success. The Inland Revenue's starting point was to set objectives that were SMART (specific, measurable, actionable, realistic and time-bound), including to:

- ensure that 90.5 per cent of all returns issued were filed on time; and
- double the take-up of online submissions in 2003, 2004 and 2005.

Faced with these challenging targets, the Department was able to use feedback from ongoing tracking evaluation to get insight into the target audience's views and behaviour and to get feedback on how marketing campaigns could be improved. In response to the insight gained, a radical proposition was developed for the subsequent advertising campaign: tax doesn't have to be taxing. Rather than 'hector' (the name of the character used in the original campaign) people into submitting returns, the new campaign had an empathic approach. It compared filling in tax returns to other apparently difficult tasks, addressed concerns and provided support.



It is an approach that worked: taxpayers' concerns about the submission process have eroded during the campaign period, and the objectives listed above were met.

2. Knowledge of the target audience

Major lessons from a range of subjects (including economics, psychology, sociology and anthropology) have provided us with valuable understanding of consumer behaviour and motivation. Consequently we can be confident that the following factors will need to be considered when developing and promoting the new GFA service.

1. A desire for change must be present in the target audience: *Some people will want to change their financial behaviour; others want help but do not want to change.*

2. Many people are bad at computation: they don't understand numbers. *Keep GFA simple.*

3. People need to feel involved and consulted. Participatory involvement creates bigger behavioural change effects. *Wherever possible, involve and consult.*

4. People are often motivated to do the 'right thing' for the community as well as themselves and their families.

You should aim to get to a point where using the GFA service becomes a behavioural norm.

5. Social relationships, social support and social norms have a strong and persistent influence on behaviour.

6. Change is usually a process not an event, and often entails several attempts before success. *Be patient and expect a slow start.*

7. People can be 'locked into' patterns of behaviour and need practical help to break them. *Make GFA easy to use and attractive to use.*

8. Behavioural experience can influence beliefs and values. Move people to behaviour as quickly as possible. *Don't rely on attitude shifts only.*

9. Psychological factors, beliefs and values influence how people behave.

10. Change is more likely if an undesired behaviour is not part of an individual's coping strategy. *Avoid 'telling people off' for poor financial behaviour if they are just trying to cope with life.*

Engagement

11. People's perception of their own ability to change can either enhance or detract from attempts to change. *Instill confidence.*

12. People's perception of their vulnerability to a risk and its severity is key to understanding behaviour. *Focus on reducing the risks.*

13. Perceptions of the effectiveness of the recommended behavioural change are key factors affecting decisions to act. *Emphasise the benefits.*

14. People influence and are influenced by their physical and social environments. There is a limit to a person's capacity to change if the environment mitigates against the desired change. *Can GFA be located in people's everyday lives (for example: in a supermarket?)*

15. People are loss averse: they will put more effort into retaining what they have than acquiring new assets. *Build this into the KPIs.*

16. People often rely on mental short cuts and trial-and-error to make decisions rather than rational computation. *The GFA brand will be a short cut, so it needs to be simple and strong.*

17. The more beneficial or rewarding an experience, the more likely it is to be repeated. *GFA experience needs to be rewarding.*

18. Maintaining positive behaviour can be assisted by reinforcement. *Build a relationship with clients that is ongoing.*

The GFA marketing strategy will need to take account of these understandings. Figure 2 illustrates the stages that people usually progress through in achieving some positive changes such as better financial management of their affairs. This 'people change' ladder was developed for Exchange (the Government's Strategic Communication Programme).

Figure 2: The people change ladder (Cabinet Office 2006, Engage Programme).



In addition, the GFA marketing strategy will need to be based on insight into the target markets it is seeking to help. There is a growing number of good examples of using customer insight to ensure effective delivery in the public sector. Consumer Direct (one of the two contractors used by the Thoresen Review team in its prototype work) used customer segmentation to help the former Department of Trade and Industry become more citizen-focused. Other examples include the Department for Transport's world-class THINK! campaign, and the Department of Health's Obesity social marketing programme.

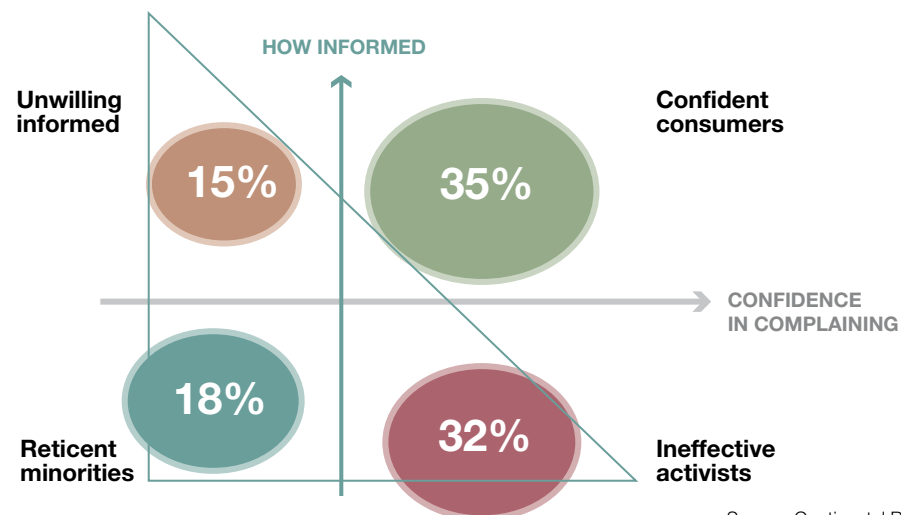
Case study: using segmentation to target consumers
Consumer Direct

Consumer Direct was launched in 2004. It provides clear, practical, impartial advice to help consumers sort out problems with suppliers, report trading scams, find out how to avoid scams, seek reputable traders and understand their rights. Its primary marketing objective is to be recognised by the public as the first contact point for consumer advice.

But a year after launch, the organisation still had low awareness levels: people were much more aware of established consumer advice organisations. It also emerged that those less likely to complain and those who have a poorer understanding of their rights were harder to attract to the service. To have maximum effect in a vast market with occasional usage, it was important to have an impact against specific audience clusters rather than a scattergun approach.

A quantitative survey helped to define and identify the audience in terms of how much they understood their rights and how likely they were to complain if their rights were breached. Setting out the results on a matrix, Consumer Direct produced a quadrant of four distinct audiences: unwilling informed; reticent minorities; confident consumers; and ineffective activists.

Consumer Direct then prioritised these segments against its operational objectives and used different channels and messaging across the four segments. The final marketing solution focused primarily on 'ineffective activists', as they are predisposed to complaining and are responsive to messaging – but they lack knowledge, and so are in need of Consumer Direct's services.



Source: Continental Brand Trading

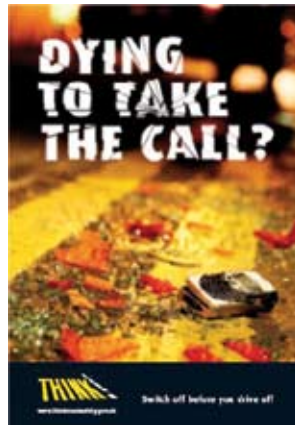
Case study: making the most of consumer insight Department for Transport's Think! campaign

The Think! road safety campaign was launched in 2000, with targets of reducing road casualties in Great Britain by 50 per cent for children and by 40 per cent overall between 2000 and 2010. In 2005, even though the campaign already had had significant successes, the Department for Transport undertook a major review of the campaign to see whether it could be made to work even harder.

This review included an environmental analysis and the gathering of data from a wide range of sources to get an insight into consumer thought, values and behaviour. The Department drew on desk research, meetings with key stakeholders and a major piece of original research into customer segmentation. It learned that attitudes towards road safety and driver behaviour are not purely a function of life stage, but are much more locked into an individual's values, lifestyles, attitudes towards risk and perceptions of danger.

The findings helped inform a rejuvenated campaign strategy, based on the need for focus, a deeper engagement and integration and co-ordination with stakeholders. This new strategy provides the opportunity to build a much closer, more meaningful relationship with those audiences that are most in need of road safety information and to 'talk with' rather than 'shout at' them.

Since 2000, excellent progress has been made towards these road safety targets, with casualties in 2004 down by 43 per cent for children and by 28 per cent overall.



“Don't try and change people: match GFA with people's existing motives and beliefs.”

3. Compelling service offers and messages

Defining the core service

The core proposition of the GFA service has been articulated in the Interim Report, and there are also some scenario descriptions. Explicit descriptions of the service to be offered are contained in the advice protocols which were developed in conjunction with industry, the third sector and prototype contractors. These will of course need to be designed differently for each marketing channel you eventually use. A continuing task during the development phase is to make explicit:

- the service that is on offer;
- the extent of its remit and what it can't do;
- how people can influence how the service is delivered; and
- how they can complain, if necessary.

This detailed service specification and the now developed rule book setting out the scope, content and objectives of the GFA service will need to be fully tested as part of the pilot stage. If not

already included, the rule book should also cover the following two aspects: how the service refers to its partners and stakeholders; and how, and under what circumstances, the service is referred to by its stakeholders, intermediaries and partners. We recommend that, building on prototype lessons and experience, during 2008, you develop a clear set of operational rules and procedures, and that you make them available to the public. In developing these rules and procedures, you should consult stakeholders, intermediaries, partners and potential users of the service.

Based on lessons learned during the prototypes, two urgent tasks include refining:

- core protocols (similar to those used by NHS Direct) to guide both web-based service delivery and face-to-face provision of advice; and
- quality-checking procedures for core scripts, critical path tools and referral guidance, so that the service is consistent and its delivery can be measured against an explicit set of standards.

Bricks and clicks

'Bricks and clicks' is a term for a business strategy in which a company seeks to integrate an online and a physical presence. It is also known as 'clicks and mortar'. An example of a company using this approach is the supermarket Waitrose, which operates through its stores and online through Ocado.

The bricks and clicks approach requires the development of multi-channel access for different consumer groups rather than a simple choice between online or face-to-face.

Bricks and clicks is a strategic option, rather than a specific tool³. The approach would require a series of tests to determine if it is a sound approach for the GFA service. Four key tests are as follows:

1. Core competency – does the service involve a core skill or expertise that new online providers couldn't match?
2. Can existing supplier networks and distribution channels be used to assure delivery of the service?

3. How does the cost of the bricks and clicks approach compare with that of online-only provision?

4. Is there a value to the brand that can be leveraged by using it online?

We recommend that you work through these tests as part of the recommended full development phase. Bricks could be supplied by partners.

GFA as an infomediary

Because the GFA service is impartial and 'on the side of the consumer', it contains the key trust characteristics of an 'infomediary' (see for example Henry, 2000)⁴. Traditional intermediaries such as brokers act on behalf of the sellers rather than consumers. In contrast, (commercial) infomediaries might act on behalf of consumers, and will almost certainly be web-based. They take on consumers as clients, gather data about their needs across a wide variety of categories, and then act on behalf of the consumer in advising them.

Infomediaries would go even beyond price comparison brokers like moneysupermarket.com, which have positive reputations and have interesting features such as a community forum as a self-help group for financial

problems. But an infomediary gathers specific information about you as a citizen, holds this as a personal record, then predicts and acts proactively to offer you solutions.

However, the GFA service is non-commercial. So, to avoid going beyond its remit, it could build up a 'client base' that it runs as an online, data-driven operation that acts as a basis for one-to-one, tailored guidance. Again, we recommend that you test this aspect of the GFA service offer during 2008.

GFA as a provider of telephone advice

While GFA will have multi-channel delivery, one of the key components will be telephone advice as it will be very popular with some segments of the population – especially those people who do not have access to, or do not feel confident using, online services. In some respects, telephone services of this kind sit as a compromise between a full face-to-face service and a web-based service which will each have a stronger appeal to different segment groups. This element of the service will need to be subject to the same rigorous testing and development as all other elements of the service. It will also need to be developed from a clear specification that has been informed

by prototyping and user input. Lessons from current government telephone advisory services include the need for:

- ongoing investment in the training of staff;
- clear quality standards;
- regular quality inspection and audit;
- the development of unambiguous protocols, algorithms and decision trees;
- clear referral procedures; and
- sustained marketing and promotion of the service.

We recommend that you draw up a full specification for the telephone advice element of the GFA service early in 2008 and set in motion a competitive tendering exercise to appoint a contractor (or contractors) to fully pilot the service and work up a full implementation plan.

Targeting through segmentation

The Interim Report sets out 12 segments of people on a scale of vulnerability to the consequences of poor financial decision-making, based largely on the FSA baseline survey⁵. This survey is based on consumer attitudes as well as harder data on income, debt, savings, access to a bank account, access to financial advice, and indices of multiple deprivation.

³Gulati, Ranjay and Jason Garino (2000), 'Get the Right Mix of Bricks & Clicks', Harvard Business Review, 78 (3), 107–14.

⁴Henry, Amanda Mitchell (2000), 'Outside Input for Intranets', Knowledge Management (September), 32–36.

⁵FSA (2006), *Financial Capability in the UK: Establishing a Baseline*, March 2006, FSA (available at http://www.fsa.gov.uk/pubs/other/fincap_baseline.pdf).

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You have already asked your geodemographic supplier, Experian, to work up solutions based on this baseline data. You also have a package of research completed on the 12 segments: focus groups, qualitative research with prototype users and quantitative research with control groups. This could be linked to geodemographic mapping to give you a universal yet still segmented audience based on reported attitudes and behaviour. This will give you a more precise tool for understanding the different groups and creating and delivering tailored solutions for each group.

If time or budget is tight, it may well be that the best option will be to use the 12 segments that you are developing further. You have already created 'rich descriptions' – pen portraits – of typical profiles within each of the 12 segments. This work should be ongoing, looking to build upon these profiles and add detail to show where and how people live, as well as what they do, which will feed into your briefs to specialist marketing agencies. The depth of richness required for, say, a creative brief to an ad agency is often underestimated.

Applying the Mosaic classification to segmentation
Experian's Mosaic classification is a commonly used segmentation tool. The classification paints a rich picture of UK consumers in terms of sociodemographics, lifestyles, culture,

and behaviour, providing a comprehensive view of UK consumers. We can use some of the Mosaic groups to demonstrate how you could market a GFA service to different segments. Lastly, we note that attitudinal overlays of the 12-step segmentation are feasible.

Mosaic group B: happy families

These are young families living in modern housing estates. They earn mid incomes but have big mortgages and credit card debt. They are prone to financial trouble, especially if the main earner is made redundant.

GFA positioning for every segment: we're here for you, we're on your side.

GFA positioning for Mosaic B: secure your family; come and talk to us about making sure unexpected trouble doesn't bring disaster; speak to us so you are ready to get the best deal.

Copyright and source Experian Jan 2008



GFA marketing mix: channels might be work-placed roadshows, phone/web.

Branding proposition: put yourself in charge.

Mosaic group E: urban intelligence

These are city-based young people with high levels of education and a hopeful and bright future ahead of them. They are likely to have just started working.

GFA positioning for Mosaic E: we know it's not top priority for you, but for just 30 minutes of your time to start thinking about your money and the future.

GFA marketing mix: mainly web channel.

Branding proposition: Life's exciting, let's keep it that way; get yourselves set up with some key money management services.



Mosaic groups F and G: welfare borderline/ municipal dependency

These are deprived communities living in city-centre flats or out-of-town council estates.

GFA positioning for Mosaic F and G: you might be struggling day to day; we can help; don't let it turn into a crisis; come to us for discreet and impartial advice.

GFA marketing mix: channels might be face-to-face and locally based.

Branding proposition: regain control of your money.



If we look at TGI (Target Group Index) based segmentation for the GFA service, 'hobbyists' would be very useful as word-of-mouth carriers, and the service's main targets would tend to be 'indifferents' and 'worriers'.

We understand that hobbyists as word-of-mouth carriers is being looked at by Experian.

Note that this segmentation rests strongly on people having an interest or involvement in money issues.

Case study: developing a channel strategy through segmentation HM Revenue and Customs (HMRC)

HMRC was formed in 2005, following the merger of the Inland Revenue and HM Customs & Excise. Following the merger, and in response to consumer-based evidence that the Department was not actively managing contact with consumers, the leadership decided to develop a channel strategy that would put the consumer at the centre of the new

organisation, benefiting the individual and cutting costs.

One of the major components of the channel strategy was the requirement to differentiate the Inland Revenue's consumer base. This could only be achieved by using a statistically sound segmentation. Consequently, the customer segmentation output had to be:

- based on robust, accurate statistical techniques;

- relevant to, and actionable for, HMRC's business;
- characterised by segments that respond differently;
- compatible with the Department's IT systems and business processes; and
- manageable, measurable and able to be revised and updated.

After extensive quantitative customer research, HMRC arrived at five segments for individual consumers:

	Size % of population	Needs summary
Segment 1	8	"I am driven by the need for speed and convenience."
Segment 2	25	"My main requirement is for speed, although I value human interaction. I would move online if it would save me time."
Segment 3	37	"I want an accurate record of dealings with IR and don't care how long it takes. I am more likely to use post and phone than go online."
Segment 4	18	"I am driven by speed and human interaction but am uncomfortable dealing online."
Segment 5	12	"I demand accuracy, my affairs are complex and need to be handled face to face. I rarely use the internet."

Case study: developing a channel strategy through segmentation HM Revenue and Customs (HMRC)

CONTINUED

It also arrived at four segments for business consumers:

	Size % of population	Needs summary
Segment 1	28	"I embrace automation provided it does not remove my ability to talk to someone."
Segment 2	18	"Leave me to resolve my tax affairs in my own way, I don't want tax to distract me from my core business."
Segment 3	39	"My affairs are simple, I am not naturally inclined to use technology but have not ruled it out."
Segment 4	15	"Fundamentally I want more automation. However given the complexity of my tax affairs I don't think this is appropriate."

Based on these segments, the Department then developed its channel strategy, which will ultimately deliver huge cost savings and has already placed consumers at the heart of the Department's business.

Case study: targeting through segmentation Department for Work and Pensions (DWP): combating benefit fraud

It is estimated that the benefits systems loses around £2 billion a year as a result of fraud and error. To combat this problem, DWP examined the types and lifecycle of benefit fraud and developed a segmentation of the audience based on its findings. It subsequently developed a communications plan based on appropriate 'connection' points.

The Department found that there are three main factors linking benefit

claimants with fraud: time (how long they have been claiming); emotion (how they feel about fraudulently claiming); and reason (the justification they create for cheating). Using these factors, four segments were created, ranging from softer to harder targets, and based on the analogy of a virus.

- Exposed – frightened or worried and relatively new to benefit fraud.
- Incubating – frightened or worried but at any stage.
- Infected – frightened old-timers to nervous beginners.
- Carriers – couldn't care less; old hands at benefit fraud.

These clusters are related in that softer segments often become harder.

The subsequent communication planning task was to determine the most effective means for capturing the target audience at moments and in places dictated by that time someone has been claiming, emotion and reason. The emphasis shifted away from high-profile, peak-time television advertising towards localised, street-level advertising and interaction with DWP systems and offices. The challenge beyond that lay in finding sensitive but powerful ways of articulating the message through creative treatment.



Overcoming literacy and numeracy problems

Although varying definitions of literacy make cross-study comparisons difficult, there appears to be agreement that approximately 20 per cent of the populations of most developed countries have severe literacy problems and a further 20 per cent have limited literacy⁶. Some 50 per cent of the population have numeracy problems⁷.

Table 1 shows the reading skill levels broadly associated with age cohorts⁸. The average reading skill level of the

adult population is often overrated, as it drops back by 3–5 grades from the final year of formal education⁹. Thus, a person who left secondary school at age 15 (approximate reading level of 11) can be expected to have a post-education reading level of 6–8 (pre-high school); a person with a tertiary undergraduate degree (approximate reading level of 15) can be expected to have a post-education reading level of 10–12 (upper high school). The 1996 International Adult Literacy Survey (sponsored by the Organization for Economic Cooperation

and Development) indicated that the average reading skill level of adults across most developed countries is no better than pre-high school¹⁰. In the UK specifically, “more than half the UK adult population was estimated to be performing below the minimum required for coping with the demands of life and work in the knowledge society”¹¹. Table 2 compares the literacy and numeracy of 37-year-olds in 1997, showing that numeracy is a particular challenge for a significant percentage of this cohort.

⁶Office for National Statistics (2000), 'International Adult Literacy Survey' Vol. 2007. London: Office for National Statistics; Adkins, Natalie Ross and Julie L. Ozanne (2005), 'The Low Literate Consumer', *Journal of Consumer Research*, 32 (1), 93–105.

⁷Coben, Diana (2003), '*Adult Numeracy: Review of Research and Related Literature*', National Research and Development Centre for Adult Literacy and Numeracy.

⁸Mumford, Mary E. (1997), 'A Descriptive Study of the Readability of Patient Information Leaflets Designed By Nurses', *Journal of Advanced Nursing*, 26 (5), 985–91; Wallace, Lorraine and Elizabeth Lemon (2004), 'American Academy of Family Physicians Patient Education Materials: Can Patients Read Them?', *Family Medicine Journal*, 36 (8), 571–75; Hoffman, Tammy, Kryss McKenna, Linda Worrall, and Stephen Read (2004), 'Evaluating Current Practice in the Provision of Written Information to Stroke Patients and Their Carers', *International Journal of Therapy and Rehabilitation*, 11 (7), 303–09.

⁹Shea, Judy, Benjamin Beers, Vanessa McDonald, D.Alex Quistberg, Karina Ravenell, David Asch, and et al. (2004), 'Assessing Health Literacy in African American and Caucasian Adults: Disparities in Rapid Estimate of Adult Literacy in Medicine (REALM) Scores,' *Family Medicine*, 36 (8), 575–81; Brownson, Kenneth (1999), 'Improving Patient-Education for Poor Readers', *Nursing Spectrum*, 9 (5), 12–24.

¹⁰Office for National Statistics (2000), 'International Adult Literacy Survey', Vol. 2007. London: Office for National Statistics.

¹¹Coben, Diana (2003), '*Adult Numeracy: Review of Research and Related Literature*', National Research and Development Centre for Adult Literacy and Numeracy (p.33).

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Table 1: Reading skill level by age cohort as indicated in the literature¹²

School level	Approximate age	Approximate grade/reading skill level expected
New entrant	5	1
Junior/primary school	6	2
	7	3
	8	4
	9	5
	10	6
Intermediate level	11	7
	12	8
High school/secondary	13	9
	14	10
	15	11
	16	12
Higher education (college/university)	17	13
	18	14
	19	15

Table 2: Test of literacy and numeracy from sample of 37-year-olds¹³

Skills level	Literacy %	Numeracy %
Very low	6	23
Low	13	25
Average	38	25
Good	43	27
N (100%)	1711	1702

The substantial personal and social consequences of low literacy levels have been well documented, especially in the health field, for over 25 years¹⁴. Those with low literacy levels will go to great lengths to avoid potential embarrassment and shame, thus the barrier is invisible. These people are at risk due to their lack of ability to access, let alone understand support material¹⁵.

It is therefore vital that you consider the needs of people with literacy and numeracy problems very carefully when seeking to engage them. All communications for the GFA service should be simple and contain visual elements with simple, clear English.

One way of overcoming literacy difficulties would be to use a celebrity who is appealing and credible to key audiences and who could present your messages to a specific audience in a straightforward, jargon-free way.

¹²Mumford, Mary E. (1997), 'A Descriptive Study of the Readability of Patient Information Leaflets Designed By Nurses', *Journal of Advanced Nursing*, 26 (5), 985–91; Wallace, Lorraine and Elizabeth Lemon (2004), 'American Academy of Family Physicians Patient Education Materials: Can Patients Read Them?', *Family Medicine Journal*, 36 (8), 571–75; Hoffman, Tammy, Kryss McKenna, Linda Worrall, and Stephen Read (2004), 'Evaluating Current Practice in the Provision of Written Information to Stroke Patients and Their Carers', *International Journal of Therapy and Rehabilitation*, 11 (7), 303–09.

¹³Bynner, John and Samantha Parsons (1997), *It Doesn't Get Any Better: The Impact of Poor Basic Skills on the Lives of 37 Year Olds*, London: The Basic Skills Agency.

¹⁴Rudd, Rima, Barbara Moeykens, and Tayla Colton (1999), *Health and Literacy: A Review of Medical and Public Health Literature*, New York: Jossey-Bass.

¹⁵Bertrand, Marianne, Sendhil Mullainathan, and Eldar Shafir (2006), 'Behavioural Economics and Marketing in Aid of Decision Making Among the Poor', *Journal of Public Policy & Marketing*, 25 (1), 8–23.

**Case study: presenting facts in a straightforward manner
DWP's Giving it to You Straight campaign**

Giving it to You Straight sought to encourage people to accept payment of benefits into a bank account, following the Government's 1999 announcement that it was phasing out paper-based methods of payment. It is a good example of an integrated and well-planned campaign, which inspired action from over 90 per cent of its audience within a short time period and exceeded communication targets.

There were, however, significant barriers to change at the start of the campaign. People felt that choice was being taken away from them, and that little was wrong with their current arrangements. Clearly, consumers needed a large amount of comprehensive, reassuring information quickly to prevent them rejecting the scheme out of hand.

Proposition development research showed that the key to communication lay in presenting the facts in an honest, real and straightforward manner. This encouraged a rational and accepting response. People needed comprehensive but clear information, tailored to their individual circumstances. Advertising alone could not answer the questions on people's minds – another form of information provision was required. Mailings were used as the lead response generator and, in effect, were the lead medium, with advertising announcing that people should expect a mailing. A free phone advice line also provided support to back up information provision.

At the start of the campaign, only 43 per cent of people were receiving direct payment. However, by February 2005 this figure had risen to 92 per cent, exceeding the campaign's overall objective of 85 per cent.

DWP Department for
Work and Pensions

*Marketing problem and solution
simultaneously*

We recommend that for some users you will need to use a device that markets the problem and solution simultaneously, as with the Department of Health's 5-A-DAY campaign. For the GFA service, the campaign proposition might be focused on preventing 'crunch points', such as those moments when consumers ask 'How am I going to pay this bill?'. The beauty of developing a simple problem and solution device like 5-A-DAY is that it can easily be picked up and used by others. Over time, it can also, if simple and clear enough, enter into the popular vernacular and act as a constant trigger to action.

Delivery channels

Your three primary delivery channels could be viewed either as separate options, or as a form of triage. For example, with triage, people might first be directed to the web service. Then, if they need more help, they would be directed to the telephone service and ultimately, by referral, to a face-to-face adviser. Alternatively, the service delivery channels could be promoted as three options from which users could choose. This is a key strategic decision that needs to be made during the development phase of the service. Table 3 sets out the strengths and weaknesses of each delivery channel.

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Table 3: Strengths and weakness of delivery channels

Delivery channel	Strengths	Weaknesses
Face-to-face (F2F)	<ul style="list-style-type: none"> • Reflexive and personal • Relationship-building • Better for building trust • More accessible for hard-to-reach communities • Very strong for in-depth, complex queries requiring high expertise and iterative clarification 	<ul style="list-style-type: none"> • High unit costs • Need pilot to match supply and demand • Personal and intrusive • F2F puts off people who do not have strong 'formal' social skills (e.g. working class men)
Telephone	<ul style="list-style-type: none"> • Increases access • Very convenient for most users • Semi-reflexive • Semi-anonymous: may suit many people, particularly for socially awkward disclosures 	<ul style="list-style-type: none"> • Medium unit cost • Regulation and standardisation costs • Need to balance scripting with agent freedom
Web	<ul style="list-style-type: none"> • Provides broad access 24/7 • Highly codified response • Very convenient for users who have online access • Non-intrusive • Lack of human contact a strength for some users • Strong for high volume, simpler queries 	<ul style="list-style-type: none"> • Low unit costs • Medium to high maintenance costs • Non-specific responses • Impersonal response • Lack of human contact a weakness for some users • Not reflexive – may be slow to learn and change service delivery • Less able to deal with complex queries

Other delivery channels to consider

You could also consider engaging people:

- through traveling offices, which can target local shopping centres and deprived areas – as the blood banks do;
- via scheduled visits, for example outside ASDA every Thursday;
- through shopping centres during the day;
- by setting up temporary consultancies in working men's clubs in the evening, or at schools just before time to pick up children, or at large workplaces (all used for healthcare with good results);
- via employers; and
- via podcasts or new media channels.

Making the most of the launch

We concur with the Interim Report that the initial engagement of people with this service will accrue from trigger events in their lives, and that demand growth will come largely from word-of-mouth recommendations. So, demand is likely to be initially slow. If we look at people in terms of their attitudes to financial services, so called ‘worriers’ might respond early, whereas ‘indifferent’ and ‘inadequates’ will, for different reasons, be more reluctant to engage. ‘Inadequates’ are probably the most important long-term audience for the GFA service, but we suspect they will only engage via word of mouth.

The ‘slow start’ leads us to recommend that you launch the GFA service with a ‘big splash’ (something that will act as a platform for media interest, such as a legal change to pensions) to trigger people into seeking advice. The Make Poverty History campaign, for example, was deliberately linked to the G8 summit for this reason.

The first three key tasks at the start of the engagement phase of GFA will be the launch of the service or a pre-launch warm-up campaign announcing the coming of the new service. A specific launch plan will need

to be developed in the recommended development phase. The next most critical tasks are to have in place all the service delivery outlets and pre tested systems to capture service user engagement and experience of the service. Service interaction data capture and analysis will be important to allow early adjustments to the marketing and service delivery in the post launch phase of the new service.

The marketing mix

In the UK, £20 billion is spent on advertising every year, and the average person receives around 4,000 advertised messages every day¹⁶.

It is difficult in this environment for government, or for that matter any message, to cut through and resonate with citizens. However, government has the advantage of having many channels that are not open to the private sector. It has huge organisational reach into the lives of most citizens through its extensive network of service providers, such as schools and hospitals. The GFA service will need to move beyond just smart advertising to incorporate a full marketing mix if it is to raise awareness of the service and generate active uptake at a sufficient level to have a real impact on the financial capability of the nation.

For example, the probable marketing mix for segment 1 identified in the Interim Report would be:

- TV advertising in targeted slots and channels;
- national newspaper advertisements in selected tabloids;
- magazine adverts and promotions in selected titles;
- local radio advertising;
- cinema advertising;

- ambient promotions;
- in-store promotions;
- PR promotions in trusted locations;
- local newspaper paid for and fee sheets; and
- website promotions.

As part of our recommendations for expenditure, we have set out a breakdown of suggested marketing channels and costs for each of the four segments contained in the Interim Report (see Table 5 p.29 and Table 6 p.30).

A targeted marketing mix – the consumer’s experience

While waiting at the bus stop, Alice Smith noticed a poster advertising the launch of a money helpline. She thought that the poster was quite funny, as it had cartoons and a good joke. On the bus on her way to the supermarket she noticed another smaller poster for the new service. She tried to make a mental note to mention it to her daughter when she got in from shopping. At the supermarket she was surprised to see a stand with people giving out leaflets and what she thought was a CD about the new service. She picked up a leaflet and stuffed it in her pocket. When she got home her daughter and grandchild were listening to the local radio station and there were commercials for the new service. This reminded her to give her daughter the leaflet. When she went to the social club that evening with her husband, she was again surprised to see people giving out more information about the service. They also offered to call to set up a meeting. She was sure that it was not a con as Bill the steward had said it was all legitimate, as it was part of a government service which was free and not trying to sell anything.

¹⁶Source: Chartered Institute of Marketing, 2004.

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Using the 4Ps marketing mix

The 4Ps – or marketing mix model – is a well known framework which helps businesses satisfy the needs of customers while maximising the performance of their organisation. As

Figure 3 illustrates, it consists of a set of decision areas that need to be managed in order to satisfy consumer needs. The model was developed by Jerome McCarthy in 1960 and popularised by Philip Kotler, the American marketing guru, in the 1970s¹⁷.

Figure 3: The 4Ps marketing mix

Product/Service

- Are you creating a product or service that your customers want?
- How would you define the product characteristics?

Place/Channels

- How do you make the product or service available at the right place and in the right quantities?
- What delivery channels should you use?

Promotion

- How do you educate your target audience about your product/service?
- What blend of advertising, selling and sales pitches will work most effectively?
- What brand do you want to promote?

Pricing

- How much is the customer willing to pay?
- Do you offer discounts and special offers to attract particular types of customer?

Case study: getting the price right for a free service Dorset County Council's recycling lottery

Domestic waste recycled in Dorset from October to December 2007 was up 4.7 per cent on the same period in the previous year.

Prizes were offered for residents who stuck their contact details into empty bottles, glasses or jars which went into roadside collection boxes or recycling banks.

Lots of people struck lucky, winning National Trust memberships, season tickets to Kingston Maurward Gardens and Animal Park, CD/DVD vouchers, ski or snowboarding lessons and quad bike treks.

More than half say that taking part in the lottery has made them more environmentally aware – and encouraged them to recycle more regularly.



¹⁷Zineldin, Mosad and Sarah Philipson (2007), 'Kotler and Borden Are Not Dead: Myth of Relationship Marketing and Truth of the 4Ps', Journal of Consumer Marketing, 24 (4), 229-41.

We recommend you set the GFA service offering precisely and in a way that research demonstrates will be received favourably by target audiences. Pricing will also need to be considered when making decisions about such issues as the cost to users in terms of time and effort when engaging with the service. You may also want to consider providing an incentive to consumers to use the GFA service. Incentives have been used successfully in a range of government initiatives. For example, HM Treasury's Saving Gateway pilots, conducted between 2002 and 2007, matched people's savings or investment account (initially pound-for-pound up to £25 per month, although different rates were subsequently tested). Aimed at lower-income households, the scheme promoted a saving habit and engagement with mainstream financial services. The pilots have shown that once the promotion period is over, many participants continue to save – the incentive of having their savings matched is thus a motivating factor in encouraging people to save long term. Similarly, the Child Trust Fund, launched in 2005, deposits £250 (£500 for those children born into low-income families) into a Child Trust Fund account that

the child will not be able to access until they reach adulthood. The deposit acts as an incentive to encourage parents to put more into the child's trust fund – up to £1,200 a year. A further incentive is that no tax is paid on money in the fund. When parents make the decision about where to invest they are engaging with financial institutions and GFA could have an important role to play.

The promotion of the GFA service is also key. But, while all the 4Ps are of relevance, some of the most radical changes in delivery mechanisms in the public sector have come about through a focus on place and channels. The development of channel strategies provide mechanisms through which you will be able to consider:

- channel length – should the company engage with customers directly or through intermediaries?
- channel breadth – should there be multiple channels (for example: face-to-face, telephone and internet)?
- promotion – what should be the balance between 'pushing' the service to customers and 'pulling' by stimulating demand?

“Good communication cuts through the clutter. It doesn't add to it. It does this by getting the right message, in the right medium, delivered by the right messengers, to the right audience.”

Now Hear This, Fenton Communications

Your Interim Report has come to a number of tentative conclusions regarding the delivery of the service through a mixed model of face-to-face, telephone, web-based services and intermediaries. But the only way to make accurate decisions about the best mix of such approaches is to field test and pilot.

The role of the media

There is a need for buy-in from the media in order for media coverage to reinforce rather than work against the intended communications. However, bear in mind that “news values can often conflict with worthy and accurate public sector agendas”¹⁸, and the information presented by mass media outlets is sometimes criticised for its lack of accuracy and tendency to ‘hype’ reports¹⁹.

We recommend you develop a full PR and media relations strategy as part of the broader GFA marketing strategy. One of the key aspects of this strategy will be the cultivation of interested and friendly journalists and editors to ensure positive editorial. You should also hold discussions with TV producers of those entertainment shows that are likely to be popular with your target segments, so that you can discuss possible inclusion of the GFA service within storylines.

¹⁸Kline, Kimberly (2006), 'A Decade of Research on Health Content in the Media: The Focus on Health Challenges and Sociocultural Context and Attendant Informational and Ideological Problems', *Journal of Health Communication*, 11 (1), 43–59 (see p.50).

¹⁹Larsson, Ana, Andrew D. Oxman, Cheryl Carling, and Jeph Herrin (2003), 'Medical Messages in the Media: Barriers and Solutions to Improving Medical Journalism', *Health Expectations*, 6 (4), 323–31.

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Case study: working with the media Hollywood, Health & Society partnership

Hollywood, Health & Society (HHS) in the USA is a partnership between the Centers for Disease Control and Prevention, the National Institutes for Health, the National Cancer Institute and the Norman Lear Center. Together, they provide a one-stop-shop resource for writers, producers and others in search of credible information on a wide range of public health topics.

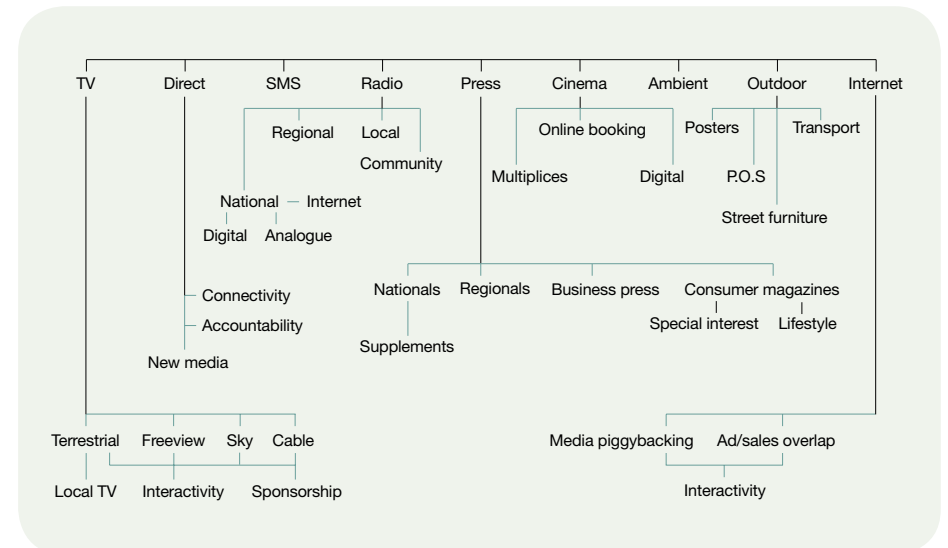
HHS offers diverse services tailored to entertainment industry needs – specific resources include case examples, quick facts, briefings and consultations with experts, panel discussions, health updates and tip sheets. HHS also collaborates with communication researchers and entertainment industry executives to track and study the content and impact of TV health storylines. It encourages health informing, educating and motivating TV storylines through the *Annual Sentinel for Health Awards*.

The role of new media

You need to factor into the development of the GFA marketing and service delivery strategies the spread and convergence of digital communications technology and the subsequent development of new forms of social networks. Figure 4 shows the complexity of the current media marketplace. Over time this will become

more complex as new forms of media are developed and become more interconnected. People will expect to have the information they want, in a format they want it, at a time when they chose. A single-size, centrally driven, professionally produced and passive citizen consumption of information will become increasingly rare.

Figure 4: The total current media marketplace



So, government strategies must be digitally driven, as an increasing percentage of citizens will be digitally enabled and will look to the internet as a preferred information option. The developments of Web 2.0 will also mean that people will increasingly seek to use smart websites that learn about them and their needs and facilitate the exchange and sharing of experience and knowledge. Web 2.0 is a move to the co-production and multi exchange

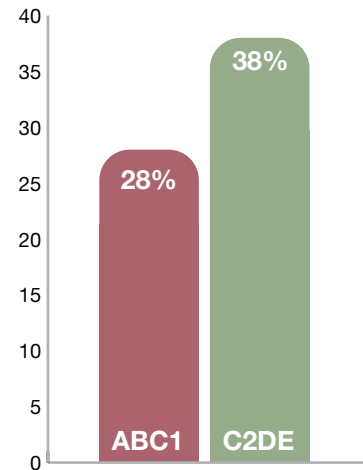
of information, i.e. blogging, Wikipedia, YouTube, Facebook etc.

That said, while more UK citizens are more confident and more connected with new media technology, there are some citizens who do not have the appetite, wealth or ability to use digital media. Figures 5 and 6 show how, at a time when use of personal computers is on the increase, lower-income groups tend to be less

technologically literate. So, there is a danger that some segments of the population, especially older people and socially disadvantaged groups, may have difficulty accessing, or effectively using, the internet²⁰. This digital divide will need to be factored into the development of the GFA marketing strategy. We recommend that, as part of a full marketing plan, you develop a distinct 'new media' marketing strategy and test it during 2008. This should involve the development of a clear specification and tendering exercise for a specialist new media supplier (or suppliers) to lead this aspect of the service delivery model.

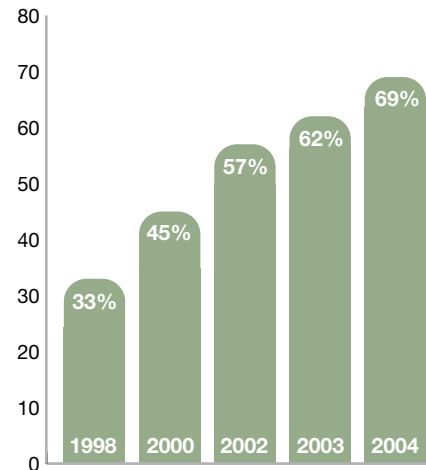
Figures 5: The disparity in technological understanding

% agreeing 'I just don't understand computers and new technology'
 Lower income groups tend to be less technologically savvy



Figures 6: The increasing use of computers

% adults owning a PC
 Penetration of personal computers is growing



Recommended expenditure

Investment for each AIDA stage

We have set out, in Tables 4 and 5, a summary that gives a marketing and engagement investment recommendation for each stage of the AIDA model²², as applied to the GFA service. These stages are sequential but will overlap. We have given figures for the first five years of the full programme, to give an indication of the scale, pattern and spread of the investment needed.

In 2007, 61 per cent of households in Great Britain could access the internet – an increase of 7 per cent from the preceding year and 36 per cent since 2002²¹.

²⁰Homewood, Janet (2004), 'Consumer Health Information Emails: Content, Metrics and Issues', Aslib Proceedings: New Information Perspectives, 56 (3), 166–79.

²¹National Statistics, www.statistics.gov.uk

²²Barry, Thomas F. and Daniel J. Howard (1990), 'A Review and Critique of the Hierarchy of Effects in Advertising', International Journal of Advertising, 9 (2), 121–35.

Engagement

Table 4: Budget summary for the first five years

Full development, piloting and delivery of website and SMS included (SMS likely to apply in year 2).
These costs also include training and learning materials for service deliverers.

	Segment 1 Most Vulnerable 9-11 points 7.5 million (inc 3-3.5m in crisis)					Segment 2 Regular users 6-8 points 11.7 million					Segment 3 Infrequent users 2-5 points 20.7 million					Segment 4 Occasional users 0-1 points 5.6 million				
	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5
Awareness Annual spend for first five years	£3m	£3m	£2m	£1m	£1m	£2m	£2m	£1m	£0.5m	£0.5m	£1m	£1m	£1m	£0.5m	£0.5m	£0.25m	£0.25m	£0.5m	£0.5m	£0.25m
% Reach	40	50	60	70	75	40	50	60	70	75	40	50	60	70	75	20	35	50	70	80
Interest	£2m	£2m	£3m	£2m	£2m	£1m	£2m	£2m	£1.5m	£1.5m	£1m	£1m	£1m	£0.5m	£0.5m	£0.25m	£0.5m	£1m	£0.5m	£0.25m
% Reach	20	25	30	35	40	25	30	35	45	50	30	35	40	45	50	15	25	40	55	65
Desire	£2m	£2m	£3m	£3m	£2m	£1m	£2m	£2m	£2m	£1m	£1m	£1m	£1m	£1m	£0.5m	£0.25m	£1m	£1m	£1m	£0.5m
% Reach	10	15	20	25	30	15	20	25	30	35	15	20	25	30	35	5	15	20	45	50
Action Training, stakeholder and partnership investment	£2m	£2m	£3m	£3m	£2m	£2m	£2m	£3m	£2m	£2m	£1m	£2m	£2m	£1m	£1m	£0.25m	£1m	£1m	£1m	£0.5m
% Reach	5	10	15	18	20	10	15	15	20	25	10	15	15	20	25	5	15	20	25	30
Annual contacts	375k	750k	1.12m	1.3m	1.5m	1.17m	1.75m	1.75m	2.3m	2.9m	2m	3.1m	3.1m	4m	5.1m	280k	840k	1.1m	1.4m	1.6m
Total marketing cost Per year, excludes service delivery, would include tracking and evaluation costs	£9m	£9m	£11m	£9m	£7m	£6m	£8m	£8m	£6m	£5m	£4m	£5m	£5m	£3m	£2.5m	£1m	£2.75m	£3.5m	£3m	£1.5m
Cost per user	£24	£12	£10	£7	£4.7	£5	£4.5	£4.5	£2.6	£1.8	£2	£1.6	£1.6	£0.75	£0.50	£3.57	£3.27	£3.18	£2.1	£0.90

As can be seen from Table 5, we recommend that marketing investment is focused more towards segments 1 and 2 over the first five years. The summary figures in the chart indicate that even if the marketing spend directed towards segment 4 is significantly lower than segments 1 and 2, it is still likely that people in segment 4 will take up the service.

You will need to manage the focus on segments 1 and 2 but avoid positioning

the GFA service as a service that is only for the poor. 'Middle-class capture' is possible if, as predicted above, a disproportionate number of people from segment 4 take up the service. Cost per user in segment 4 is higher initially because of the much smaller numbers reached, as they are not being specifically targeted. They tend to be early adopters who will help spread the message, and subsequent costs per contact should drop. Later it becomes more economic, as there is a fall in

costs per user as reach increases. The marketing plan will clearly have common elements at the level of mass media execution, but it will also need highly targeted interventions to support the needs of different segments.

Table 5 assumes the successful execution of the strategy and an increasing number of people taking up the service in each segment, and this clearly has implications for the service delivery budget. The table also sets out

a spread of investment that, over time, focuses less on awareness-raising and more on support and encouragement to actually take up the service. The investment pattern reaches its height in the third full year of operation, and then declines. You will need to undertake further modelling, based on the results of the recommended development phase and the first few years of the service, to forecast the optimum pattern and amount of spend needed in subsequent years.

Table 5: Summary expenditure chart by year and segment

This table sets out a year by year summary of expenditure and predicted number of people engaged with the GFA service.

Marketing budget	Year 1	Year 2	Year 3	Year 4	Year 5
Segment 1 Most Vulnerable 9-11 points 7.5 million (inc 3-3.5m in crisis)	9m	9m	11m	9m	7m
Segment 2 Regular users 6-8 points 11.7 million	6m	8m	8m	6m	5m
Segment 3 Infrequent users 2-5 points 20.7 million	4m	5m	5m	3m	5m
Segment 4 Occasional users 0-1 points 5.6 million	1m	2.75m	3.5m	3m	1.5m
Totals	£20m	£24.75m	£27.5m	£21m	£16m
Total numbers of people engaging with GFA	3.8m	6.4m	7.05m	9m	11.1m

Engagement

Weighting the marketing spend

Table 6 sets an illustrative weighting of spending for each of the four principal population segments identified in the Interim Report.

Table 6: Weighting of spending for segments 1–4

		Segment 1 Most vulnerable 9-11 points 7.5 million (inc 3-3.5m in crisis)	Segment 2 Regular users 6-8 points 11.7 million	Segment 3 Infrequent users 2-5 points 20.7 million	Segment 4 Occasional users 0-1 points 5.6 million
Awareness	Above the line	HIGH	HIGH	MED	LOW
	PR	HIGH	HIGH	MED	MED
	Direct mail	HIGH	HIGH	MED	MED
	Contact centre (phone)	LOW	LOW	LOW	LOW
	SMS	MED	MED	MED	MED
	Website	LOW	MED	MED	HIGH
	Social networking (web-based)	LOW	LOW	MED	HIGH
	Face-to-face (F2F) via intermediaries	LOW	LOW	LOW	LOW
	Infomediaries	LOW	MED	MED	MED
	F2F via commercial partners	LOW	LOW	LOW	MED
	F2F via non-commercial partners	LOW	LOW	LOW	LOW
	Training for partners, intermediaries and infomediaries	LOW	LOW	LOW	LOW
Interest	Above the line	HIGH	HIGH	HIGH	HIGH
	PR	HIGH	HIGH	MED	MED
	Direct mail	MED	MED	HIGH	HIGH
	Contact centre (phone)	LOW	LOW	MED	MED
	SMS	LOW	MED	MED	MED
	Website	LOW	HIGH	HIGH	HIGH
	Social networking (web-based)	LOW	MED	HIGH	HIGH
	Face-to-face (F2F) via intermediaries	LOW	LOW	LOW	LOW
	Infomediaries	LOW	MED	HIGH	HIGH
	F2F via commercial partners	LOW	MED	LOW	LOW
	F2F via non-commercial partners	MED	MED	LOW	LOW
	Training for partners, intermediaries and infomediaries	LOW	LOW	LOW	LOW

Table 6: Continued

		Segment 1 Most vulnerable 9-11 points 7.5 million (inc 3-3.5m in crisis)	Segment 2 Regular users 6-8 points 11.7 million	Segment 3 Infrequent users 2-5 points 20.7 million	Segment 4 Occasional users 0-1 points 5.6 million
Desire	Above the line	MED	MED	MED	MED
	PR	MED	MED	MED	MED
	Direct mail	HIGH	HIGH	HIGH	HIGH
	Contact centre (phone)	MED	MED	HIGH	HIGH
	SMS	LOW	MED	MED	MED
	Website	MED	MED	HIGH	HIGH
	Social networking (web-based)	LOW	LOW	MED	MED
	Face-to-face (F2F) via intermediaries	HIGH	HIGH	HIGH	LOW
	Infomediaries	LOW	HIGH	MED	HIGH
	F2F via commercial partners	LOW	LOW	MED	MED
	F2F via non-commercial partners	MED	HIGH	MED	MED
	Training for partners, intermediaries and infomediaries	MED	MED	MED	MED
Action	Above the line	LOW	LOW	LOW	LOW
	PR	LOW	LOW	LOW	LOW
	Direct mail	MED	HIGH	HIGH	HIGH
	Contact centre (phone)	MED	MED	HIGH	HIGH
	SMS	LOW	MED	MED	HIGH
	Website	MED	HIGH	HIGH	HIGH
	Social networking (web-based)	MED	MED	MED	MED
	Face-to-face (F2F) via intermediaries	HIGH	HIGH	MED	LOW
	Infomediaries	MED	MED	MED	HIGH
	F2F via commercial partners	LOW	LOW	MED	HIGH
	F2F via non-commercial partners	HIGH	HIGH	MED	LOW
	Training for partners, intermediaries and infomediaries	HIGH	HIGH	HIGH	HIGH

Engagement

To illustrate the spread of marketing effort by key segments and across different types of marketing channels we have set out in Table 6 a colour-coded weighting of marketing effort for segments 1 to 4. This table is for illustrative purposes only and does not attempt to be an accurate predictive breakdown of how the funds for each segment at each phase of the AIDA model set out in Table 5 on page 28 would be allocated. Table 6 illustrates that even over time different channel strategies will probably be needed for the different segments.

Return on investment (ROI) planning

We recommend that, as part of a full development phase, you undertake ROI modelling to produce more accurate models of likely engagement based on marketing investment. For example, the British Heart Foundation ROI analysis indicates that the charity's 2005 campaign²³ was able to deliver one smoking quitter for approximately every £38 invested.

Case study: return on investment New Zealand's Sorted! campaign

The original aim of the Sorted! campaign was to ask people to save for retirement. In 2001 the campaign faced a number of challenges, particularly the need to engage a wider audience, given that the existing campaign was repeatedly capturing 'confident planners' who were already prompted to take action. Hard-to-reach groups like 'young spend for todays' needed to engage somehow. They decided to shift the programme's focus from retirement to financial skills for life, targeting young people, families and people at work.

They decided to make the campaign much more web-based.

The concept of 'financial fitness for life' was developed. This was to be relevant to everyone, working as a website URL. The team wanted the programme to become an iconic, action-oriented part of New Zealand culture.

A more marketing-led approach was developed, including the use of a clinical psychologist to develop an interactive tool to help people identify with their money personality. The campaign used clear, straightforward language, with a tone that conveyed a friendly and familiar understanding of the user's information needs. An attempt was made to make the financial planning engaging, stimulating and interesting.

Three new sections were created: Sorted Kids and Money; Sorted Students; and 60Plus. The results so far have been remarkable, with unique visitors to the Sorted! website increasing by 100 per cent and the financial cost per visit dropping by two-thirds. Sorted! delivers at around £1 cost per user.

See www.sorted.org.nz



Case study: AIDA model and costs British Heart Foundation's Under the Skin campaign

- £3 million spend was aimed at a target audience of 2.6 million.
- This achieved 83 per cent awareness.
- Regression analysis suggests 3 per cent quit smoking as a result of the campaign.
- This gives an estimated 78,000 quitters.
- ROI was £38 per quitter.



²³Postle, Tim, Jeffries Gorse, Claire Marker, and David Bratt (2006), 'British Heart Foundation – How Advertising Helped the British Heart Foundation get "Under the Skin" of Hardened Smokers', in IPA Effectiveness Awards, 2006: Institute of Practitioners in Advertising.

Conclusion

The GFA engagement strategy should be thorough and run along professional marketing lines. We recommend going beyond a 'single campaign' mentality and devising a coherent, integrated social marketing strategy for the new GFA service following the AIDA model approach. A full marketing plan should be drawn up, with input from specialist advisers and suppliers, during the development phase in 2008.

The marketing plan should include:

- target audience segments – primary and secondary;
- desired behaviour goals – what you want to achieve;
- competition analysis and strategy;
- clearly articulated 'exchange' and 'benefits' for the target groups;
- the use of evidence, data and theoretical models to select the suggested interventions and weight of effort;
- key insights for all audience segments;
- information about the marketing mix,

including details of the investment required and allocation;

- an implementation plan (including strategies for media and PR, new media, stakeholder and intermediaries management, integrated marketing and face-to-face initiatives);
- a summary of resources and budget allocation;
- a tracking and evaluation plan;
- a timescale and key events Gant chart; and
- reporting arrangements and systems.

If the GFA service is to be successful in engaging the wide range of people who could benefit from the service it will offer, you will need to invest substantially to build awareness of the service and ensure ease of access. You need a long-term plan that is underpinned by market research, focused on objectives and driven by a systematic process of developing, implementing and evaluating the necessary social marketing programme.

Careful selection of delivery partners and investment in co-ordination with other related social policy will be key to success. There will need to be absolute clarity about who the official intermediaries are and how the different intermediaries will be used for different market segments. There is also a need for absolute clarity about what an intermediary is (a partner who refers people to the GFA service but doesn't provide advice) and what a partner organisation is (a partner who helps provide the GFA service or an element of it but also provides its own advice). The differences between them must be clear to the intermediary and the user, if you are to develop and retain consistency of approach and confidence in the service.

There is a good case to test out the existing segmentation with consumers/ focus groups in the development phase. There may be a case for investing further in developing bespoke user segmentation to better understand the key priority audiences and the likely significant sub-segments within each.

The advent of new media and the increasing trust and ease of access associated with it need to be a key focus of developing a full GFA service. You need to plan for the medium to long-term and to develop a robust investment plan for the digital element of the GFA service. This is both high-cost in terms of entering and maintaining a credible market presence and high-risk in terms of possible failure to deliver, if sufficient time and effort is not put into developing specific tenders and managing contractor relationships.

As with all successful social marketing programmes, all communication and marketing approaches should be evaluated in terms of their acceptability, impact and readability/appropriateness of language before they are scaled up and used on a national basis.

3 Demand management

Effective demand management relies on having services desired by the target segments available when and where they are wanted, and in forms that are accessible and usable by the end users, while ensuring minimum waste or spare capacity in the system.

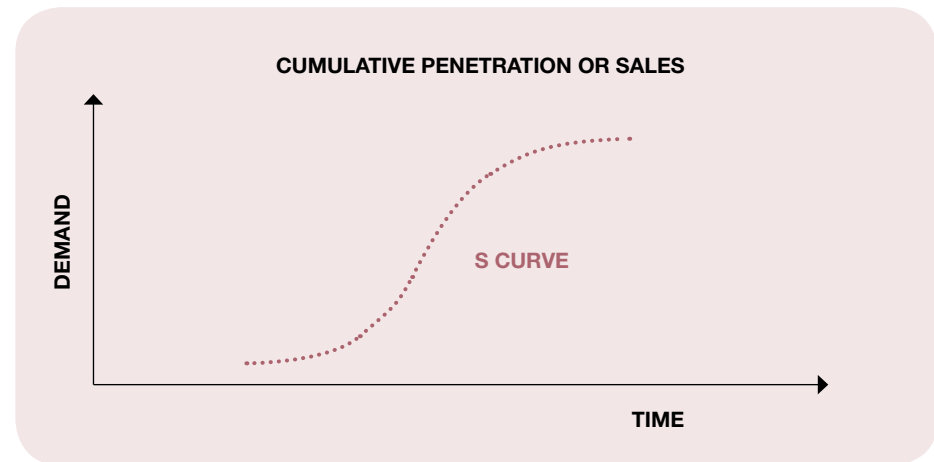
3 Demand management

The shape of GFA demand

In his 1962 book, *Diffusion of Innovations*, Everett Rogers²⁴ theorised that innovations would spread through society in an S-shaped curve (see Figure 5), as early adopters select the technology first, followed by the majority, until a technology or innovation is common. Critics of this model have suggested that it is an overly simplified representation of a complex reality. For instance, customers often adapt technology to their own needs, so the innovation may actually change in nature from use by the early adopters to use by the majority. Disruptive technologies may radically change the diffusion patterns for established technology by starting a different competing S-curve. Lastly, path dependence may lock certain services or technologies in place: the QWERTY keyboard is one example.

Notwithstanding these limitations of the model, we believe that a classic model of diffusion of innovation is likely to apply to the launch of the GFA service. Our view is that demand will be slow at first but will gather pace over time. Mid-term demand should increase, with growth being driven by word of mouth. Longer term, there will be a levelling off, plateauing at a higher level of demand driven by repeat visits and the continual feed of new entrants. Indeed, social marketing for the GFA service may be able to be scaled back over time, because as word-of-mouth referral spreads amongst social networks, and the reputation of the service increases, there will be less of a need to raise awareness. That said, also note that long-term commitment is a key characteristic of effective social marketing – as with road traffic accident reduction, smoking reduction and vehicle crime reduction.

Figure 5: The S-shaped demand curve



²⁴Rogers, Everett M. (1962), *Diffusion of Innovations*, London: Simon & Schuster.

Demand management

Balancing supply and demand

We recommend that you use extensive piloting to identify likely peaks, troughs and seasonality factors that may impact on capacity to meet demand. If demand looks like it may exceed supply, you should identify possible delivery failure points and bottlenecks.

Coping strategies may include:

- encouraging off-peak demand;
- appropriate incentives to change demand patterns;
- use of appointments and reservations;
- provision of multiple methods of service delivery; and
- the encouragement of customers to use alternative methods of obtaining assistance if their preferred delivery form is at full capacity²⁵.

A mass or segmented launch?

A so-called ‘mass’ launch using above-the-line techniques will save time and may save some money in segmentation and research costs. A mass launch with, for example, TV advertising is likely to be a way of raising awareness quickly in a short time.

A segmented launch linked to, for example, a geodemographic segmentation tool such as Mosaic will take more time, but will allow for more precise targeting of the messages and possibly greater engagement as a result. There is another benefit: a segmented approach using below-the-line media and channels allows much more control over demand management. It allows you to ‘dial up’ demand based on a phased piloting or roll-out; and to some extent to ‘dial down’ by slowing down the deployment in the event of overheating.

Marketing communication

Advertising is often a ‘weak force’ rather than a ‘strong force’ in driving demand. In other words, advertising often has quite a slow burn and predictable effect – especially in terms of changing behaviour. There’s the old quote “I know that half my advertising is wasted. The trouble is I don’t know which half”²⁶ – and regression studies by Tim Ambler of London Business School suggest this is quite accurate²⁷. However, we can usually expect advertising to raise basic awareness and, hopefully, interest levels, given sufficient budget. Well planned and executed advertising

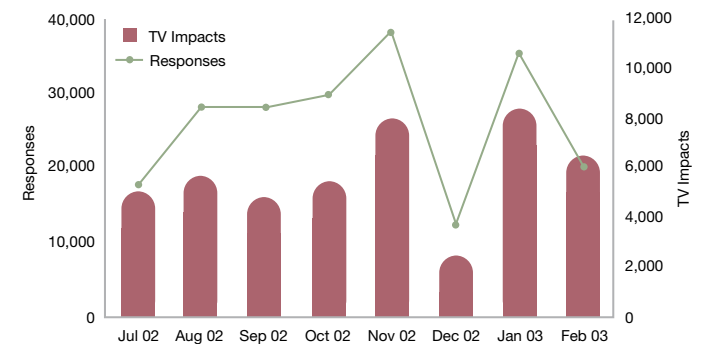
and other promotions are a way of stimulating and coping with demand in a managed way. If we know that a post-Christmas campaign will push demand for contacts up by 20 per cent for a month following the launch, then we can gear up in advance for what we can predict will happen. In a similar way, if we know that the service is struggling to meet current demand, it would be inappropriate to launch a media promotion stimulating more demand without increasing the service capability.

Case study: role of advertising Department of Health: tobacco control

There is strong evidence that the Government’s long-term commitment to tobacco control advertising is working. There are two key pieces of behavioural change evidence:

- **advertising is driving smokers to call the helpline to seek support; and**
- **fewer people are smoking.**

Calls to the helpline are hugely advertising-responsive. When adverts are on air, calls rise dramatically; they also decline in line with media spend.



²⁵Shemwell, Donald J. and J. Joseph Cronin (1994), ‘Services Marketing Strategies for Coping with Demand / Supply Imbalances’, *Journal of Services Marketing*, 8 (4), 14–24; Northcraft, Gregory B. and Richard B. Chase (1985),

‘Managing Service Demand at the Point of Delivery’, *The Academy of Management Review*, 10 (1), 66–75.

²⁶Knox, Simon (1998), ‘Loyalty-based Segmentation and the Customer Development Process’, *European Management Journal*, 16 (6), 729–37.

²⁷Ambler, Tim and E. Ann Hollier (2004), ‘The Waste in Advertising Is the Part That Works’, *Journal of Advertising Research*, 44 (4), 375–89.

Marketing communication, particularly advertising, may be needed to raise awareness of the services and to give details of access points. Advertising alone is not, of itself, sufficiently powerful to compensate for deficiencies in other parts of the marketing mix. Historically, advertising has been seen as a strongly persuasive force, following a 'hierarchy of effects'. This is a concept that originated a century ago in personal-selling literature, in which consumers move through the stages set out in the AIDA model (see p.9)²⁸. However, there is now widespread recognition that advertising may not be a strong force and that the decision process may not be as linear as the AIDA model suggests, particularly with media in which the viewer or user has control over what is accessed²⁹.

Whether advertising is a strong or weak force appears to depend on the relevance and importance of the advertised product or service³⁰: overall, people are not highly motivated to process marketing communications³¹. People's interest in the GFA service will

vary enormously. For instance, there is considerable evidence indicating that young people show little motivation to develop or retain financial skills³², while women show lower levels of knowledge and enthusiasm than men³³.

Word of mouth

In most product or service launches you have a pre-launch phase of mass and targeted marketing that you are largely in control of. The post-launch phase is usually rather different, as it introduces two further elements, only one of which can be controlled. The first is repeat usage, which will depend to some extent on the quality of the service delivered, and so is largely controllable once experience is gained. The second is the extent to which word-of-mouth endorsement will help drive further traffic to the service. This can be helped with digital marketing (in particular viral email campaigns), interventions into online 'chat' or messaging forums or insertions into web hosts, for example. But we must not lose sight of what is happening here: word of mouth is powerful because it is driven by people, not because of new technology.

“The most successful ideas are those that spread and grow because of the customer’s relationship with other customers – not the marketers to the customer.”

Malcolm Gladwell, *The Tipping Point*

Word of mouth works better in sectors like holidays or cars, where people in the pub or at the school gate like to boast about their knowledge and about what a great bargain they picked up. Financial services are more private and less prone to word of mouth, especially if people are in financial trouble. But we think that word of mouth may work for the GFA service, if people receive real nuggets of advice that are personally advantageous for them, and which they feel they wouldn't have got from their friends or family.

So, word of mouth is based on the 'was it worth it?' conversations people have with each other when chatting about a new service. If people get value out of the service that exceeds the time and effort invested in using it, then it will be 'worth

it'. Value will be driven by the quality of advice they get, with an important secondary factor being the quality of the delivery of that advice – hence the importance of 'internal' marketing. As we've already mentioned, word of mouth is largely out of organisations' control. But it is possible to do one or two things. One is to use the idea of 'diffusion of innovations' and go to opinion leaders ('innovators') first, such as financial community advisers. Another is to consider targeting what Malcolm Gladwell called 'mavens' in *The Tipping Point*³⁴. Mavens are consumers who are intense gatherers of information about those offers that offer the best value for money. They are like walking search engines, and gain pleasure from being seen as a source of useful information. The typology group 'hobbyists'³⁵ are an example of mavens.

²⁸Barry, Thomas E. (1987), 'The Development of the Hierarchy of Effects: A Historical Perspective', *Current Issues and Research In Advertising*, 10 (2), 251–95.

²⁹Ibid; Ehrenberg, Andrew S.C, Neil Barnard, and John A Scriven (1997), 'Justifying Our Advertising Budgets', *Marketing and Research Today*, 25 (1), 3–44; Jones, John Philip (1990), 'Advertising: Strong Force or Weak Force? Two Views an Ocean Apart', *International Journal of Advertising*, 9 (3), 233–46.

³⁰Heath, Robert (2000), 'Low Involvement Processing: A New Model of Brands and Advertising', *International Journal of Advertising*, 19 (3), 287–98.

³¹Obermiller, Carl, Eric R. Spangenberg, and Douglas R. MacLachland (2005), 'Ad Skepticism: The Consequences of Disbelief', *Journal of Advertising*, 34 (3).

³²Mandell, Lewis and Linda Schmid Klein (2007), 'Motivation and Financial Literacy', *Financial Services Review*, 16 (2), 105–16.

³³Chen, Haiyang and Ronald P. Volpe (2002), 'Gender Differences in Personal Financial Literacy Among College Students', *Financial Services Review*, 11 (3), 289–307.

³⁴Gladwell, Malcolm (2000), *The Tipping Point: How Little Things Make a Big Difference*, New York: Brown & Company.

³⁵Wray-Brown, Rose (2007), 'Branding Advertising and Consumer' *Financial Lives*', *Admap*, May (483).

Demand management

They have masses of information for just about anything, and are keen to impart this knowledge. Such groups should be key targets for the GFA marketing strategy.

Referral protocols and systems

GFA will be a key plank of the Government's financial capability strategy. However, there will be some overlap with the financial inclusion strategy target group, particularly with its added remit of ensuring access to basic savings and insurance products. Similarly, there will be overlap with people targeted by the regulated advice sector. Segmentation and targeting must take account of this in locating key targets. This should guide decisions about referral and recommendation pathways, both to you from partners or referral agents and by you to partners or other stakeholders.

Referrals and recommendations from delivery partners

Both commercial and public service organisations could be supported to drive traffic to the service. Many of these potential partners will want to wait to check the public's reaction to the service and the general assessment of its quality before committing to a referral programme. We suggest this may constrain the growth of the service but, more positively, it will allow for a gradual and controlled expansion of possible access points.

Referrals for financial literacy

As part of the GFA medium to longer term strategy there will be a need to develop a referral service for clients needing and wanting help with developing their financial literacy. The availability of financial literacy development programmes with a local focus will be a key element in

actually helping people to change their behaviour. Work with the Basic Skills Agency and the Skills for Life programme should commence as soon as a decision has been made to launch the GFA service. Links with such training services should be built and tested during the pilot phase of the GFA service's development, so that there is a high-quality financial literacy programme in place to which people can be referred in the roll-out. You will need to consider the impact of financial education programmes, from national curriculum to higher and further education, in addition to the FSA work on financial capability, particularly with new parents and 'not in education, employment or training' groups.

Internal marketing

There is a real threat that the GFA brand promise might be undermined by lack of brand delivery. Service providers,

especially those charged with delivering the services, should be consulted as early as possible in order to obtain input from those who understand the specific challenges of working with the target segments and to ensure that there is support for the initiatives being proposed. These personnel will also be able to assist in many of the practical aspects of demand management itself.

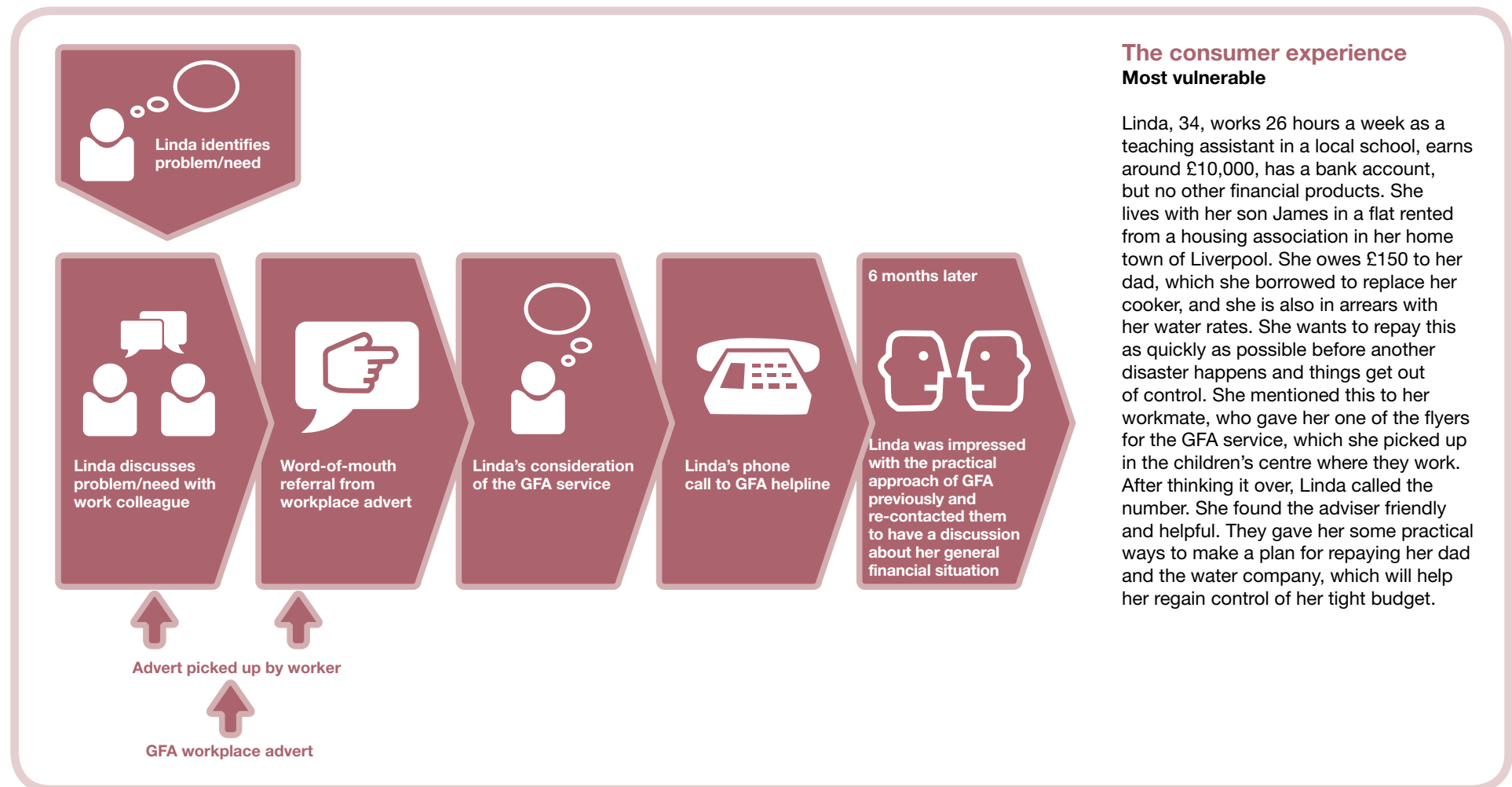
The role of internal marketing in the effective delivery of services is often neglected, yet there is evidence that it is key for the successful implementation of marketing strategies, including the reinforcement of brand image³⁶ and demand management. A failure to obtain buy-in from service deliverers may result in user dissatisfaction, and negative publicity³⁷, while positive support may be invaluable in managing expectations about what can actually be delivered³⁸.

³⁶Greene, Walter E., Gary D. Walls, and Larry J. Schrest (1994), 'Internal Marketing: The Key to External Marketing Success', *Journal of Services Marketing*, 8 (4), 5–13; Boshoff, Christo and Madele Tait (1996), 'Quality Perceptions in the Financial Services Sector', *International Journal of Service Industry Management*, 7 (5), 5–31.

³⁷Rust, Roland T. and Tuck Siang Chung (2006), 'Marketing Models of Service and Relationships', *Marketing Science*, 25 (6), 560–80.

³⁸Armistead, Colin and Graham Clark (1991), 'Capacity Management in Services and the Influence on Quality and Productivity Performance', in *Operations Management Group Working Paper*, Cranfield School of Management (Ed.). Cranfield: Cranfield Institute of Technology; Asif, Saadia and Adrian Sargeant (2000), 'Modelling Internal Communications in the Financial Services Sector', *European Journal of Marketing*, 34 (3/4), 299–317.

The following consumer journeys are for illustrative purposes. These are intended to be thought-provoking and helpful for the specific service planning that will be developed during the pilot phase.





The consumer experience
Regular users

Raymond, 40, is a van driver from east London. He works full-time and earns £26,000. He and his girlfriend Lucy are expecting their first baby. Their one bedroom rented flat will soon be too small, and they are thinking about buying somewhere of their own. They have some savings and need to work out what they can afford to pay on a mortgage, given that Lucy's income will be lower when she is on maternity leave. While having a cuppa during his break, Raymond saw an advert in the local paper for free impartial guidance in sorting out financial priorities. He called the service and had a chat with the adviser. Raymond couldn't answer all the questions about what their finances look like now, and what they will be like once the baby comes, so the adviser suggested that it would be really helpful to make an appointment for him and Lucy to see an adviser together at the local health centre. They made the appointment there and then, and a week later they both went to see the adviser. They went through all up-coming changes to their income and out-goings, which helped them to decide if they could afford to buy somewhere.

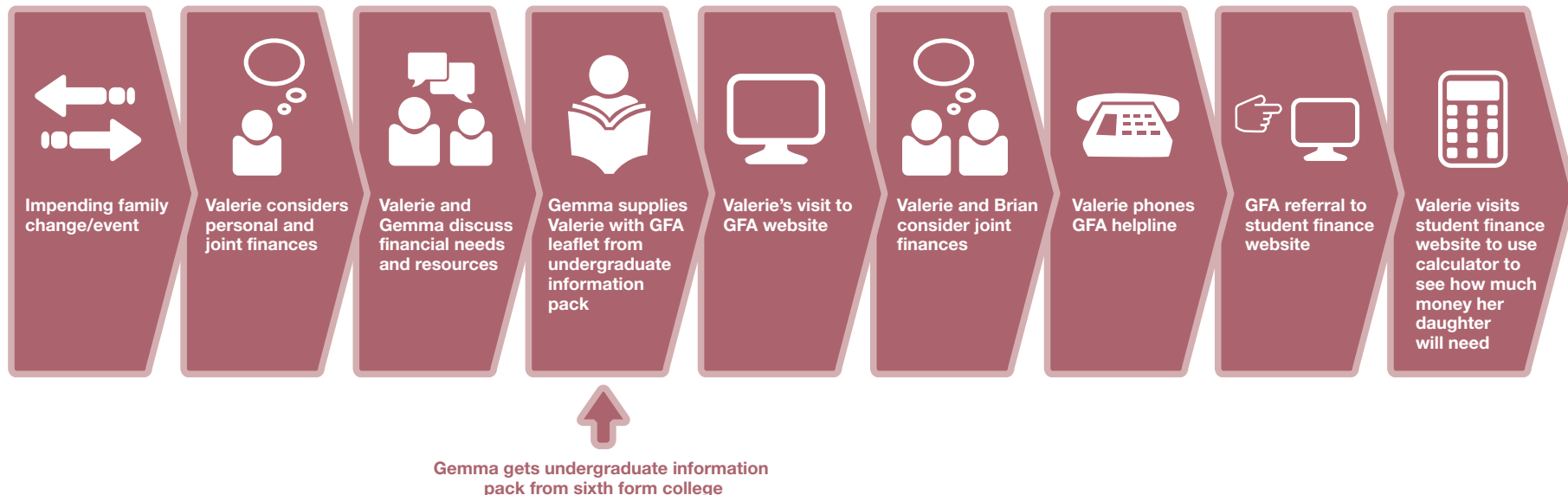




The consumer experience

Infrequent users

Valerie, 47, is married to Brian, and they live in Cambridge with their two kids. Valerie is a full-time PA and earns £30,000. They have a mortgage on their home, but that will be paid for by the time they retire. Valerie also has moderate debts including a car loan and a small outstanding balance on her credit card. Their oldest child Gemma is going to university next year, and Valerie is thinking about how they can help out their daughter with university fees and living costs. Gemma had brought home some leaflets from sixth form on paying for university, and one of them was for the GFA service. Valerie went to the GFA website to see what it could tell her about their options for getting together a little more money and an indication of how much money they might need. Not everything she needed was there, so after talking to Brian about it, she gave them a call and the adviser helped her work it out and gave her other places try for useful information, including the student finance section of Direct.gov.uk, which has a loan and grant calculator.





The consumer experience

Occasional users

John, 62 and from Dorset, works full-time as a local supermarket manager. He earns £45,000 and he and his wife Geraldine can look forward to a comfortable, mortgage-free retirement in a couple of years' time. John's dream is to have a boat to make the most of retirement, but he needs additional money to fund his dream. He and Geraldine have talked about different ways of paying for the boat, given that they will have less income. They were thinking about using the equity in their home, but are also concerned that they may need this later in life to pay for their care. They are looking at different options, including equity release. They discussed this, and Geraldine suggested that John make an appointment at the GFA centre attached to his supermarket to discuss their options with an adviser. After talking options through with an adviser, John wanted to go ahead and make a product purchase, but he wanted advice on the right one for him. The adviser suggested that John and Geraldine might want to consult a financial adviser for detailed financial planning to meet their needs in the medium and longer term. He gave them the contact details for local advisers.



Increasing chances of success

Factors influencing success

You will want to emphasise the differences between GFA and financial services offered by commercial suppliers. However, we can still learn much from those financial services that have been launched successfully.

The three main success factors in the launch of financial services are:

- market synergy (fit with image, 'superior' offering based on understanding customer needs);
- organisational factors (co-ordination, understanding, buy-in and internal marketing); and
- market research (at all stages of development and test market delivery)³⁹.

Other significant factors include:

- effective launch strategies (well co-ordinated, with strong marketing communication);

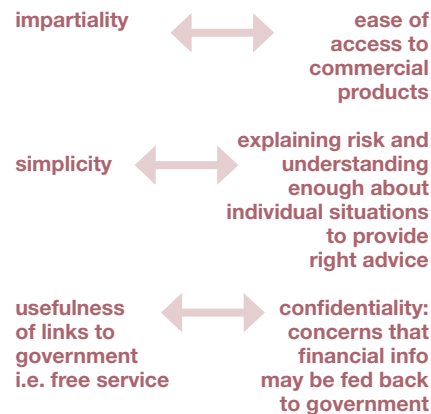
- market potential (understanding of the size of the potential market and likely appeal of the service);
- design testing (including ensuring any potential technical difficulties have been overcome)⁴⁰;
- good market research, to provide a detailed understanding of the wants and needs of different target segments⁴¹;
- high-quality strategy implementation in building and maintaining customer relationships and satisfaction⁴²; and
- integration of channels of access based on providing service, value and convenience for end-users⁴³.

Failures have been shown to have had poorer quality execution of:

- idea generation and screening;
- preliminary assessment (technical and marketing);
- market research;
- business analysis;
- product design and development; and
- market launch and product delivery⁴⁴.

Service issues to check

When piloting the GFA service, you need to balance:



Confidentiality and anonymity

On speaking to independent financial advisers (IFAs) and listening to the prototype tapes, we noted that emphasising confidentiality is vital. IFAs frequently come across people who are cagey about their finances. This is likely to be even more true in lower socioeconomic groups, some of

whom may have undisclosed income, cash jobs and so on. It is particularly likely to affect the self-employed and unemployed, who are less likely to have a bank account or to engage with financial services, or to have pension provision through an employer.

So, there is a need to assure confidentiality and/or anonymity. This means you need to carefully consider your record-keeping policy – will the GFA service keep records? Should customers get to keep their own files? One implication is the need to consider distancing the GFA service from government (some people are wary of giving their personal records to a government office), and positioning it at arm's length, rather like the Citizens Advice Bureaux.

³⁹Edgett, Scott J. (1996), 'The New Product Development Process for Commercial Financial Services', *Industrial Marketing Management*, 25 (6), 507–15.

⁴⁰Ibid.

⁴¹Storey, Chris and Christopher J. Easingwood (1999), 'Types of New Product Performance: Evidence from the Consumer Financial Services Sector', *Journal of Business Research*, 46 (2), 193-203.

⁴²Colgate, Mark R. and Peter J. Danaher (2000), 'Implementing a Customer Relationship Strategy: The Asymmetric Impact of Poor Versus Excellent Execution', *Journal of the Academy of Marketing Science*, 28 (3), 375.

⁴³Peppard, Joe (2000), 'Customer Relationship Management (CRM) in Financial Services', *European Management Journal*, 18 (3), 312.

⁴⁴Cooper, Robert G. and Scott J. Edgett (1996), 'Critical Success Factors for New Financial Services', *Marketing Management*, 5 (3), 26–37.

Demand management

For example, American data suggests that the general population are most likely to draw on their own personal experiences about personal finances, followed by reports from friends, families and mass media⁴⁵.

“Only 6% of the population trust and act on all government advice regarding diet. 37% said they did not trust any government advice and 20% said they completely ignored it”⁴⁶.

Another implication is the effect of records, or lack of them, on follow-up marketing and follow-up services: very difficult without records. These issues need thorough testing in your development phase.

A lesson from the prototype

We noted from the prototype tapes the importance of the ‘wisdom of age’, that is, the importance of people speaking to their age peers when it comes to financial advice. NSMC believes this is partly because sound financial judgement comes partly with age and personal experience; but also, arguably more importantly, because older people can empathise better with most GFA users. It is difficult for a 25-year-old to ‘connect’ with a 45-year-old on financial issues. This finding will have implications for recruitment and delivery of GFA advisers. Also the importance of data gathering for evaluation purposes, such as full name and sometimes address and telephone number, may have been considered off-putting by some. Positioning these type of questions to the end of the call during the prototype meant there was no adverse reaction to the gathering of data and there is no evidence that it puts people off.

Conclusion

There is inherent uncertainty in predicting and matching supply to demand. Marketing is some way short of being an exact science, and the myriad models peddled by consultants are marked by high uncertainty. Our advice is to plan for different demand scenarios – expect the unexpected and do not be surprised if the initial marketing plans require sudden changes.

This uncertainty can be reduced by investment in research, testing, piloting and launching in a phased manner. We recommend that at least a year is taken to fully work up, test and plan for the launch of the new service. Consideration will also have to be given to the impact of other financial policy decisions, such as the introduction of auto-enrolment in 2012, and what impact they may have on demand for advice.

Bob Stone, direct marketing guru, once said, “Test the big things⁴⁷”, and this is what we recommend in terms of developing a robust approach to demand management. We would echo your Interim Report and particularly highlight the delivery channel mix of face-to-face, telephone and web-based as vital for demand testing. You can do this by extending the prototype to full-scale pilots with in-built tests to unpick the effect of different parts of the marketing and service delivery mixes, as part of the recommended development phase.

⁴⁵Braunstein, Sandra and Carolyn Welch (2002), ‘Financial Literacy: An Overview of Practice, Research, and Policy’, Federal Reserve Bulletin, 88 (4), 445–57.

⁴⁶National Social Marketing Centre (2006), *It's Our Health! Realising the Potential of Effective Social Marketing*, London: National Social Marketing Centre (see p.18).

⁴⁷Stone, Bob (2001), *Successful Direct Marketing Methods*, Chicago IL: NTC Business Books.

4 Branding

Branding

Defining branding

Brands are often thought of as the name, logo and design surrounding a product or service created by a firm. These are manifestations of brands, but the core of a brand is the complete set of feelings that reside in the consumer's mind about the firm, its products or services, where it 'fits' versus competitors, and who they think it is aimed at. Many of these feelings are outside the control of the organisation: so the GFA service will have some control over its brand, but this could be skewed or even hijacked by the media or popular public reaction. For example, the Government's If You Can – Teach campaign to improve attitudes to teaching as a career has recently (late 2007) been damaged by a weekly sketch lampooning this on the Armstrong and Miller TV show, depicting dysfunctional people and saying if you can't do anything else then teach.

“A brand is a seed in someone's mind.”

Judith McDivitt⁴⁸

A branding primer⁴⁹

Brand is a name, term, sign, symbol or design (or a combination of these) that identifies the maker or seller of a product, which can be a tangible good, service, organization, place or idea.

Brand identity is how you (the marketer) want consumers to think, feel and act with respect to your brand.

Brand image is how consumers actually do think, feel and act with respect to the brand.

Brand essence is the core idea that you want the brand to evoke in the target audience.

Branding is the process of developing an extended brand identity.

Brand awareness is the extent to which consumers recognise a brand.

Brand promise is the marketer's vision of what the brand will do for consumers.

Brand delivery — do people actually experience what we want them to?

Brand loyalty refers to the degree to which a consumer prefers and consistently chooses to purchase the same brand within a product class.

Brand equity is the value of a brand, based on the extent to which it has high brand loyalty, name awareness, perceived quality, strong brand associations and other assets such as patents, trademarks and channel relationships. It is an important although intangible asset that has psychological and financial value to an organisation.

Brand elements are those trademarkable devices that serve to identify and differentiate the brand.

Brand mix or portfolio is the set of all brands and brand lines a particular firm offers for sale to buyers in a selected category.

Brand contact can be defined as any information-bearing experience a customer or prospect has with the brand.

Brand performance relates to how well the product or service meets customers' functional needs.

Brand extension is using a successful brand name to launch a new or modified product in a new category.

Co-branding is the practice of using the established brand names of more than one company on the same product or are marketed together in the same fashion.

⁴⁸McDivitt, Judith (2003), 'Is There a Role for Branding in Social Marketing?', *Social Marketing Quarterly*, 9 (3), 11.

⁴⁹Kotler, Philip and Nancy Lee (2007), *Marketing in the Public Sector*, Upper Saddle River, NJ: Pearson Education (p.114).

There are three key brand factors for the GFA service:

- the 'brand promise': what is the consistent promise we make to the users of the GFA service?
- the 'brand delivery': are our service people 'living' the brand promise day by day?
- the 'brand image': how users actually view the GFA service.

Case study: developing a clear, simple brand DWP's Giving it to You Straight campaign

This campaign is a good example of an integrated and well-planned campaign that drove action from over 90 per cent of its audience within a short time period. The key success factors in campaign development were:

- **the development of an effective and simple brand and messaging built from good consumer insight; and**
- **well-planned, comprehensive, carefully phased multi-channel communication.**

The brief was to:

- **develop a consumer facing brand;**
- **communicate the brand and the new system to encourage change;**
- **develop a call to action, making it simple for people to act; and**
- **develop a phased communication plan.**

The brand had to be capable of meeting the following parameters: a clear information 'platform'; a straight-talking tone; a property that is campaign-able across all media; invites response; and is sustainable over three years. The diagram here shows the rationale for the execution of the Direct Payment name, logotype and strapline.



Branding

Creating a powerful GFA brand

There are a number of tasks that need to be completed to develop a powerful GFA brand:

- Conduct qualitative research to focus on feelings rather than facts.
- Define the GFA 'competitive set': how will consumers position the GFA service against the other advice out there?
- Move beyond messages and into narrative. How does the GFA service fit into the story of people's lives?
- Brand the behaviour as well as the service – being financially responsible is a good thing – but be careful not to alienate the vulnerable.
- The clothing brand Burberry launched itself as a high-status brand but has become associated by some with downmarket consumers⁵⁰.

- Commit to a long-term brand development strategy. The most powerful brands are ones that are sustained. A number of social marketing brands have failed due to a lack of long-term commitment. We recommend that a full branding strategy is developed as part of the development stage of the GFA service.

Branding strategy must be driven by senior management commitment, and in the public sector that means people like ministers need to be driving the branding effort. Consistent implementation is vital, so we recommend that you create an infrastructure to administer the brand.

Case study: ensuring brand consistency NHS brand identity

The NHS has an identity website designed as a central resource for all issues covering the NHS identity. It contains all the guidelines and advice on using the NHS identity on all communication materials, and should be used by those within the NHS, design companies and external suppliers responsible for developing NHS communications.

The NHS identity is important. It is largely formed by the services the organisation offers. But its communications also play an important part in helping to shape that identity. All communications should express the NHS values:

- for health;
- caring;
- professionalism;
- efficiency;
- equality; and, increasingly
- choice and responsiveness.

As the NHS is changing, it is vitally important to use the identity consistently and correctly. The NHS needs to help patients navigate a more diverse healthcare system whilst instilling confidence that NHS values and quality will still be observed.

The NHS logo has a spontaneous recognition rate of over 90 per cent, and it has high levels of trust and credibility.



⁵⁰Parry, Caroline (2004), 'Fashion Labels Mixing with the Wrong Crowd', Marketing Week (01419285), 27 (45), 22–3.

Brands and sub-brands

The more targeted the audience of a brand, the more chance it has of working. As Colyer⁵¹ puts it: “Departments and ministries should stick to simple, basic brands that act as umbrellas for stronger sub-brands. Public sector branding then is about strong sub-brands. You focus your branding where you have defined audiences. We often advise clients to rethink their branding.” There is a big difference between branded information campaigns such as 5-A-DAY and branding programmes for entire departments, such as the national obesity social marketing programme. Strategic decisions are required regarding the development of the GFA branding strategy.

Will sub-brands of the service be developed for different target groups? We recommend considering an umbrella brand such as Money-made-easy with sub-brands for each major segment, as illustrated in Figure 7. However, this will raise costs slightly.

“Citizens live in a branded world.”

Edwin Colyer⁵²

Figure 7: Indicative umbrella and campaign brands for the GFA service



- Will sub-elements of the GFS service (face-to-face advice, web and telephone) be separately branded? Bear in mind the raised costs and co-ordination difficulties of this option.
 - Is there a need for separate ‘campaign brands’? We think this will be highly likely given the need to cover different financial problems in different ways.
 - How will GFA service or campaign brands be co-ordinated with other financial service initiatives in the fields of financial inclusion, financial capability or financial advice? These wider considerations need to be standardised as part of any agency brief.
 - Should you co-brand with commercial or other providers? It is tempting to capitalise on existing delivery capability, but we’d advise that being impartial and being seen to be impartial is extremely important.
- We recommend that these questions are answered as part of the GFA service development phase, prior to full national launch. We would also recommend that a tentative strategy be based on

a mixture of building a generic GFA brand identity and a mixture of specific campaign-focused brands in the early stages of the service.

Branding in financial services

Experience in the financial services sector⁵³ suggests that brand advertising gets *interest*, while other techniques such as direct marketing are used to generate *response*. Branding activity makes direct response marketing work harder and engages a wider potential pool of customers. Generating trust is another important job of brand advertising. This cannot be left to direct marketing. Indeed, unless the consumer is a ‘hobbyist’ (somebody who loves the detail, sifting through all the information available), intangible, brand-led factors will be very important: in the commercial sector these factors are more important than factual ‘rate-driven’ approaches.

Research by nVision (Future Foundation) shows that efficiency, reliability, simplicity, service delivery and trust are all important brand components in financial services. Finally, brand-led marketing will also work well with ‘worriers’, who feel overburdened by detail and switch off

⁵¹Colyer, E. (2006), ‘Branding in Public: Waste of Money?’, Brandchannel.com: accessed via http://www.brandchannel.com/features_effect.asp?pf_id=310#more; 17 Apr 06.

⁵²Colyer, Edwin (2006), ‘Branding in Public: Waste of Money?’, Business Week Online, 2–2 (p.1).

⁵³Wray-Brown, Rose (2007), ‘Branding Advertising and Consumers’ Financial Lives’, Admap, May (483).

Branding

from detailed direct response material. In summary: we recommend that you start with simple messages and unfold the more detailed GFA offer slowly.

The ‘light switch’ effect

Engagement with the GFA service is going to be mainly driven by personal trigger events that motivate people to ask for advice. So the service needs a brand that acts like a light switch – lying dormant in people’s minds for a while but ‘switching on’ when a financial need for advice arises. It should be possible to identify from research what the trigger points are (for example, the obvious one that gets a lot of media coverage is the financial pressures leading up to Christmas), and then use these trigger points as part of the marketing and specific campaign strategy for GFA.

Co-branding and co-delivery

The key component of the GFA brand is trust. This particularly relates to the impartiality of the service.

“Branding is a shortcut to people’s understanding.”

Andrew Prince, Director of Publishing, COI

The ‘impartiality’ waters are always trying to be muddied in financial services by web-based firms that claim to be independent but, in fact, are not. This has lowered trust levels throughout the sector: the public are often sceptical about impartiality claims, and are suspicious of advisers who claim impartiality. So, we would recommend that the GFA service is ‘whiter than white’ in this regard – and that means a public service, transparently being seen to be a ‘public service’ not driven by any profit motive and clearly on the side of the user. This brand positioning needs to be crystal clear from the start of the GFA marketing campaign.

You will want to make clear that the service is offered free. We suspect that the public sector ownership of the GFA service will also need to be clear. If you don’t achieve this, the public may ask, ‘What’s the catch? Why is this service free? Who is paying for this?’ Thus we propose you are clear and upfront about why the service is being set up by a public body: so your message could be that ‘we have a real problem with financial capability across many groups in society, and this, has negative consequences for us all’. This message would certainly need to be expressed in a user-focused way.

“Some partnerships are made in heaven while others languish in hell. The Foreign and Commonwealth Office’s ‘Know before you go’ travel campaign involved commercial brands. But finding the right partners is an enormous challenge, and any brand must ensure its aims are aligned with what is, in effect, a public-information campaign. The risk is that the activity becomes diluted and loses credibility because of the commercialisation of the message.”

Diana Cawley, Deputy Managing Director, Arc UK⁵⁴

The trust issue also has implications for partnering and working through intermediaries. Co-branding must be looked at carefully so that it does not detract from the ‘impartiality’ position the GFA service wishes to establish and maintain. If for example a preferred partner, e.g. Post Office, Co-op etc., is chosen, difficulty may arise if that partner was perceived to cross sell its own products. If a hybrid model of delivery, working through a mixture of public, third sector and private sector providers is the preferred model, research needs to be conducted on how this will be perceived by users.

Lastly, people often wish to treat their finances with secrecy. People will need to trust the service at a very personal level (akin to a doctor–patient relationship) if they are to share their personal financial problems. Your brand needs to make this element of trust and confidentiality explicit.

Given the paramount need to build a trusted brand, partnering should ultimately be driven by user views. There will be trade-offs to be made in terms of reach and access against some probable loss of credibility if extending partnering and co-branding arrangements. These trade-offs require explicit consideration.

⁵⁴Cawley, Diana (2007), ‘Should Brands Subsidise Government Communications?’, Marketing (00253650), 28–28.

Case study: choosing an appropriate brand partner
The Department for International Development's (DFID's) rough guides



Value can be added to a campaign by selecting and working with a partner who has knowledge of the audience being targeted. It also illustrates how to mobilise networks that the partner has already formed, and build on brand values that are already well established. Partnership working is shown to be an extremely cost-effective and efficient means of communication. DFID identified the need to reach a wider general public audience, with the aim of increasing their understanding of what role the individual can play, enabling the public to make informed choices. Rough Guides was selected as a partner as it met all selection criteria, demonstrated commitment to the principle of partnership working, and was enthusiastic in its response to DFID.

Case study: choosing an appropriate partner
Department for Education and Skills (DfES) Parents' Know How leaflets

The Parents' Know How campaign sought to target parents from socio economic group C2DE, and aimed to find a new approach to local engagement. It provided information to parents in an interesting, accessible and appealing format. The campaign placed educational information for parents in environments where C2DE parents were likely to pick it up and drew on the DfES parent segmentation model. This classifies parents into six main attitudinal/behavioural groups: drivers, measured, disciplinarians, self focused, befrienders and facilitators.

The main partner for the campaign was ASDA, which provided a perfect medium through which to reach the target audience. Leaflets were placed in a purpose-made unit and located in an area of the store referred to as the Parent Advice Centre. A range of in-store communications drew attention to the display. Further marketing and support for the campaign was achieved by working in partnership with Parentline Plus, Nation Family and Parent Institute.



The initiative has been extensively monitored and evaluated. Research findings demonstrate that the campaign succeeded in having a positive influence on attitudes as well as behaviour.

Branding

Drawing up a branding creative brief

You will need to draw up a creative brief for a specialist branding agency for the GFA service. The following suggested brand ingredients are possible starting points for the development of such a brief.

Values

In response to remarks made in the Interim Report, it seems sensible to pitch the service as:

- approachable and friendly;
- accessible and easy to use;
- understandable;
- honest and straightforward;
- down to earth;
- helpful; and
- a solution to any doubt or confusion about managing finances.

Positive or negative framing

A choice exists in delivering messages positively or negatively. Getting this right is important, as it has been shown to impact on effectiveness⁵⁵. 'Positive framing' extols the benefits of

a behaviour, while 'negative framing' warns of the dire consequences of a behaviour. Positively framed messages appear to be stronger for preventative behaviour, although reviews of previously published studies suggest that this may not apply in all situations⁵⁶.

We would recommend predominantly 'positive framing' of the brand. This will enable the GFA service to offer itself as helpful and friendly and useful. You may want to consider some limited use of 'negative framing' messages, for example using shock tactics occasionally to stimulate interest – but this should be carefully deployed. This is because of the existing mindset of the audience: if they possibly already feel inadequate, guilty, shameful or apprehensive, the last thing they need is a sense that the GFA service will make them feel more so.

They need reassurance, not social criticism. That said, one 'negatively' framed message is important: that is the need to warn consumers of financial trouble in the future if they don't act now.

Positively framed messages will not be effective if their recipient is unsure about behavioural norms (what is generally accepted as 'normal behaviour around here')⁵⁷. There is also a danger of 'reactance effects' (i.e. resistance to the message and possible behaviour that is the opposite of that intended) if the tone of your message is seen as judgmental, telling people what to do or is deemed to threaten individual freedom to make decisions⁵⁸. Finally, individual self-efficacy (i.e. individuals successfully taking control of their own situations) should be stressed. So, we would envisage a message such as:

"Lots more people are looking for the best deal on credit cards (behavioural norms). It's a lot easier to do these days (self-efficacy). And the right choice can save you pounds each month (positive framing). We can show you how..."

Rational versus emotional messages

A brand is a mental representation with three main types of 'tags':

Emotional tags	How do I feel about it?
Functional tags	What does it do for me?
Service tags	How do I experience it?

Brands can be functional (what does this service do for me?) or symbolic (what does this brand say about me?). The GFA brand will be primarily functional. Functional messages can be rational (thinking) or emotional (feeling). The brand will marry rational benefits (how much money will I save versus how much effort must I put into this?) with emotional benefits (this service will make me feel better).

We suspect that the default state of the target audience will be one of anxiety. A constant background of stress may accompany people who are struggling to manage their modest incomes, especially with trigger points around things like Christmas. Perhaps

⁵⁵Rothman, Alexander J. and Peter Salovey (1997), 'Shaping Perceptions to Motivate Healthy Behaviour: The Role of Message Framing', *Psychological Bulletin*, 121 (1), 3; Block, Lauren G. and Punam A Keller (1995), 'When to Accentuate the Negative: The Effects of Perceived Efficacy and Message Framing on Intentions to Perform a Health-Related Behaviour', *Journal of Marketing Research*, 32 (2), 192–203.

⁵⁶van Assema, P., M. Martens, R. A. C. Ruiter, and J. Brug (2001), 'Framing of Nutrition Education Messages in Persuading Consumers of the Advantages of a Healthy Diet', *Journal of Human Nutrition and Dietetics*, 14 (6), 435–42.

⁵⁷Stuart, Anne E. and Hart Blanton (2003), 'The Effects of Message Framing on Behavioural Prevalence Assumptions', *European Journal of Social Psychology*, 33, 93–102.

⁵⁸Rummel, Amy, John Howard, Jennifer M. Swinton, and D. Bradley Seymour (2000), 'You Can't Have That! A Study of Reactance Effects & Children's Consumer Behaviour', *Journal of Marketing Theory and Practice*, 8 (1), 38–44.

the emotional component of the brand platform should be analogous to preventing a headache, a service that removes anxiety and leaves the audience – without exaggerating – in a better frame of mind.

For example, emotion-based keywords for this platform are:

- hope;
- soothing;
- solution;
- happy;
- relaxed;
- control.

Branding the idea not the service

Finally, you could consider branding ‘the idea’ rather than the service. We noted that the Make Poverty History campaign branded an idea. This could be a wild-card brief to your agency – what is the equivalent? ‘Make your money troubles history’? We realise that personal finances are a long way from the vision of changing the world that fuelled Make Poverty History, but there may be some food for thought here.

We recommend:

- associating the GFA brand with positive images of money management;
- dramatising the benefits;
- creating impact using something simple and striking that cuts through the clutter and gets noticed;
- ensuring GFA is attractive to people’s self image;
- avoiding attempts to link GFA to status;
- addressing ‘image congruence’: people need to think ‘this service is for people like me’;
- positioning the GFA service as a ‘smart’ thing to use; and
- avoiding attempts to be cool – this could backfire.

Conclusion

The GFA service is a positive and easily articulated proposition: ‘we’re on your side, we’re not trying to sell you anything, and we’re free’. This is attractive. To make the most of this proposition, you are now faced with some strategic branding decisions. The most important of these are how the core GFA brand should align with sub-brands and how to align with partners without compromising trust and impartiality. Once these decisions are made you will be able to develop the brand content. This will require the help of a specialist agency.

5 Recommendations

5 Recommendations

Engagement

1 The 'must haves'

The GFA marketing strategy must encompass: clear, measurable goals; a compelling message; and a service offer based on a deep understanding of those the service is trying to reach.

2 Plan for the long term

At the risk of stating the obvious, the GFA service needs to be a long-term commitment. We therefore recommend formally adopting a long-term strategic planning approach. Such an approach necessitates researching, testing and piloting the service before national roll-out. This will ensure an in-depth understanding of how audiences live their lives and how they will relate to GFA, and that the content and tone of the service delivery are correct for different markets. A research-test-pilot approach will also help predict and hence manage likely demand.

3 Mix and match

We recommend a balanced and sustained deployment of above-the-line and below-the-line marketing spend to maximise success. The marketing promotion for the GFA will need to

take full advantage of the new digital environment as well as more traditional promotional and PR approaches. Marketing promotions should be tailored to specific segments of the population and be developed on the basis of extensive field piloting. We recommend a marketing budget in the region of £4 million for the development phase of the GFA service and an annual budget for the first three full years of the GFS service of not less than £20 million per annum. We also recommend the development of a full marketing plan that integrates research and segmentation with communication and delivery.

The old days of 'the answer is an advert; now, what was your question?' have gone. The GFA service will be launched in an era of complex multi-channel and multimedia solutions. Those delivering GFA will need to plan for multi-agency, multi-channel delivery. This will involve establishing a management infrastructure that can co-ordinate a wide range of specialist suppliers and a wide range of delivery partners. In particular, this means that even if service delivery is contracted out, there will be a need for specialist

marketing, relationship management and commissioning advice. We recommend, therefore, that when establishing the implementation team for the GFA service these requirements are factored into the management structures that are agreed.

4 Look to the digital future now

The developments in digital communications technology and the subsequent development of new forms of social networks need to be factored into the GFA marketing strategy and service delivery strategy. Entering and sustaining a credible presence in the new media world represents one of the most profound marketing challenges for the GFA service. The marketing plan for the new GFA service must include a substantive investment in web and related new media services. We recommend that, as part of a full marketing plan for the new GFA service, a distinct 'new media' marketing strategy is developed during 2008. This should involve the development of a clear specification and tendering exercise of a specialist new media supplier (or suppliers) to lead this aspect of the service delivery model. We also recommend that a full

specification for all service delivery elements of the GFA is drawn up early in 2008 and then a competitive tendering exercise is set in motion to appoint a contractor (or contractors) to fully pilot the service and work up a full implementation plan.

5 Choose your partners very carefully

The selection of partners needs to be considered as part of the overall branding and delivery strategy for the GFA service. Trade-offs between the access provided by partners versus the impartial brand image of GFA will need to be assessed. The GFA brand promise is very attractive ('on your side, not trying to sell you anything, and free'), but it means that trust in GFA impartiality and integrity is vital. This means that choosing partners needs to be very carefully managed. In order to do this you need to clearly articulate the roles of stakeholders, intermediaries, delivery partners, funding partners and referral agents. You will want to spell out explicitly the standards of conduct required to be a partner, how these will be policed over time and the consequences of non compliance or failure to live up to agreed standards.

Recommendations

6 Competition and coalition analysis

We recommend that as part of the next development phase of the GFA service, to build on experience and lessons learned from the prototype phase, a comprehensive mapping of delivery, promotion and referral partners is drawn up based on how the GFA service is to be positioned against other public and private sector generic (and preventive) advice offerings. You will need to map partners' capacities against GFA needs, taking account of other relevant commitments (other financial capability work, the financial inclusion programme and financial sales and advice). You are advised to identify the training and development necessary to facilitate partners' participation in the GFA service's promotion and delivery. Finally, as part of a full development plan you need to assess the time and cost of this capacity-building and make an assessment of the investment needed to maintain its viability in the short, medium and long terms.

7 Test, test, test

It is essential that full-scale piloting is undertaken as part of a development phase lasting at least a year to fully work up service delivery models, partnership mechanisms, referral

systems and marketing approaches for the GFA service. You will also need to fully work up and test a set of 'core scripts' and procedures to guide all those providing the GFA service, whether face-to-face, via the telephone or on the internet. We recommend that a plan for a full development phase is put in place. The plan should include details of all key research/test elements and a full evaluation plan. This development phase plan should culminate in the publication of a full national business plan for the GFA service, based on what has been learnt about what works and what does not. The business plan should set out details of the level of investment that will be needed to put in place and sustain the GFA service capable of providing a service to those who will chose to use it.

8 Beware the 'F' word

Literacy levels amongst some communities are low. We recommend you consumer test all materials (including scripts, video, audio and written material) in *both* the marketing *and* delivery of GFA, with a view to checking levels of understanding. You should be guided by the need for simplicity and clear English. For example, we recommend you avoid

the use of the word 'finance' in favour of words like 'money'. At the extreme, some face-to-face delivery of GFA may need to be completely free of any literature-based advice. We also recommend that all service providers are given carefully evaluated scripts to use in different situations, and tools such as decision trees that can help members of the public make judgments based on their own personal preferences and circumstances.

9 Eyes on the bottom line

You need to develop (with partners, stakeholders and intermediaries) clear, measurable behavioural goals that go beyond service contact and satisfaction metrics. The key goals will include acting on the financial advice, and ultimately, improved financial behaviour and outcomes: less debt, more long-term financial security, less reliance on crisis agencies, less reliance on state benefit and fewer complaints, for example. We recommend that a clear set of specific behavioural goals is developed in full collaboration with stakeholders, partners and intermediaries for the GFA service during 2008.

10 Have a clear and consistent service offer

We recommend the use of a range of experts, including financial capability, financial inclusion and financial advice professionals from all sectors, to decide the content of the service delivery and to consumer test it. There is a need during the development phase to make explicit: what service is on offer; the extent of its remit; what it can't do; and how people can influence how the service is delivered and complain if necessary. While much useful work has been completed to set out the brand values and proposition for the GFA service, there is a need to build on the prototype service to develop a detailed 'rule book' and procedures for the service, so that they can be tested as part of the next development phase. A key aspect of developing the rule book for how the GFA service will operate will be how it refers to and is referred to by its stakeholders, intermediaries and partners. It is recommended that a clear and publicly available set of operational rules be developed during 2008 in full consultation with stakeholders, intermediaries, partners and potential users of the service.

11 Bring in the professionals

It will be necessary for the GFA marketing strategy to be developed by experienced marketing professionals. A specialist team should be sourced to lead this aspect of the GFA development. One of the first tasks of a specialist marketing team would be to draw up a full marketing plan that would include a number of specifications to be developed for specialist agencies, as recommended in this report. These specifications for specialist agency work include strategic objective setting, new media strategy, further segmentation research, brand strategy, stakeholder management strategy, service protocols and an evaluation strategy.

Demand management

12 Stand by to launch

Fifty per cent of service launches fail. This is often because of the perceived need to rush to launch. Research shows that new brand launches are much more successful if they are developed as a specific set of plans based on extensive pre-testing. It is likely that the launch of this service will create a slow burn of demand rather than a big rush. Indeed, it may be the case that even with a big 'splash of a launch' it will be necessary to be patient and expect a slow start. Expect growth over time through excellent service driving word-of-mouth referral. We recommend that, as part of the next development phase of the GFA service, you develop a specific launch plan for the GFA service during 2008.

13 Demand predicted to be an S-shaped curve

Demand for GFA will probably take time to pick up. We predict that demand for the GFA service will follow an S-shaped curve: slow at the start as people absorb the service offering, speeding up in the middle with positive

word of mouth, and plateauing with a mature pattern of repeat visits and new business. However, major government changes, such as the launch of Personal Accounts in 2011, are likely to increase demand and may skew this distribution. We recommend that the service infrastructure expansion be planned on this basis. The more testing and refinement of the service offering and marketing promotions that can be done, the more accurately demand forecasts will be able to be constructed.

14 'Dialling' demand up and down

An un-segmented 'mass' approach to the launch of the service will reduce service deliverer's ability to manage demand. We recommend launching in stages via a series of regional and segment launches. This kind of roll-out would provide a more controlled and managed approach to the set-up and refinement of the service and associated marketing promotions. We also recommend investment in ongoing tracking evaluation of media promotions, as this will be a key factor in dialling up and dialling down demand. Over time, strong tracking evaluation will enable surges in demand to be predicted and planned for.

15 Don't spray and pray: segment and succeed

Geodemographic work to understand potential users and their distribution is already in progress, based on the FSA baseline survey. This is valuable, but could be improved and developed into a bespoke segmentation of GFA by including more information on attitudes, knowledge, motivation and 'help seeking' behaviour preferences. A bespoke GFA segmentation based on original surveys and geodemographic mapping would increase understanding about user needs and enable better targeting and tailoring of service delivery.

16 Listen and learn

As part of the GFA medium to longer term strategy, there will be a need to develop a referral service for clients wanting help with developing their financial literacy. The availability of evaluated and locally available financial literacy development programmes will be a key element in actually helping people to change their behaviour. Work with the Basic Skills Agency and the Skills for Life programme should

Recommendations

commence as soon as a decision has been made to launch the GFA service. Links with such training services should be built and tested during the development phase of the GFA service, so that by the time a national service is in place there is a robust system for referral and a high-quality financial literacy programme to which people can be referred.

Branding

17 Strategic branding decisions

Strategic decisions are required in relation to how the GFA branding strategy will be developed. We recommend that these questions are answered as part of the GFA development phase, prior to full national launch. However, given the aspirations of the GFA service set out in the Interim Report, we would also recommend mixing a generic GFA brand identity with specific campaign-focused brands in the early stages of the service.

18 A positive proposition

The technical details of the GFA service offering will be hard for people to understand. A GFA brand could solve this by giving people an attractive hook – something that lodges GFA in their memory. The GFA proposition to the customer would appear to be that this service is ‘on your side, not selling you anything, and free’. We recommend the use of brand advertising and promotion to build awareness and interest in the GFA brand in the early stages of delivering the service, then moving to direct response techniques to stimulate demand and uptake of the service via campaign specific branding along the lines of 5-A-DAY.

19 GFA: a light switch?

The GFA brand should probably be primarily ‘functional’ but also ‘emotional’ in nature: the brand explains what the service offers but also delivers an emotional benefit – the joy of financial worries solved, the happiness of feeling in control. We recommend using the services of professional branding agencies to produce a full branding strategy for the GFA. The brief to the selected agency should contain a number of key dimensions: the need

for simplicity; the need for the brand to have functionality (to communicate what the service does for people); the need for the brand to have an emotive touch-point (to appeal to people’s need for comfort, hope and serenity); the need for the brand to act as a ‘light switch’ in people’s heads that can be switched on in the event of a specific need for financial advice: ‘I need help: I know, I’ll ring GFA’.

20 Helpful and friendly

There is sufficient evidence to indicate that positively framed messages will be more effective than negative messages and that behavioural norms and individual self-efficacy should be stressed. However, key target segments should be identified and pilot research conducted with all significant segments in order to be able to tailor both the material and means of delivery to their specific needs. Additionally, research should be conducted to determine the relative effectiveness of emotional and rational message framing for all segments and positive versus negative message framing for different market segments.

21 Delivering what you promise

The GFA brand promise must be matched by brand delivery. The tone of GFA service communications must be backed up with motivational internal marketing amongst all suppliers, intermediaries and partners to ensure that what is promised is delivered. This is key for repeat usage, for word-of-mouth endorsement and referral or ‘viral’ marketing. Word of mouth will be very important in growing the service beyond the early adopters who may be first to use it. We recommend the establishment of ongoing user evaluation panels and governance arrangements that involve people who understand the specific challenges of working with the target segments. Consumer organisations at a national, regional or local level should be asked to provide ongoing input into GFA service reviews, to ensure that the service constantly focuses on user needs.

Further information

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TGI (Target Group Index) is a global network of single-source market research surveys providing invaluable, comparable consumer insights for over 50 countries across six continents.

Acronyms used in this report

AIDA	Awareness–Interest–Desire–Action (model of consumer decision process)
BERR	Department for Business, Enterprise and Regulatory Reform
DEFRA	Department for Environment, Food and Rural Affairs
DfES	Department for Education and Skills
DFID	Department for International Development
DWP	Department for Work and Pensions
F2F	Face-to-face
FSA	Financial Services Authority
GFA	Generic financial advice
HHS	Hollywood, Health & Society
HMRC	HM Revenue and Customs
KPI	Key Performance Indicators
LSC	Learning and Skills Council
ROI	Return on Investment

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The National Social Marketing Centre is a strategic partnership between the Government (Department of Health) and the National Consumer Council in England. The NSMC was established to increase understanding and use of effective social marketing approaches at national and local levels and work across sectors to build capacity and skills.

Many of the case studies used in this report have been adapted from examples made available by the Cabinet Office's 'Engage' strategic communications initiative.

Sorted! is a New Zealand Retirement Commission public education programme on financial skills for life. Sorted! is a small government-funded (but independent) organisation.



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