



New State Pension direct mail trial evaluation

Summary of survey research evaluating
a direct mail trial in winter 2014/15

March 2017

DWP ad hoc research report no. 47

A report of research carried out by Ipsos Mori on behalf of the Department for Work and Pensions.

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Introduction

Background to the research

The Department for Work and Pensions (DWP) commissioned Ipsos MORI to conduct an evaluation of a targeted Direct Mail trial in which letters were mailed to **adults who had fewer than 27 years of National Insurance contributions and who were reaching the State Pension age within 15 years of April 2016**. For the purposes of this study, these adults were defined as an 'urgent' audience. The trial was designed to test the impact of direct mail on awareness, understanding or action to supplement wider communications activity.

Individuals who met these criteria were identified via HM Revenue and Customs (HMRC) and DWP records and over 10,000 letters were mailed to this urgent audience in November 2014. The two-sided A4 letter intended to alert recipients to the changes to the State Pension coming into place in April 2016. The letter outlined that the changes would make it easier for people to know how much they will receive, and encouraged them to find out more and request a State Pension statement, either by visiting a website or calling a telephone number.

Methodology

To evaluate the impact of the letter, Ipsos MORI used a Randomised Controlled Trial design in which relevant individuals were selected from HMRC and DWP records (all meeting the above criteria for the urgent audience). These selected individuals were then either sent the direct mail letter with information and advice about the changes to the State pension (the 'Test' group) or received an alternative letter simply asking if they wanted to opt out of this research project, but not giving any information about the changes (the 'Control' group). This selection was made at random – each individual had an equal probability of falling into either group (i.e. around half received it and half did not). Ipsos MORI then attempted to conduct telephone interviews with as many individuals as possible from both groups (brief technical survey details are included in the appendix).

In total, 2,289 interviews were conducted; 1,160 with those who had received the direct mail letter (the Test group) and 1,129 with those who received the alternative opt-out letter (the Control group). Interviews were conducted by telephone between 3rd December 2014 and 25th January 2015.

By comparing findings between the Test and Control groups it was possible to measure **the impact of the direct mail** above and beyond other campaign materials or external factors to which both the Test and Control groups may have been exposed.

Summary findings

Recall of the letter

Just under half (47 per cent) of those who received a direct mail letter (the Test group) recalled having done so when prompted in the survey (respondents were told that it was from DWP, regarding changes to the State Pension and arrived in November 2014). This compares to 14 per cent in the Control group who claimed to have received such a letter (despite not having done so).

Recall of the letter amongst the Test group declined over the course of the research period, from 57 per cent in early December to 37 per cent in mid-January 2015.

Of those who recalled receiving the letter, just over half (56 per cent) of the Test group said they read all or some of it, with a further 33 per cent having 'just glanced at it' and eight per cent noting they did not look at it.

There were positive reactions to the letter amongst those who at least glanced at it; the majority said it made them think about their own situation (69 per cent), was aimed at people like them (65 per cent), talked in language they could understand (64 per cent), and encouraged them to find out more about their State Pension (55 per cent). There were, however, sizable proportions who noted that it was aimed at people older than them (42 per cent), was confusing (36 per cent), or was aimed at people younger than them (27 per cent).

Impact on awareness of changes to the State Pension

Those who received the letter were more likely to have at least heard that the 'current basic and additional State Pension will be replaced by a new State Pension' (56 per cent amongst the Test group versus 44 per cent in the Control group).

The proportion who said they know 'a great deal' or 'a fair amount' about this change was not significantly different across the two groups (eight per cent in the Test and six per cent in the Control). The Test group were more likely than the Control group to say they knew 'not very much' about it or 'had heard of it but knew nothing about it', whilst the Control Group were more likely to have never heard of it.

Exposure to the letter appeared to have some impact on recall of campaign activity (i.e. having some amplification effect), with the Test group more likely to recall the radio advert about State Pension changes when prompted (26 per cent versus 20 per cent). However, there was no such uplift for press adverts.

Impact on understanding of changes to the State Pension

Table 1 summarises responses amongst the Test and Control groups across a range of measures to gauge self-perceived understanding and to test knowledge of different aspects of changes to State Pensions.

The findings are mixed. The letter did appear to drive increased awareness of the link with National Insurance contributions, awareness of empowerment to affect amounts received, and a sense of how changes will affect them personally. However, the letter did not have any impact on other measures, including perceived knowledge of where to go to find out more about the State Pension.

Table 1: Understanding

	Test (received letter)	Control (no letter)	Statistically significant increase?
Claimed knowledge			
Generally, the amount of State Pension someone receives will be directly linked to their own National Insurance contribution record (% who have at least heard of this)	57%	51%	YES
Generally, people will only be able to receive any State Pension if they have a minimum number of years on their National Insurance record (% who have at least heard of this)	53%	51%	NO
True/False statements – testing knowledge			
There are things people can do to increase the amount of State Pension they will get (% who say definitely true – correct answer)	23%	17%	YES
Everyone reaching State Pension age after April 2016 will get the same amount of State Pension (% who say definitely false – correct answer)	16%	15%	NO
Agree/disagree statements			
I know how the changes to the State Pension will affect me, if at all (% agree)	21%	17%	YES
I know how much my State Pension is likely to	14%	15%	NO

be (% agree)			
I know what to do to find out how much my State Pension will be (% agree)	26%	28%	NO
I know what to do to find out more about the new State Pension (% agree)	36%	36%	NO

Impact on action

Table 2 shows the proportions of people in the Test and Control groups who say they had taken actions relating to the State Pension within the one to two months prior to the survey (i.e. within the timeframe of receiving the letter in the case of the Test group).

Those who received the letter were around twice as likely to say they had requested a State Pension statement (7 per cent versus 3 per cent amongst the Control group). They were also more likely to say they had spoken with family or friends about the State Pension, but were no more likely to take other actions.

Table 2: Action taken

In the last 1-2 months ...	Test (received letter)	Control (no letter)	Statistically significant increase?
Spoken to an organisation (e.g. the Money Advice Service) for advice about the State Pension	3%	3%	NO
Requested a State Pension statement from the Government	7%	3%	YES
Visited the gov.uk website for information about the State Pension	9%	7%	NO
Visited another website for information about the State Pension	3%	3%	NO
Spoken to family or friends about the State Pension	16%	13%	YES
Started saving or saving more for later life	19%	19%	NO
Any action listed	37%	33%	YES

Respondents were also asked about their intentions of taking relevant behaviours in the subsequent one to two months. Table 3 shows the proportions amongst the Test and

Control groups who either say they have taken each behaviour in the past one to two months or are *very likely* to do so in the next one to two months.

Those in the Test group were again more positive than the Control group in terms of likelihood to request a State Pension statement and to speak to family/friends about the State Pension. When claimed future likelihood is included, they were also more likely than the control group to have strong intention to visit gov.uk for information about the State Pension.

Table 3: Action taken or intended action

Have done in the last 1-2 months OR very likely to do so in the next 1-2 months ...	Test (received letter)	Control (no letter)	Statistically significant increase?
Speak to an organisation (e.g. the Money Advice Service) for advice about the State Pension	21%	20%	NO
Request a State Pension statement from the Government	32%	26%	YES
Visit the gov.uk website for information about the State Pension	38%	33%	YES
Visit another website for information about the State Pension	17%	14%	NO
Speak to family or friends about the State Pension	35%	31%	YES
Start saving or saving more for later life	36%	34%	NO
Any action listed	66%	61%	YES

Conclusions

The Direct Mail had some impact across a range of measures, from awareness through to claimed behaviours. These changes were measured over a short-time period and the longer-term impact cannot be assessed in this evaluation. There were also a range of other measures where the letter did not lead to any significant uplift. Decisions regarding the roll-out of Direct Mail amongst this target audience must factor in the relative cost for the scale of benefit achieved, compared to other interventions.

Appendix: survey technical details

Response rate

In total, 12,786 individuals were listed on the HMRC-provided customer data as being part of the urgent audience. A total of 2,676 leads were removed from the eligible sample:

- 2,212 had an invalid contact number (and alternative numbers could not be found through residential telephone tracing).
- 435 individuals opted out of the research by responding to the letter.
- 24 had a named appointee contact on the original database, so were judged to be incapable of giving informed consent to take part in the survey.
- Five were duplicate records based on telephone number and address.

The remaining 10,100 individuals were issued letters as part of the trial – either the information letter as part of the Test group, or the opt-out letter as part of the Control group. All were then sampled for the follow-up telephone survey.

The survey outcomes and response rate calculations are shown below.

Completed interviews	2,288
Eligible but not interviewed	164
Incomplete interviews	193
Ineligible respondents ¹	43
Refusals	1,887
Unknown eligibility ²	2,839
Unusable numbers	2,696
Unadjusted response rate	23%
Adjusted response rate³	32%

Weighting

Data for both the Test and Control respondent groups were weighted to ensure they both matched the profile of those originally issued letters (this profile information was recorded on the original HMRC-provided customer data used as the overall sample frame for both the Test and Control groups). This helped to counter any non-response bias among those taking part in the follow-up survey. Weighting was applied by gender and, within this, age (banded in terms of proximity to State Pension age), qualifying years of National Insurance contributions, and region.

¹ These were either duplicate leads or instances where the named contact no longer lived at the address.

² These were respondents that could not be reached at all during the fieldwork period.

³ This adjusts for unusable numbers and estimates the proportion of respondents of unknown eligibility who were expected to be eligible.