



# Employers' awareness, understanding and activity relating to automatic enrolment and evaluation of communications campaign

Spring 2016 Employers Survey

Summary Report

June 2016



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## 1 Executive Summary

### 1.1 Introduction

This report summarises the results from the Spring 2016 research carried out by Quadrangle, an independent market research agency, on behalf of The Pensions Regulator (TPR). It follows a series of previous biannual survey waves conducted since 2011.

The objectives of the research were:

- To identify and track employers' awareness, understanding, knowledge and attitudes in relation to automatic enrolment;
- To understand employers' actions and intended actions in relation to automatic enrolment.
- To determine reactions to and the impact of the recent employer advertising activity carried out by TPR;

A new advertising campaign was launched in October 2015 as a joint campaign with the Department for Work and Pensions. It included advertising across a range of channels: Television, radio, press adverts, digital channels and social media, and was a departure from previous campaigns in terms of its creative approach. A giant creature to embody the workplace pension was featured alongside a new campaign slogan 'Don't ignore the workplace pension'.

The campaign initially ran from October to December 2015 and was run again, with the same creatives but a lower advertising spend, over the period January to March 2016. This evaluation focuses on the 2016 period, making comparisons with previous waves to highlight where attitudes and behaviours have changed.

The survey was carried out among small employers (with between 5 and 29 employees) and micro employers (1 to 4 employees) from February to April 2016. In previous waves of the research all employers were more than four months from their staging date<sup>1</sup>. In Spring 2016 employers that were one to four months from staging were also surveyed. This is not expected to be repeated in future waves of the research. For comparability with previous waves the one to four months results have been excluded from the 'total' response.

A total of 593 telephone interviews were conducted with employers four or more months from staging, and 207 telephone interviews were conducted with employers one to four months from staging. This report is a summary of findings.

There is a Technical Report to support this document, also produced by Quadrangle, that includes a full list of survey questions and responses<sup>2</sup>.

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<sup>1</sup> An employer's staging date is when their automatic enrolment duties first come into force for the employer.

<sup>2</sup> <http://www.thepensionsregulator.gov.uk/docs/employer-automatic-enrolment-research-technical-spring-2016.pdf>



## 1.2 Key findings

### 1.2.1 The majority of micro employers and nearly all small employers were aware of automatic enrolment, and levels of awareness for both employer types were comparable with those observed in Autumn 2015. Understanding<sup>3</sup> of automatic enrolment increased significantly among small employers.

Awareness of automatic enrolment was 79% among micro employers (78% in Autumn 2015). Among small employers, awareness stood at 95%, also similar to the previous level of 90%.

Understanding remained largely unchanged for micro employers, rising from 56% to 60%, while small employers saw a significant increase from 68% to 81%.

Significantly higher awareness of the need to communicate with staff on an individual basis and of the need to complete a declaration of compliance contributed to the increase in understanding for small employers: 95% of small employers understood that they needed to communicate with staff (increased from 89% in Autumn 2015) and 85% of small employers were aware they needed to complete a declaration of compliance (increased from 76%).

Awareness levels of automatic enrolment were similar regardless of staging date, ranging between 88% and 82% for those staging between July 2016 and July 2017. Employers between one and four months from staging had significantly higher levels of awareness (94%) than those nine or more months from staging.

As seen in Autumn 2015, those furthest from staging had lowest levels of understanding (62%), compared to those less than four months from staging (81%). Awareness levels amongst those with and without eligible job holders were very similar in Spring 2016 (85% and 84% respectively). This was different to Autumn 2015 where awareness levels were 87% for employers with eligible job holders and 74% for those with no eligible job holders. In Spring 2016 levels of understanding were very similar among those with and without eligible job holders.

### 1.2.2 Approximately half of employers could accurately recall their staging date. Among employers staging after June 2016, accuracy of recall improved with proximity to staging date.

For employers staging after June 2016, those closest to staging could more accurately recall their staging date than those furthest from staging. This reflects the pattern observed in Autumn 2015. There was a significant drop in accurate recall for employer 5 to 8 months from staging (from 71% in Autumn 2015 to 57% in Spring 2016). Nearly a third (31%) of employers that were between one and four months from staging could accurately name their staging date.

### 1.2.3 The majority of employers spontaneously recalled workplace pensions advertising, although there was a drop in spontaneous recall levels from those seen during the launch wave of the campaign (Autumn 2015). The

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<sup>3</sup> See page 20 for full definition.



**campaign's key messages continued to be reflected in what employers recalled.**

Overall awareness of workplace pension advertising was 68% in Spring 2016, a decline from 76% in Autumn 2015 when the campaign was first launched. Consistent with the last wave in Autumn 2015, the most frequently recalled messages were: "all employers need to comply", cited by around a quarter (24%) and "a giant creature" (23%). One in ten employers (10%) cited "Don't ignore the workplace pension", which was comparable with the 13% of employers who recalled this message in Autumn 2015.

**1.2.4 There was a significant increase in the proportion of employers attributing spontaneously recalled advertising to TPR. The government continued to be correctly identified as the most likely assumed sponsor.**

From Spring 2015 to Spring 2016 recognition of TPR as the sponsor increased significantly for both small and micro employers, rising from 6% to 24% and from 7% to 17% respectively. Half (50%) of employers believed the government was responsible for the advertising they recalled.

**1.2.5 When prompted, a majority of employers remembered seeing or hearing at least one advert from the current campaign, with radio maintaining higher recall than television or digital advertising.**

Campaign reach was maintained, with 76% of employers in Spring 2016 recalling seeing or hearing at least one of the campaign advertisements (in comparison to 79% in Autumn 2015). Radio continued to have the highest recall with 55% remembering it after being prompted (57% last survey wave). Just under half (45%) recalled seeing at least one of the television adverts (48% in Autumn 2015). Digital had the lowest levels of recall with 15% remembering the advert once prompted (13% last survey wave).

The television and radio adverts had lower levels of recall among micro employers in Spring 2016 when compared to small employers: 45% of micro and 53% of small employers remembered seeing at least one of the television adverts; 52% of micro and 61% of small employers remembered hearing radio adverts. This difference was not observed in Autumn 2015.

**1.2.6 The television advertising continued to be seen as memorable and fun; perceptions of it's effectiveness at telling employers where to get help were less strong although significantly increased from Autumn 2015. The radio advert continued to be perceived as helpful by the majority but less memorable.**

The television advertising continued to be viewed as memorable (64% agreed), clear (69%) and relevant (74%) by a majority of employers. Small employers were more likely than micros to agree across all three measures this wave (agreement among small employers was between 12 and 20 percentage points higher than micro employers).



Employers' perceptions of the advertising remained similar to those found during the Autumn 2015 survey: they felt the advertising stood out from other government adverts (72%), told them to do something now (70%) and was a fun way to get across a serious message (67%). Employers staging between March and June 2016, i.e. those between one and four months from staging, were significantly more likely than those nine or more months from staging to believe the advertising encouraged them to do something (85% vs. 72% to 65% respectively)<sup>4</sup>.

A much smaller proportion (47%) agreed that the advertising made it clear where employers can get help, although this was a significant increase from Autumn 2015 (38%). In addition, there was a drop in positive perceptions of Workie, with 50% of employers agreeing they liked the creature in Spring 2016 (compared to 60% in Autumn 2015).

The radio advert continued to score higher than the television advertising on clarity (85%), signposting where to get help (75%) and relevance (84%). However, it was less likely to be seen as memorable (47%). Micro employers were less likely to view the radio advert as relevant to them in Spring 2016 (80%) than in Autumn 2015 (90%).

Positive perceptions of the digital advertising were maintained: it was seen by the majority as a fun way to get across a serious message (83%) and over half (59%) felt motivated to find out more information.

### **1.2.7 The vast majority continued to be confident of their future compliance with automatic enrolment and nearly all employers had already engaged in early information seeking behaviour.**

The vast majority (90%) of employers continued to express confidence in future compliance with automatic enrolment (93% in Autumn 2015).

A total of 92% of employers had engaged to some extent with automatic enrolment preparations. Specifically, 80% had found out their staging date, 55% had visited TPR's website and 54% had contacted an external adviser. Levels of engagement across most activities were similar to those seen in Autumn 2015.

As was seen in Autumn 2015, small employers were more likely to have been active than micro employers and engagement increased the closer employers were to their staging date. Almost all (96%) employers staging in March to June 2016 had carried out at least one information seeking activity compared with 90% of those staging between April to July 2017.

Direct communications from TPR continued to be the main stated trigger for employers to start preparing for automatic enrolment. Of those employers who

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<sup>4</sup> In all previous waves of the research only employers more than four months from staging were surveyed, however in Spring 2016 employers that were one to four months from staging were also surveyed. For comparability with previous waves, the one to four months results have been excluded from the 'total' response, and references to the results of this group have been made separately where appropriate.



stated that both TPR direct communications and advertising prompted action, nearly two thirds stated the advertising encouraged them to look again at the direct communications. A majority (72%) of employers stated that receiving a letter or email from TPR made them start preparatory action for automatic enrolment. This was comparable with Autumn 2015 (76%). Over a third of employers (39%) claimed that receiving information from, or talking to, an adviser prompted them to take action, (43% in Autumn 2015), while nearly a quarter (24%) stated that recent television or radio advertising encouraged them to begin preparatory action (also 24% in Autumn 2015).

Of employers who stated that both the advertising and direct communications from TPR made them start preparatory action, a majority (61%) said that it was the advertising that prompted them to look again at the letter (or email) from TPR.

#### **1.2.8 Employers who were closest to their staging date were significantly more likely to have completed each of the specific preparatory activities. Overall levels of engagement were comparable with those seen in Autumn 2015.**

Approximately six in ten employers (61%) had already worked out how many of their staff they needed to enrol in a pension scheme (57% in Autumn 2015). Four in ten employers (42%) had spoken to their payroll provider while nearly three in ten (28%) had investigated which pension scheme they were going to use (37% and 26% in Autumn 2015 respectively).

Employers closest to staging (March to June 2016) were significantly more likely to have completed each activity, in comparison to those five or more months away from their staging date. The proportion of employers closest to staging completing each activity was between 12 and 42 percentage points higher than those five or more months away.

One fifth of employers (20%) incorrectly believed they had already completed their declaration of compliance. Proximity to staging increased the likelihood of employers making this claim: 35% of those between one and four months from staging, 25% of those between five and eight months, 21% of those between nine and thirteen months and 16% of those between fourteen and seventeen months from staging believed they had already completed their declaration of compliance.

#### **1.2.9 Consistent with Autumn 2015, accountants remained the most likely adviser to be called upon for support.**

Accountants remained the most likely adviser to be used. Of those that had consulted an adviser, 61% of micro employers and 51% of small employers had used an accountant. IFAs were the second most commonly used adviser, with small employers significantly more likely than micros to seek support from an IFA (59% vs. 39% respectively). There were significant uplifts in use of other financial advisers since Autumn 2015: Pension providers, payroll administrators, pensions consultants, bookkeepers and trade/ professional bodies all saw increases (ranging from 5 to 12 percentage points).



Small employers were more likely to have consulted an external adviser about automatic enrolment than micro employers, with 62% and 42% turning to one respectively. This is similar to the level seen in Autumn 2015.

Two thirds of employers (70% small and 67% micros) expected to rely on them to provide practical support, which is comparable with levels seen in Autumn 2015.

#### **1.2.10 Awareness of, and familiarity with, TPR remained consistent with levels seen in Autumn 2015.**

Almost all (96%) employers claimed to have at least some degree of awareness of or familiarity with TPR. As in Autumn 2015, small employers had greater familiarity, with 89% claiming either to either 'know a lot' or 'have heard the name and know a little'. This was in comparison to 75% of micro employers. For both business sizes, levels of awareness and familiarity remain similar to those seen in Autumn 2015.

#### **1.2.11 Over half of employers visited TPR's website, and of those the majority found most of what they were looking for from the site.**

The majority of employers (89%) found TPR's website useful, with almost half stating it was very useful (44%). When using the website, the majority (79%) stated they found all or most of what they wanted, with nearly a third (29%) claiming they found everything they needed.

The majority of employers continued to have positive perceptions of workplace pensions. However, automatic enrolment was still more likely to be perceived as a challenge among micro employers than among small employers. A majority of employers (65%) still agreed that in principle automatic enrolment is 'a good thing' for their employees. As has been the case since the research began, small employers were more likely than micros to advocate this viewpoint: in Spring 2016 72% of small and 61% of micro employers agree with this statement, compared to Autumn 2015, where 77% of small and 65% of micro employers agreed.

Micro employers continued to view automatic enrolment as a greater challenge than small employers, and also believed they required more information about automatic enrolment: 45% of micro employers, compared to 36% of small employers, believed they would 'find it difficult financially to contribute to a workplace pension', and 43% of micro employers, compared to 22% of small employers, stated they 'needed more information about automatic enrolment'. For the most part, these levels of agreement were very similar to Autumn 2015.



## 2 Introduction

### 2.1 Workplace pension reforms

The workplace pension reforms, set out in the Pensions Act 2008, require employers in the United Kingdom to automatically enrol certain members of their staff into a workplace pension scheme and contribute towards it, unless the worker is already a member of a qualifying pension scheme. These reforms are also referred to as automatic enrolment.

To be eligible for automatic enrolment (and be classified as an 'eligible jobholder'), staff must be:

- aged at least 22 but under State Pension Age;
- working or ordinarily working in the UK; and
- earning more than £10,000 a year.

Eligible jobholders can choose to opt out of pension scheme membership. Depending on their level of earnings and age, other members of an employer's workforce will be able to opt in to an automatic enrolment pension scheme and, if they do, they will also receive employer contributions. Other workers can join a pension scheme but the employer is not required to contribute towards it.

The reforms have been rolled out in a phased approach since October 2012 and are being rolled out in a phased approach so that larger employers have had their staging date – which is the date from which an employer's legal duties begin – before smaller employers.

Businesses with over 250 employees (large employers) staged between 1 October 2012 and 1 February 2014. Those with 50 to 249 employees (medium employers) staged between 1 April 2014 and 1 April 2015, and small and micro employers began to be subject to their duties from June 2015. New businesses that started up after October 2012 were given a staging date from 1 May 2017.

Employers must submit a declaration of compliance to TPR within five months of their staging date to confirm that they have complied with their duties.

This research encompassed employers classified as small (5-29 employees) and micro (1-4 employees) that have a staging date between March 2016 and July 2017. In all previous waves of the research, only those employers that were four or more months from staging were interviewed. However, in Spring 2016 employers that were between one and four months from staging (which meant a staging date between March and June 2016) were also included in the research. To ensure comparability with previous waves of the research the 'total' response is based on employers staging between July 2016 and July 2017 only, with references to those staging between March and June 2016 where appropriate.



## 2.2 Communications activities

TPR supports employer compliance through an integrated communications strategy based on direct engagement with employers and through their intermediaries. TPR seeks to inform employers about their duties, encourage them to prepare for automatic enrolment and maximise compliance with the reforms.

The communications approach consists of writing to employers to inform them what to do at key intervals on the approach to their staging date and to their declaration of compliance deadline.

Awareness messaging is re-enforced through an integrated multi-channel advertising campaign, which aims to maintain and to raise levels of awareness of the workplace pensions reforms among the small and micro employer audience, in order to drive action.

This advertising and the direct communications encourages employers to use The Pensions Regulator website which, in alignment with the Government's Digital by Default strategy, provides an online platform through which they can find information and make use of web tools to help them meet their duties. In autumn 2015 the website was re-launched to include a 'Duties Checker tool', which allows employers to identify what their specific duties are through answering a number of triage questions. The employer is then informed of their specific duties according to their circumstances and is taken through an online step by step guide of what they need to do and by when.

The Duties Checker identifies if an employer is likely to have staff to put into a pension scheme, or if they don't need to have a pension scheme but still have other duties. Additionally, it also allows the employers of domestic workers in the home and employers of personal care assistants the opportunity to access guidance tailored to their needs.

TPR writes to employers 12 months before their staging date (the date when their legal duties start). This initial 'getting started' letter encourages them to use the Duties Checker and also includes The Essential Guide to automatic enrolment which provides a top-level introductory overview of what is involved.

The information that an employer provides in the duties checker is then used by TPR to send employers a series of letters and emails at regular intervals in order to inform them what they need to do to prepare to meet their duties and is tailored to their circumstances. Language and terminology used in these communications has also been simplified to clearly explain what an employer needs to do, by when, and to signpost relevant guidance within the online step by step guide. Employers also have the opportunity to nominate a contact to receive additional guidance emails.

TPR has also established a programme of communications partnerships with professional and employer bodies who we provide targeted, regular and relevant messaging to be communicated to employers and their intermediaries through communications partners' own channels.



## 2.3 Advertising campaign

To support direct communications activities, a key component of TPR's communications strategy was an employer-targeted integrated multi-channel advertising campaign. Run with The Department for Work and Pensions, the overarching aim of the advertising campaign was to generate awareness of the workplace pension reforms and encourage action among employers.

Previously, advertising campaigns on workplace pensions reform targeted employers and employees separately. However, in October 2015, TPR and the DWP integrated their advertising to create a unified campaign aimed at both employers and individuals, reflecting the changing demographics of employer yet to meet their duties.<sup>5</sup>

Previous waves of advertising had been aimed at a varied audience of employer sizes reflecting the profile of employers still to meet their duties. However, as the majority of large and medium sized employers had now gone through their staging date, the focus of the campaign now turned to small employers (5-29 members of staff) and micro employers (1 to 4 members of staff). This required a new approach due to some of the specific challenges raised by a wide and diverse range of employers who attitudinally often share the same characteristics and behaviours as their staff.

A new 'disruptive' creative approach was used featuring a creature embodying the workplace pension across all visual elements of the campaign. This was accompanied by the slogan '*Don't ignore the workplace pension*'. The call to action was for the viewer to search for workplace pensions. A campaign microsite was developed for both employers and individuals containing links to route them to the most relevant content.

The campaign included advertising across a range of channels: Television (targeting employers for the first time), radio, press adverts, digital channels and social media.

Television advertising first ran nationally in October and November 2015 and targeted both employees and employers. A second wave of the campaign ran from January to March 2016. Three different adverts were developed and used for both waves of the campaign: a 40 second advert 'park' which launched the campaign and targeted employers and employees, a 20 second and a 10 second advert ('mechanic' and 'hairdresser' respectively) which aired later in the campaign to extend the reach of the messaging.

The campaign also included radio; a 30 second radio advert, targeted solely at employers was a refreshed version of an advert used in the previous campaign. The same radio adverts ran from October to December 2015 and from January to March 2016. The radio and the television adverts used the same slogan 'don't ignore the workplace pension' but rather than asking the listener to search

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<sup>5</sup> The Department for Work and Pensions had been running advertising campaigns, which were separate from TPR campaigns and targeted employees only.



workplace pensions, the radio advert gave listeners the web address of the campaign microsite.

Digital advertising initially targeted employers, employees and intermediaries all together and included a number of adverts based on the visual creative of the television adverts. The digital campaign ran from October to December 2015 and from January to March 2016.

These three key areas of the campaign were also complemented by some press advertising and social media activity; Facebook, Linked-in and Twitter posts. The purpose and objectives of the two campaign bursts were very different. The first burst of the campaign from October – December 2015 was a launch platform for the new advertising to grab the attention of small and micro employers. The launch was intended to make a big impact. Social media played an important role in generating interest in the campaign and reach was further extended by media coverage. Outdoor and trade press were also included in this burst of activity. The campaign featured in this report was run over a shorter period of time with a slightly different channel mix. The objective was to maintain the interest and awareness generated amongst employers from the launch campaign and encourage employers to find out their duties. The TV and radio channels were key to this, with TV raising general awareness of workplace pensions and radio more explicit in driving people to the website url. Outdoor and trade press were not used as channels in this campaign.

## 2.4 Research objectives

The objectives of the research were:

- To determine reactions to and the impact of the recent employer advertising activity carried out by TPR;
- To identify and track employers' awareness, understanding, knowledge and attitudes in relation to automatic enrolment;
- To understand employers' actions and intended actions in relation to automatic enrolment.

## 2.5 Survey methodology

The survey population was defined as employers with 1-29 staff who had an automatic enrolment staging date between March 2016 and July 2017 (inclusive) i.e. were one or more months from staging. This was different to previous waves of the research where only employers four or more months from staging were interviewed. For comparability to previous waves the 'total' response is based on employers who had a staging date between July 2016 and July 2017 (inclusive). Responses from those employers staging between March and June 2016 (one to four months from staging) are included as separate analysis where appropriate.

Employers with 1-4 members of staff were defined as micro employers and those with 5-29 staff were defined as small employers. All employer contact details for the survey were provided by TPR.



Quota sampling was used with quotas set for the following sub-groups: number of staff, staff eligibility and staging date. Quadrangle interviewed 593 employers staging between July 2016 and July 2017 and 207 employers staging between March to June 2016 by telephone, using Computer Assisted Telephone Interviewing (CATI). All interviews took place between February to April 2016. The average interview length was 24 minutes. Figure 1 presents an overview of the methodology.

**Figure 1: Survey methodology**

EMPLOYERS		
	<b>How we interviewed</b>	Telephone
	<b>When we interviewed</b>	February to April 2016
	<b>Questionnaire length</b>	24 minutes
	<b>Who we talked to</b>	<b>593</b> employers staging after Jun 16 <b>207</b> employers staging between Mar – Jun 16
	<b>Quotas</b>	Number of staff Staff eligibility Staging date

During the interview, within the campaign evaluation section, participants were emailed unbranded images of stills from each of the three television adverts and an unbranded image of one of the digital adverts. These were used in the survey to establish whether employers remembered seeing them before the interview. Stills from the television adverts are presented in Figure 2.



Employers' awareness, understanding and activity relating to automatic enrolment and evaluation of communications campaign

**Figure 2: Television advertising stills shown in survey**

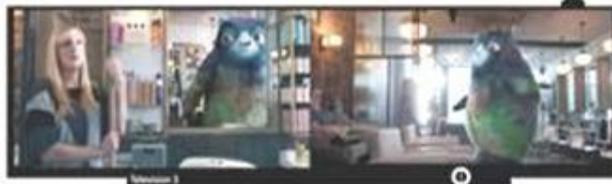
*'The park'*



*'The mechanic'*



*'The hairdresser'*



The example digital advert shown in the survey to measure prompted recall is shown in Figure 3.

**Figure 3: Digital advertising shown in survey**



The thirty second radio advert was played to all survey participants.



The data was weighted to the population profile, with those staging between July 2016 and July 2017 weighted as one population and those staging between March and June 2016 weighted as a separate population. Table 1 presents the unweighted (number of interviews achieved) and weighted data (number of interviews reported) for those staging between July 2016 and July 2017, while Table 2 presents the same information for those staging between March and June 2016.

**Table 1: Achieved interviews and weighted sample (total population: employers staging between July 2016 and July 2017)**

Quotas	Unweighted data		Weighted data	
	<u>Interviews achieved</u>	%	<u>Interviews reported</u>	%
<b>Number of staff (size)</b>				
1-4 (micro employers)	398	67%	397	67%
1-2	190	32%	279	47%
3-4	208	35%	119	20%
5-29 (small employers)	195	33%	196	33%
<b>Whether have eligible jobholders</b>				
Eligible job holders present	436	74%	379	64%
No eligible job holders	157	26%	214	36%
<b>Staging date</b>				
July 2016 to October 2016	195	33%	127	21%
November 2016 to March 2017	212	36%	192	32%
April 2017 to July 2017	186	31%	274	46%
<b>Total</b>	<b>593</b>	<b>100%</b>	<b>593</b>	<b>100%</b>



**Table 2: Achieved interviews and weighted sample (employers staging between March and June 2016)**

Quotas	Unweighted data		Weighted data	
	<u>Interviews achieved</u>	%	<u>Interviews reported</u>	%
<b>Number of staff (size)</b>				
1-4 (micro employers)	133	64%	128	62%
1-2	66	32%	66	44%
3-4	67	32%	67	18%
5-29 (small employers)	74	36%	79	38%
<b>Whether have eligible jobholders</b>				
Eligible job holders present	139	67%	139	67%
No eligible job holders	68	33%	68	33%
<b>Total</b>	<b>207</b>	<b>100%</b>	<b>207</b>	<b>100%</b>

## 2.6 Reporting conventions

When interpreting the data presented in this report, please note that:

- Results may not sum to 100% due to rounding and/or due to participants being able to select more than one answer to a question.
- Data presented in this report are from a sample of employers rather than the total population. This means the results are subject to sampling error. Differences between sub-groups and between different waves of the research are only commented on in the text if they are statistically significant at the 95 per cent confidence level. This means there is no more than a 5 per cent chance that any reported differences are not real but a consequence of sampling error.<sup>6</sup>
- For comparability to previous waves, the 'total' response excludes employers between one to four months from staging (March to June 2016).
- Results in each section of this report are presented for Spring 2016 in the first instance and then comparisons are made with Autumn 2015 to establish what has/has not changed over time.

<sup>6</sup> Strictly speaking, calculations of statistical significance apply only to samples that have been selected using probability sampling methods. However, in practice it is reasonable to assume that these calculations provide a good indication of significant differences in quota surveys like this one.



## 2.7 Technical report

This report is a summary of findings; it does not provide responses to all questions for all sub-groups. It is, therefore, accompanied by a Technical Report<sup>7</sup>, which details all the questions asked in the survey and all the responses at a total and sub-group level. The Technical Report was also produced by Quadrangle.

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<sup>7</sup> <http://www.thepensionsregulator.gov.uk/docs/employer-automatic-enrolment-research-technical-spring-2016.pdf>



### 3 Awareness and understanding of automatic enrolment

#### 3.1 Introduction

Awareness and understanding of automatic enrolment have been measured since this research began in 2011. These key measures collectively establish whether employers have knowledge of the requirements that automatic enrolment places on them.

Employers' awareness and understanding of automatic enrolment was assessed at three levels:

- Spontaneous awareness of changes to workplace pensions;
- Knowledge of the key requirements of automatic enrolment; and
- Knowledge of staging date (i.e. when automatic enrolment applies to them).

#### 3.2 Spontaneous awareness of changes to workplace pensions

##### **Spontaneous awareness of recent changes to workplace pensions remained almost universal**

Almost 9 in 10 employers (86%) were aware of recent changes to workplace pensions, compared to Autumn 2015 where 91% of employers claimed to be aware of changes. There were no significant differences in awareness by business size, eligibility of staff or by staging date, which reflects awareness levels in Autumn 2015.

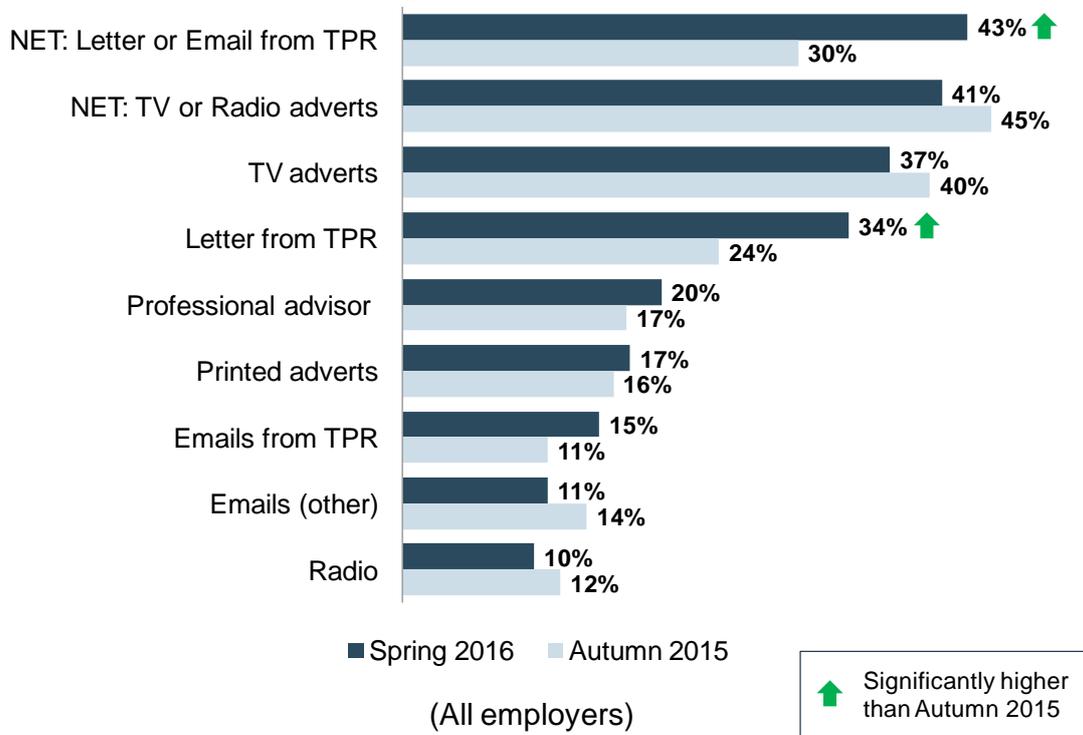
When asked what recent changes to workplace pensions they were aware of, half of employers (50%) spontaneously referred to having to put their staff into a work place pensions and about a quarter (23%) stated awareness of a new law in relation to workplace pensions. This reflected levels of spontaneous awareness seen in Autumn 2015, where 47% and 24% of employers stated awareness of the respective recent changes. There were no significant differences by business size, eligibility or by staging date in Spring 2016.

Consistent with previous waves of the survey, employers had become aware of these recent changes through a wide range of sources. In Spring 2016, the highest rated method by which employers had become aware of the reforms was via direct communications from TPR; over two fifths of employers (43%) had heard about the recent changes though receiving a letter or email from TPR. This was a significant increase from Autumn 2015 where the proportion citing TPR communications was 30%. Micro employers were significantly more likely than small employers to name regulator communications (46% vs. 37%). The proportion of employers specifically citing letter(s) from TPR significantly increased from Autumn from 24% to 34%.

In Autumn 2015, TV advertising was the most commonly named source of awareness, with 40% citing it. This is in comparison to Spring where 37% of employers named TV advertising.



**Figure 4: Sources of awareness of recent changes to pensions law**



### 3.3 Awareness of automatic enrolment

**As in Autumn 2015, awareness of automatic enrolment remained high.**

TPR classes employers as having awareness of the workplace pension reforms if they have sufficient knowledge to identify what the main requirements and duties are for them when prompted. To have 'awareness', employers had to have knowledge of all three requirements, namely, they know that:

- Employers will have to automatically enrol UK members of staff into a pension scheme
- Employers will have to provide a pension scheme that can be used for automatic enrolment
- Employers will have to contribute to their members of staff pensions

More than four fifths (84%) of employers were aware of automatic enrolment, i.e. knew all three requirements which make up this measure. This was comparable with Autumn 2015, when 83% of employers were aware of automatic enrolment. Figure 5 presents the level of awareness for each requirement and shows there were no significant changes in awareness across any of the individual requirements from Autumn 2015 to Spring 2016.



**Figure 5: Awareness of automatic enrolment requirements**

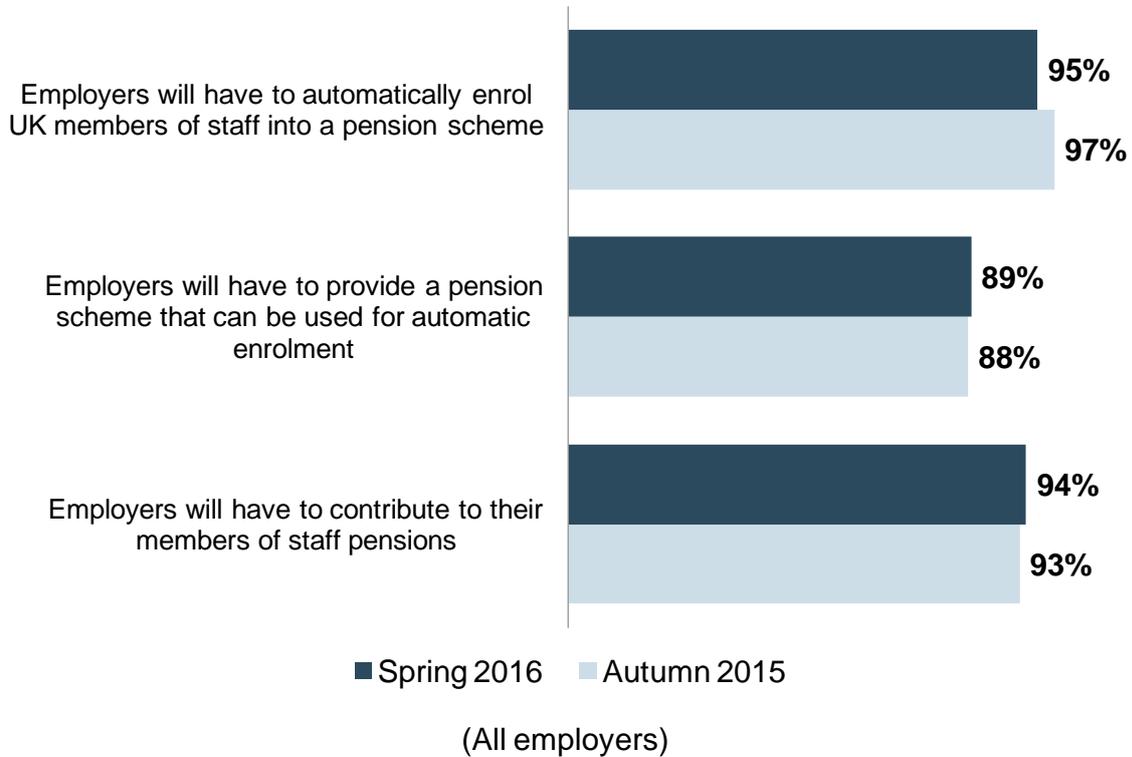
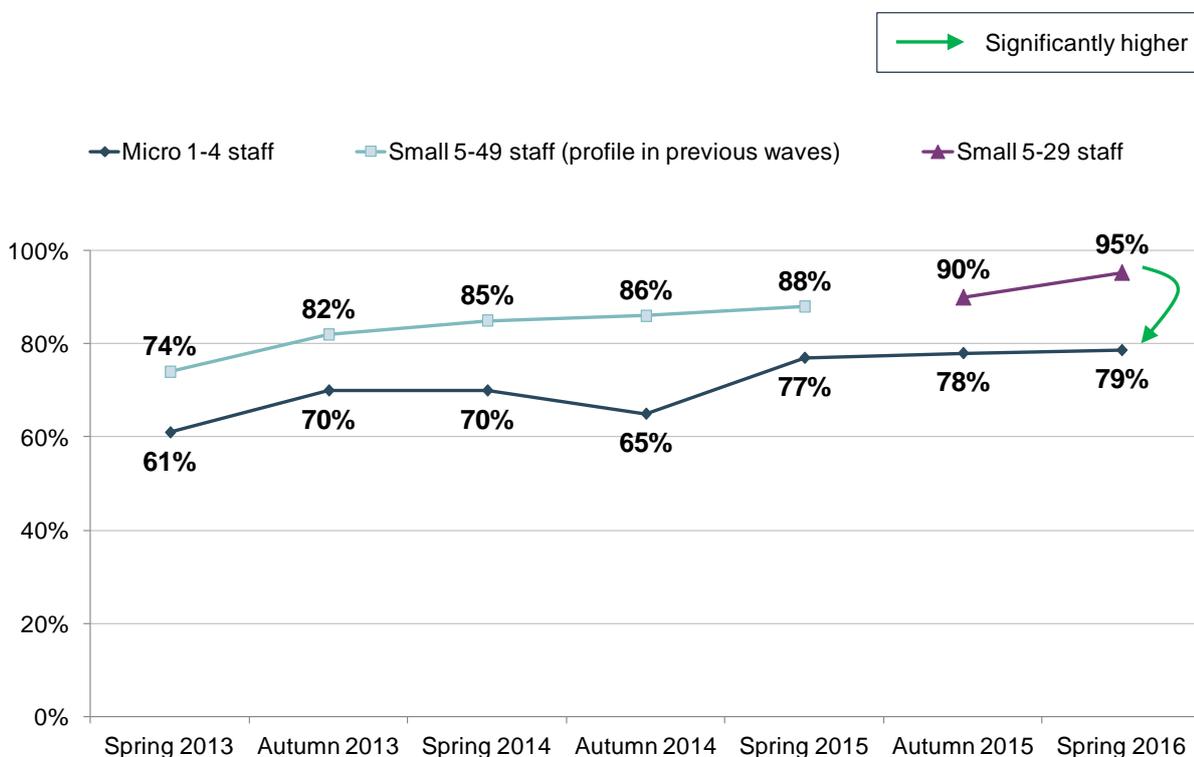


Figure 6 shows that 95% of small employers were 'aware' of automatic enrolment compared to 79% of micro employers. Neither small nor micro employers showed significant change since Autumn 2015 but the difference between the two groups remained statistically significant. There has been a gap in awareness between the two employer groups since the research began in Spring 2011: small employers have consistently had higher levels of awareness than micro employers.



Employers' awareness, understanding and activity relating to automatic enrolment and evaluation of communications campaign

**Figure 6: Awareness of automatic enrolment by size, over time**



Small employers had significantly higher knowledge than micro employers across all three awareness requirements as show in Figure 7. This is in contrast to Autumn 2015 where small employers had higher knowledge on only one requirement: 'Employers will have to provide a pension scheme that can be used for automatic enrolment' (95% vs. 84%). These increases are attributable to increasing levels of awareness for small employers and stable levels amongst micro employers.

**Figure 7: Awareness of automatic enrolment requirements by size**

Which of the following changes in pensions law are you aware of?	Micro employers	Small employers
Employers will have to automatically enrol UK members of staff into a pension scheme	93%	99%
Employers will have to provide a pension scheme that can be used for automatic enrolment	84%	97%
Employers will have to contribute to their members of staffs' pensions	91%	99%



Employers with eligible jobholders had very similar levels of awareness as those with no eligible jobholders: overall awareness for these groups was 85% and 84% in Spring 2016 (respectively). Awareness for those with no eligible jobholders increased significantly from Autumn 2015, rising from 74%. There was no change in awareness for employers with eligible jobholders from Autumn 2015 to Spring 2016. This wave, there were no significant differences between employers with eligible jobholders and those with no eligible jobholders across any of the three awareness requirements.

In Spring 2016, there were no differences in awareness levels across those staging after June 2016, with awareness ranging between 82% and 88%. This mirrors Autumn 2015 where levels ranged between 82% and 83%. Those staging between March and June 2016 (ie those closest to staging) had significantly higher levels of awareness (94%).

There were significant differences by staging date across the specific awareness requirements as shown in Figure 8.

**Figure 8: Awareness of automatic enrolment requirements by staging date**

Which of the following changes in pensions law are you aware of?	Mar – Jun 16	Jul – Oct 16	Nov 16 – Mar 17	Apr – Jul 17
Employers will have to provide a pension scheme that can be used for automatic enrolment	96%	94%	88%	87%
Employers will have to contribute to their members of staffs' pensions	98%	95%	93%	93%

### 3.4 Understanding of automatic enrolment

#### Levels of understanding increased significantly since Autumn 2015

TPR classifies employers as having understanding of the workplace pension reforms if they have sufficient knowledge to identify what the main requirements and duties are for them when prompted. To have 'understanding', employers had to have knowledge of the three awareness requirements reported above (section 4.3) and two additional requirements:

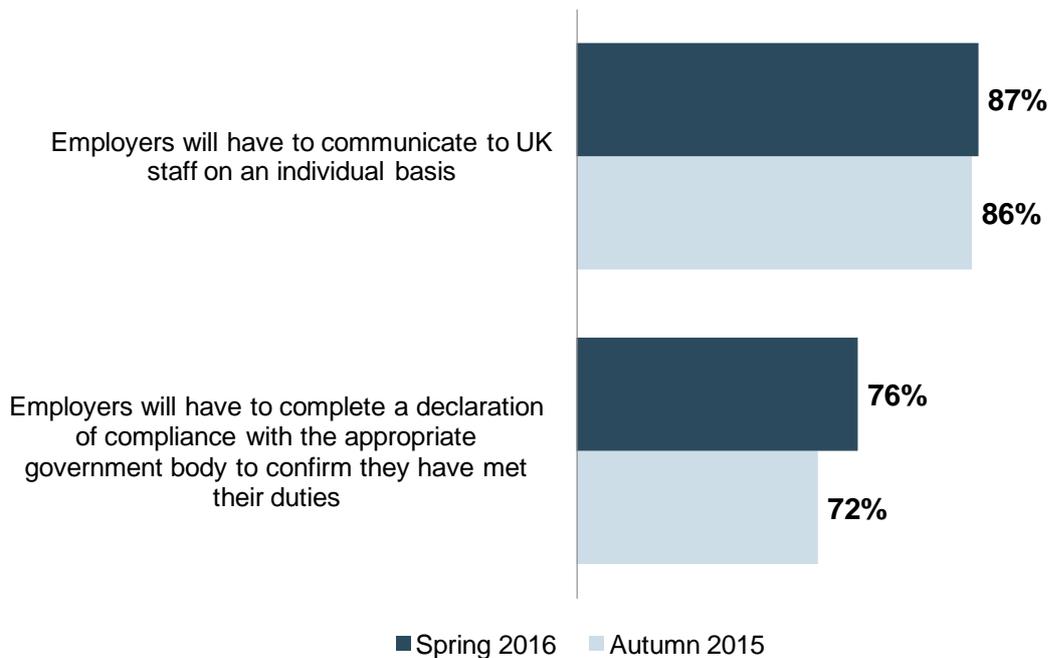
- Employers will need to communicate to UK workers on an individual basis
- Employers will have to complete a declaration of compliance with the appropriate government body to confirm they have met their duties

Two thirds (67%) of employers understood automatic enrolment, i.e. knew all five requirements which make up this measure. This was a significant increase from Autumn 2015, where 60% of employers understood.



At the total level, there are no significant differences in levels of awareness between the two additional specific requirements, and awareness of these measures did not significantly increase from Autumn 2015, as shown in Figure 9.

**Figure 9: Awareness of automatic enrolment requirements**

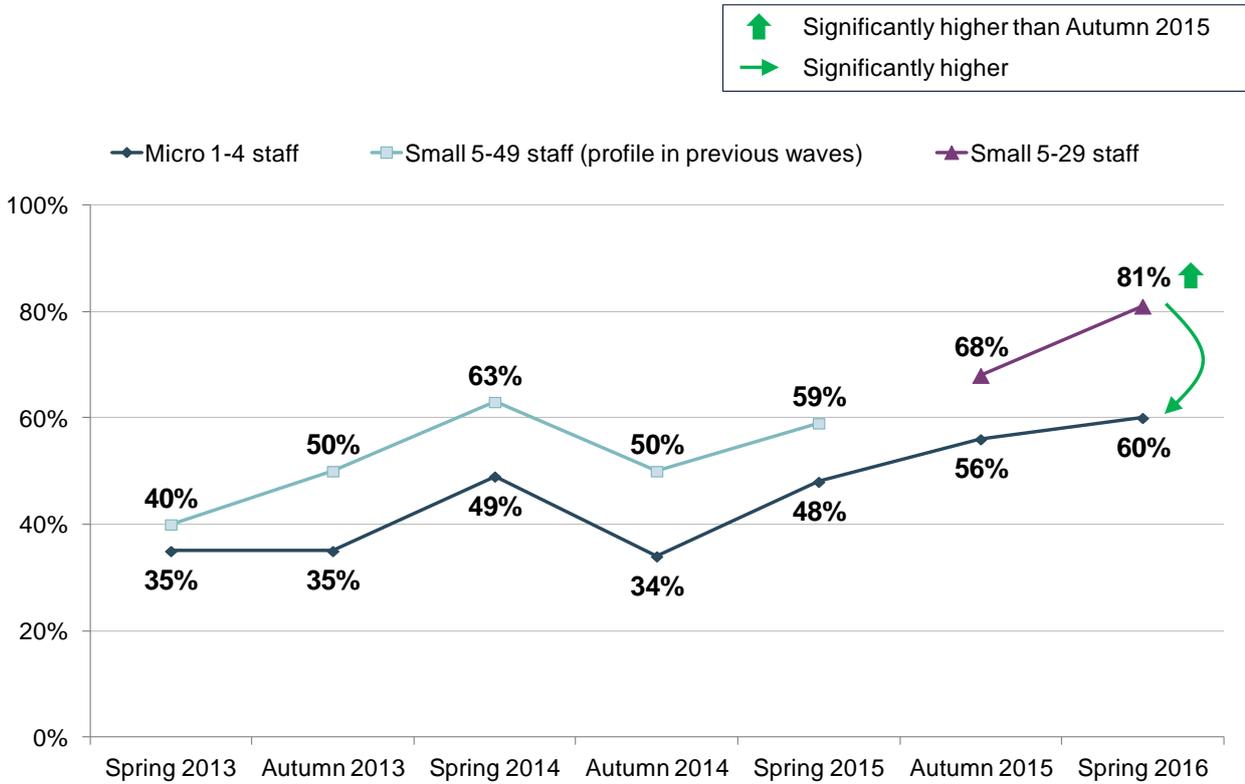


(All employers)

Levels of understanding remained significantly higher among small employers than micro employers, as was seen in Autumn 2015. In addition, levels of understanding among small employers were significantly higher than in Autumn 2015: understanding stood at 81% in Spring 2016, a rise from 68%. Among micro employers, understanding did not significantly increase between Autumn 2015 (56%) to Spring 2016 (60%) (see Figure 10).



**Figure 10: Understanding of automatic enrolment by size, over time**



In this survey, small employers had significantly higher knowledge levels than micro employers on both of the additional requirements that make up the understanding measure (figures 21 and 22). This was in contrast to Autumn 2015 where levels of awareness were comparable across both statements for small and micro employers: small employers saw significant increases from Autumn 2015 to Spring 2016 across both statements.

**Figure 11: Awareness of automatic enrolment requirements by size**

Employers will need to communicate to staff to UK staff on an individual basis	Spring 2016	Autumn 2015
Small employers	95%	89%
Micro employers	83%	84%



**Figure 12: Awareness of automatic enrolment requirements by size**

Employers will have to complete a declaration of compliance to confirm they have met their duties	Spring 2016	Autumn 2015
Small employers	85%	76%
Micro employers	71%	70%

Overall understanding stood at 67% for those with eligible job holders and 66% for those with no eligible job holders, which was consistent with Autumn 2015.

Awareness of the two additional requirements that make up the understanding measure did not differ by whether an employer had eligible staff, and there were no significant differences for either of these two statements from Autumn 2015 to Spring 2016 for either eligibility group.

As in Autumn 2015, those closest to staging had significantly higher levels of understanding than those furthest from staging. Overall understanding stood at 81% for employers between 1 and 4 months from staging, compared to 62% for those furthest (between 14 and 17 months) from staging. Overall understanding among those furthest from staging significantly increased from Autumn 2015, rising from 54%.

Across the two additional requirements, levels of understanding differed by proximity to staging date. In Spring 2016, those 1 to 4 months from staging were significantly more aware of the need to communicate with staff on an individual basis (92% awareness) than those furthest from staging (84% agreement). Those furthest from staging were significantly less aware of the requirement to complete a declaration of compliance than all other staging groups (70% vs. 88% to 81% respectively). These levels were broadly comparable with Autumn 2015

### 3.5 Knowledge of staging date

#### **Proximity to staging continued to impact on accurate recall of staging date.**

Approximately half of employers (47%) were able to correctly identify their staging date.<sup>8</sup> This compared to 49% in Autumn 2015. Differences in accuracy levels were found between employers of different sizes and depending on employers' proximity to staging.

Small employers were more likely to know their staging date than micro employers (57% vs. 41% respectively), a similar pattern to the Autumn 2015 survey findings. There were no significant changes in accuracy among either micro or small employers between Autumn 2015 and Spring 2016.

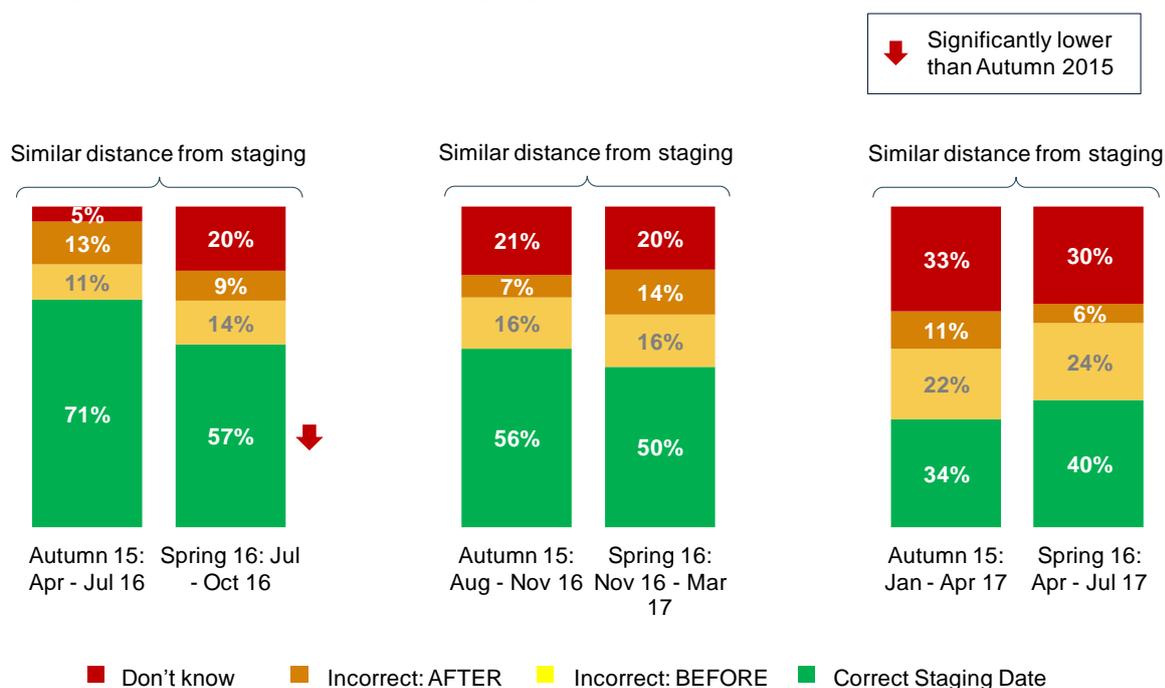
<sup>8</sup> Employers were asked to state their staging date and this was checked post fieldwork with the accurate date provided by TPR.



## Employers' awareness, understanding and activity relating to automatic enrolment and evaluation of communications campaign

Among employers staging after June 2016, those closest to staging have higher levels of accurate recall of their staging date. This reflected Autumn 2015. However, there was a significant decline in accurate recall of staging date among those 5 to 8 months from staging, with a drop from 71% to 57%, as shown in Figure 13.

**Figure 13: Detailed recall of staging date by proximity to staging**



Amongst those closest to staging (between 1 and 4 months) 31% of employers could accurately recall their staging date. Employers in this staging group were more likely to have stated that their staging date was later than it was (55%). In most cases, inaccuracies were reported by employers staging in March 2016 who incorrectly believed they were staging in April 2016.



## 4 Response to the advertising campaign

### 4.1 Introduction

The campaign, which is described in section 2.3, was assessed on the following measures:

- Unprompted recall
- Prompted recall (by channel: TV, radio and digital)
- Campaign evaluation (by channel: TV, radio and digital)
  - Recall – has it been seen?
  - Clarity – has it been understood?
  - Comprehension – was it clear what the advertising was calling for?
  - Relevance – was it clear the advertising was aimed at them?
- Campaign diagnostics (by channel: TV and radio)
- Campaign message take-out (by channel: TV and radio)

The Autumn 2015 campaign was the first to include television advertising directly aimed at employers, as well as individuals, whereas previous television advertising was part of the Department for Work and Pension's advertising campaign that was aimed at individuals. Therefore, comparisons between Autumn 2015 and Spring 2016 can be drawn for television advertising, but comparisons cannot be drawn with any earlier television advertising (prior to Autumn 2015).

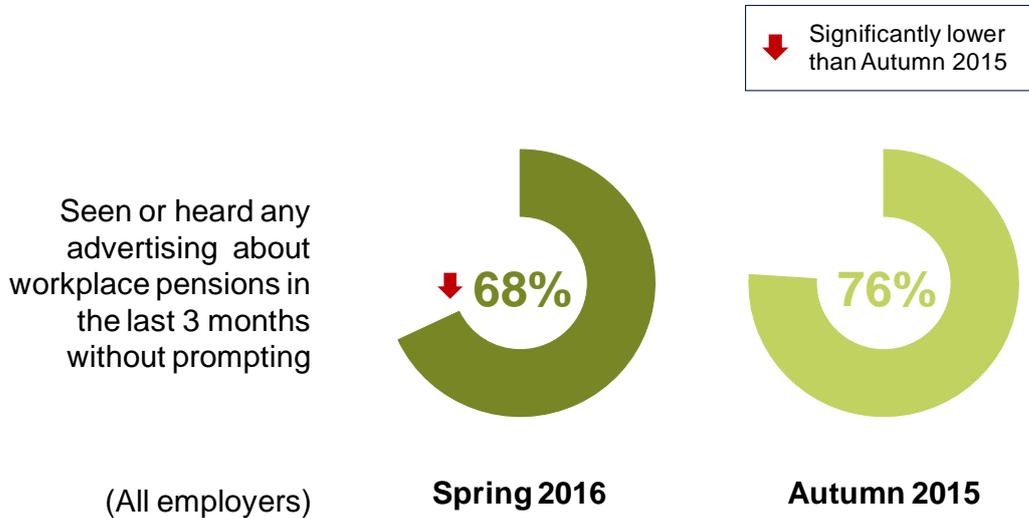
### 4.2 Unprompted recall of advertising

**Despite a significant drop since Autumn 2015, a majority still spontaneously recalled seeing or hearing some form of advertising about workplace pensions in the previous three months.**

Around two in three employers (68%) recalled seeing or hearing any advertising about workplace pensions in the previous three months. This represented a significant decline since Autumn 2015, when 76% of employers recalled any advertising. The level of recall was the same irrespective of employer size and whether or not employers had eligible staff. Employers between one and four months from staging were significantly more likely than those nine or more months away to spontaneously recall seeing or hearing any automatic enrolment advertising in the last three months (77% vs. 67% or 66% respectively).



**Figure 14: Spontaneous awareness of advertising in the previous three months**



As in the Autumn 2015 survey, employers that recalled advertising were asked what they remembered about that advertising; this offered a means of determining whether they were spontaneously recalling the new campaign rather than an earlier or alternative advertising. It also offered a way of determining whether the intended messages from the most recent regulator campaign were being recalled.

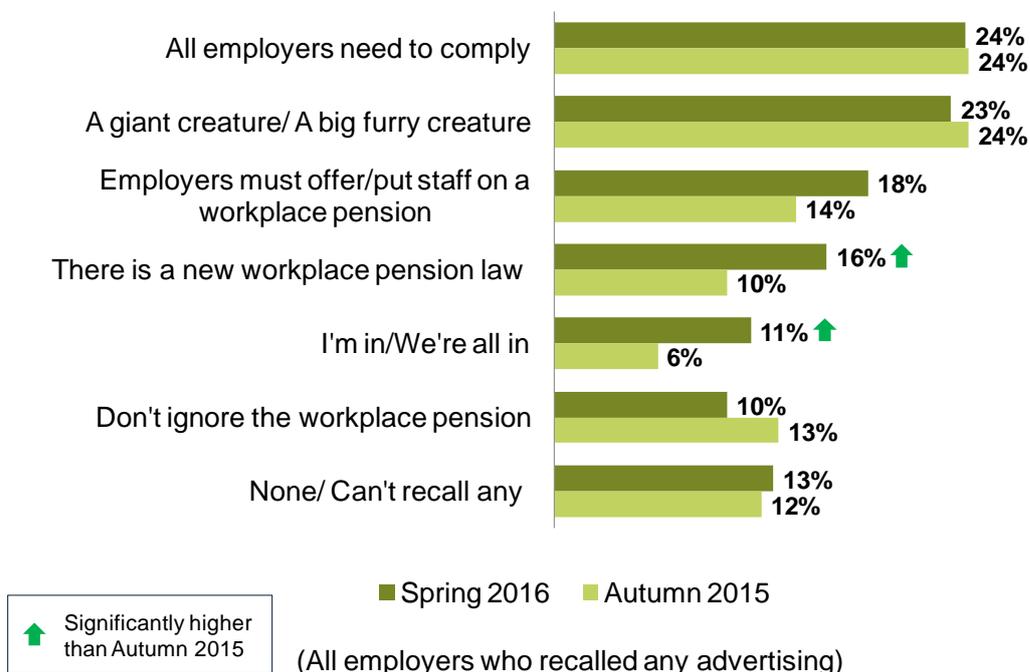
The messages most frequently recalled were that “all employers need to comply” (24%) and “a giant creature” (24%). These levels of recall were comparable with Autumn 2015, where 24% of employers recalled “all employers need to comply” and “a big furry creature”. Figure 5 presents the most frequently recalled messages/features by employers over Spring 2016 and Autumn 2015.

A minority of employers mentioned a previous Department for Work and Pensions campaign, with 11% recalling “We’re all in”. This was a significant increase from Autumn 2015, where 6% cited this campaign.



Employers' awareness, understanding and activity relating to automatic enrolment and evaluation of communications campaign

**Figure 15: Spontaneous recall of advertising content/messages<sup>9</sup>**



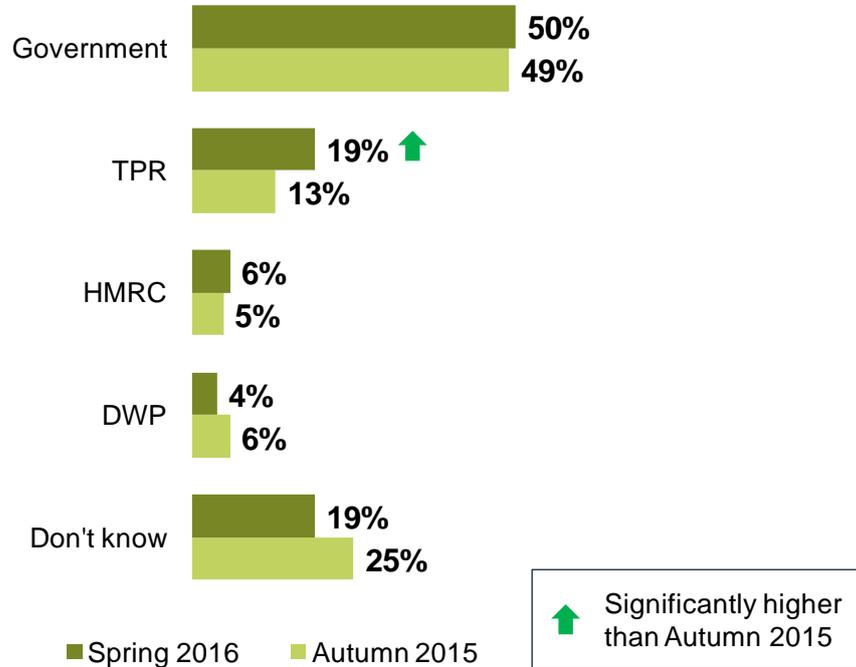
Television advertising continued to be the most frequently cited channel, with 78% of employers spontaneously recalling TV adverts, compared with 25% for radio, 6% for digital and 11% for printed press. There were no significant differences from Autumn 2015 to Spring 2016 in the advertising channel cited.

The government remained the most frequently assumed sponsor of spontaneously recalled advertising (50% in Spring 2016 vs. 49% in Autumn 2015). Recognition of TPR as the sponsor of recent advertising continued to increase in Spring 2016, rising from 13% in Autumn 2015 to 19%. Awareness of TPR increased for small employers from 6% in Spring 2015 to 12% in Autumn 2015 and 24% in Spring 2016. For micro employers awareness increased from 7% in Spring 2015 to 13% in Autumn 2015 and 17% in Spring 2016.

<sup>9</sup> The Autumn 2015 survey asked about “a big furry creature”, whilst in the Spring 2016 survey the wording was amended to ask about “a giant creature”. These answers are compared in this report.



**Figure 16: Assumed sponsor of spontaneously recalled advertising**



### 4.3 Prompted recall of advertising

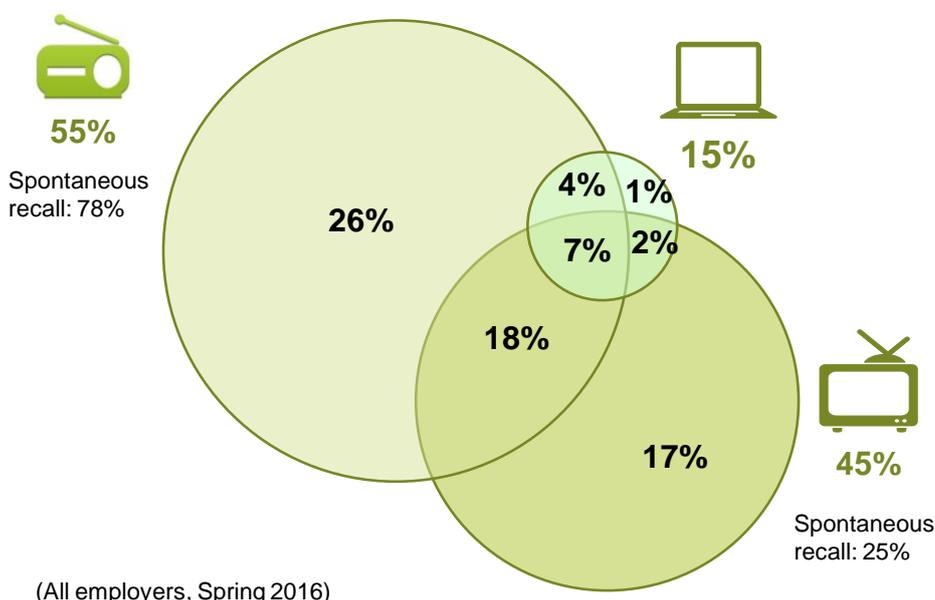
**Most employers recalled seeing or hearing at least one of the campaign adverts in the preceding 3 months and overall campaign reach was maintained**

When shown stills from the television advertising, played the radio advert and shown an example of a digital advert, three quarters (76%) of employers remembered seeing or hearing at least one of the adverts. This compared to 79% of employers in Autumn 2015. Considerably more employers remembered the radio and digital adverts when prompted, than had recalled either of them spontaneously (radio: 55% when prompted vs. 25% spontaneous recall; digital 15% when prompted vs. 6% spontaneous recall). Conversely, fewer employers remembered the TV adverts after being prompted (55% when prompted vs. 78% spontaneous recall).

Figure 7 shows the level of prompted recall of the advertising campaign by channel and the relationship between recall of the three channels. Approximately one in five employers (18%) saw both a television advert and heard the radio advert.



**Figure 17: Prompted recall of advertising by channel**



Just under half of employers (45%) recalled seeing at least one of the television adverts (when prompted), which was comparable with levels seen in Autumn 2015 (48%). Small employers were significantly more likely than micro employers to have seen at least one advert (54% vs. 40% respectively). This significant difference was not observed in Autumn 2015, where 53% of small employers and 45% of micro employers recalled seeing at least one television advert. There were no differences by staging date or eligibility of staff in Spring 2016.

Prompted recall of radio advertising was maintained from Autumn 2015, with a total of 55% recalling the radio advert in Spring 2016, compared to 57% in Autumn 2015. In Spring 2016, micro employers were significantly less likely than small employers to recall the radio advert, with 52% of micro and 61% of small employers recalling the advert. This compared to 56% of micro and 59% of small employer in Autumn 2015. These changes for small and micro employers were not individually significant.

In addition, employers with no eligible job holders had significantly lower levels of recall than those with eligible job holders: 48% compared to 59% recalled the radio advert (respectively). There were no significant differences in recall by staging date in Spring 2016 or from Autumn 2015 to Spring 2016.

There were no differences in prompted recall of digital advertising overall, or on the basis of size and proximity to staging in either Spring 2016 or Autumn 2015.

#### 4.4 Television advertising: evaluation, diagnostics and message take-out

**The television advertising continued to be seen as memorable and fun. Despite a significant increase in this survey wave, it continued to be seen as less effective at telling employers where to get help**



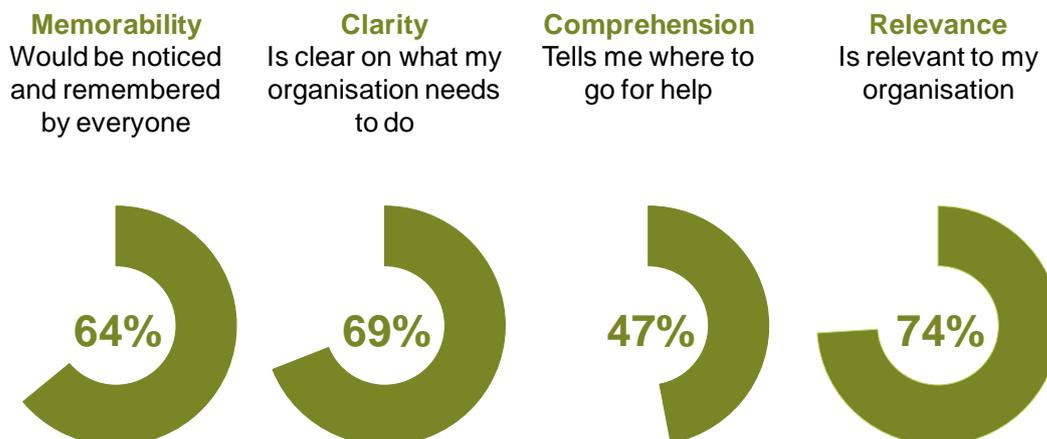
As shown in Figure 8, employers continued to respond positively to the television advertising, with a majority agreeing that it was memorable (64%), clear (69%) and relevant to their organisation (74%). This was very similar to Autumn 2015 where 62% of employers found the television advertising memorable, 66% found it clear and 72% relevant. Employers were least likely to agree that the advertising told them where to go for help (47%). This was a significant increase from Autumn 2015 where 38% agreed with this statement.

Within Spring 2016, and across waves from Autumn 2015 to Spring 2016, there were a number of key changes in levels of agreement with the evaluation measures between the different employer types:

- Small employers were more likely than micro employers to agree that the adverts were *memorable* (71% vs. 59%), *clear* (81% vs. 61%) or *relevant* to their organisation (84% vs. 66%) in Spring 2016.
- Small employers were significantly more likely to agree the adverts were *clear* in Spring 2016 (81%) when compared to Autumn 2015 (66%).
- Employers with eligible job holders were more likely than those with no eligible job holders to agree that the adverts were *clear* (75% vs. 59%) and *relevant* (79% vs. 64%) in Spring 2016.
- Employers with eligible job holders were significantly more likely to agree the adverts were *clear* in Spring 2016 (75%) when compared to Autumn 2015 (65%).
- Employers with eligible job holders were significantly more likely to agree the adverts *told them where to go for help* in Spring 2016 (48%) when compared to Autumn 2015 (38%).



**Figure 18: Television advertising evaluation**



(All employers who recalled at least one television advert, Spring 2016)

There continued to be generally positive perceptions of the television advertising. It was recognised as having a light hearted tone with 67% feeling it was a 'fun way to get across a serious message' and 60% finding it 'amusing'. The advertising also performed relatively strongly on having standout from other government adverts (72%) and 'telling me to do something now' (70%). In particular, those closest to staging (between one and four months away) were significantly more likely to believe the advertising was 'telling them to do something now' than those nine or more months from staging (85% vs. 72% to 65% respectively).

It was rated lower on 'it has enough information' (49% agreed) and for the majority of employers, the television advertising was less effective at encouraging action, with 38% agreeing 'it motivated them to find out more information'.

Perceptions of Workie dipped this wave, with a significant drop in those agreeing that they 'like the creature' (50% in Spring 2016 vs. 60% in Autumn 2015).

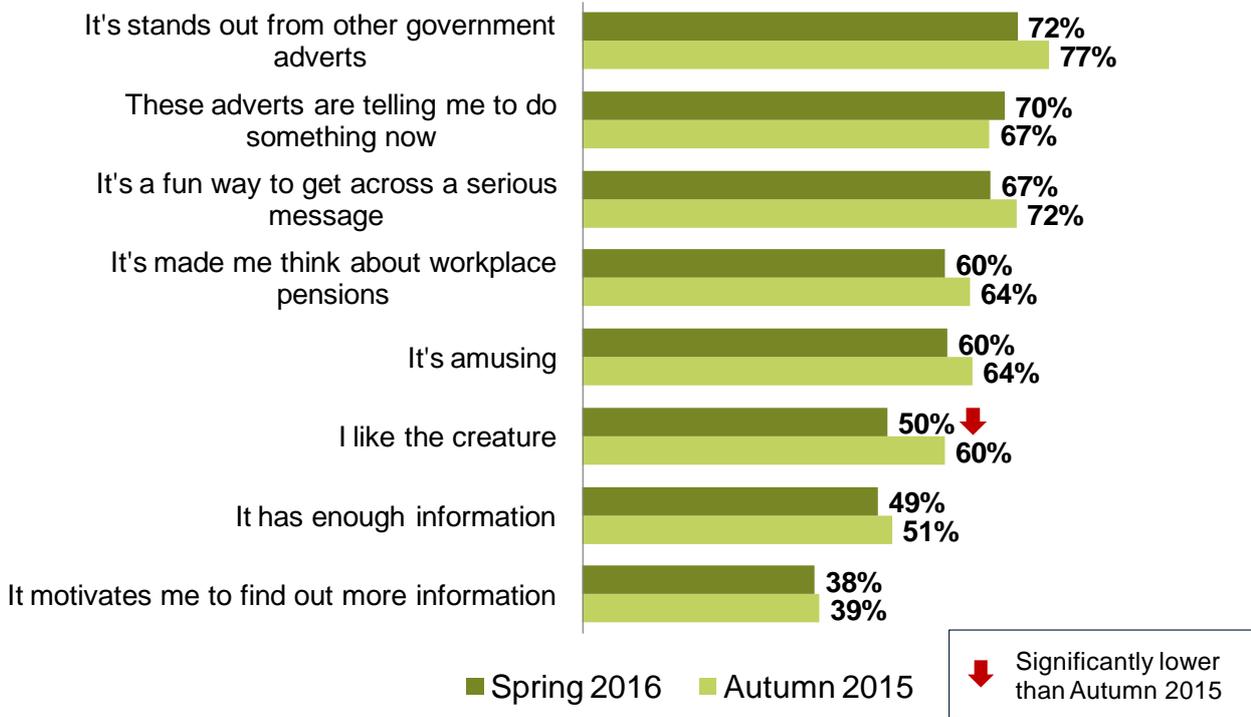
Perceptions of Workie changed as follows:

- There was lower agreement with the statement among micro employers (45%) in comparison to small employers (58%) in Spring 2015.
- Micro employers were less likely to agree that they 'like the creature' in Spring 2016 (45%) than in Autumn 2015 (60%)
- There was lower agreement with the statement among employers with no eligible job holders (41%) in comparison to those with eligible job holders (55%) in Spring 2015.
- Employers with no eligible job holders were less likely to agree that they 'like the creature' in Spring 2016 (41%) than in Autumn 2015 (57%).



Figure 19 presents the responses that generated the most frequent agreement at a total level and provides comparisons with Autumn 2015.

**Figure 19: Television advertising diagnostics**



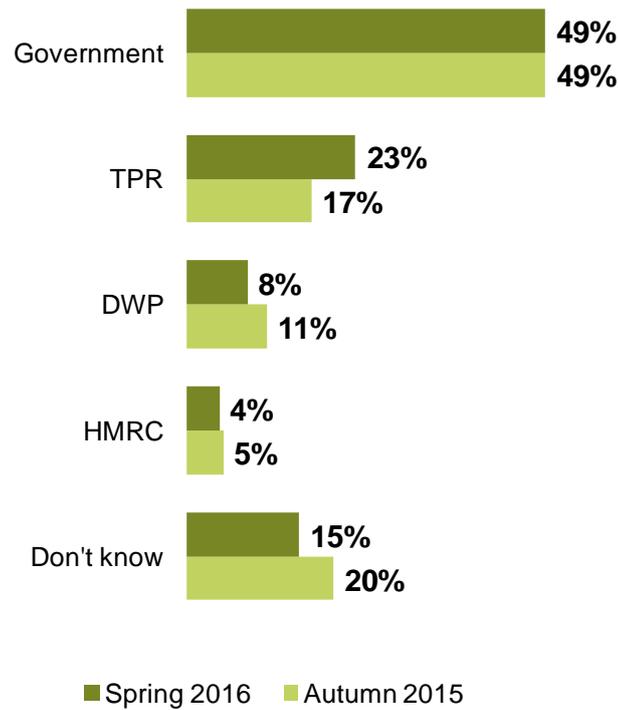
(All employers who recalled at least one television advert)

Of those employers who recalled one or more television adverts, the most frequent take-out was the advertising slogan 'Don't ignore the workplace pension' (32% in Spring 2016, 35% in Autumn 2015). Other perceived messages were that all employers need to comply (18%), employers have to put their staff into a workplace pension (16%) and there is a new law in relation to workplace pensions (14%). Almost a fifth (18%) could not recall anything about the adverts they saw. There were no differences in perception of the television adverts by different types of employer.

Among those who recalled seeing a television advert, 49% of employers believed that the adverts were sponsored by the government. Almost a quarter (23%) recalled TPR as the sponsor, which, while not a significant change, was an increase from 17% in Autumn 2015. There were no significant differences in these responses by the different types of employers (see Figure 20).



**Figure 20: Assumed sponsor of television advertising**



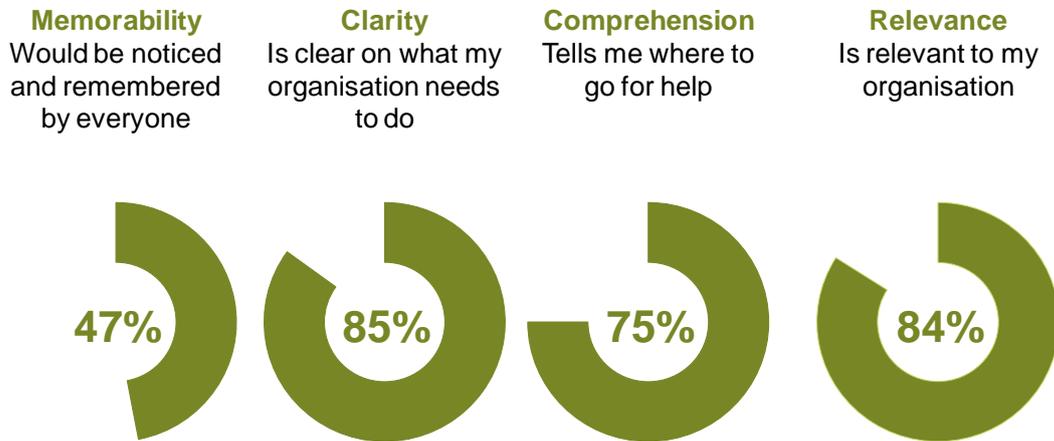
#### **4.5 Radio advertising: evaluation, diagnostics and message take-out**

**The radio advertising continued to be seen by the majority of employers as being clear on its core message and where to get help but relatively weak on stand-out**

Employers continued to respond positively to the radio advertising, with the vast majority agreeing that it offered clear instruction on what to do (85%), was relevant to their organisation (84%) and told them where to go for help (75%), see Figure 21. However, this represents a significant decline in agreement on clarity from Autumn 2015 to Spring 2016, where 91% of employers felt the radio advert offered clear instruction on what to do.



**Figure 21: Radio advertising evaluation**



(All employers who recalled the radio advert, Spring 2016)

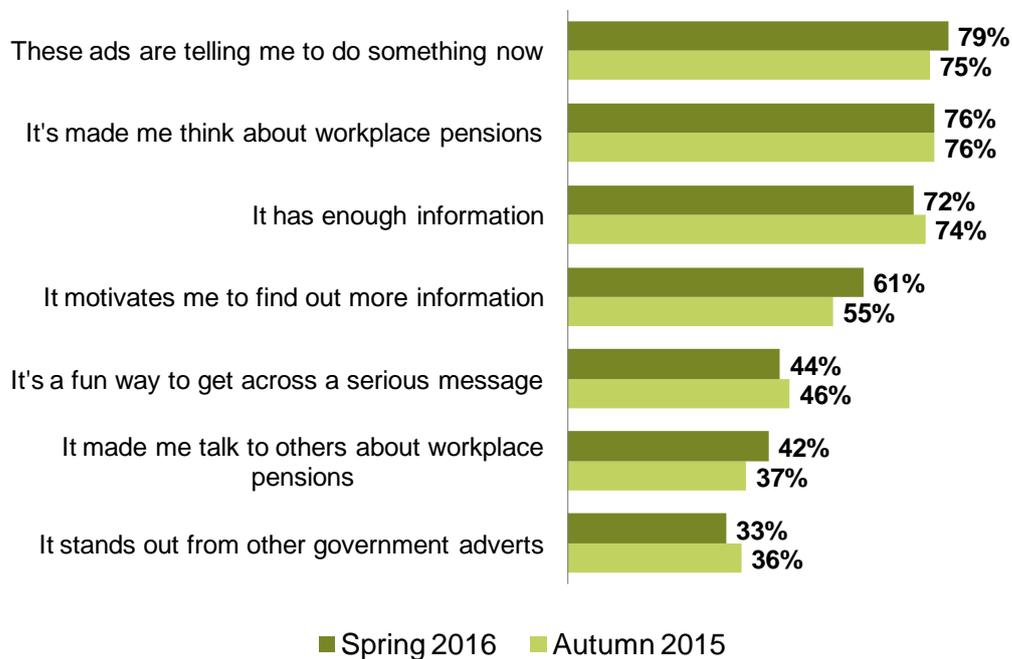
The level of agreement across the evaluation measures changed significantly within this wave, and from Autumn 2015 to Spring 2016, for several employer types. The key changes are listed below:

- Small employers were more likely than micro employers to agree that the advert was *relevant* (92% vs. 80%) in Spring 2016.
- Micro employers were significantly less likely to agree the advert was *relevant* in Spring 2016 (80%) when compared to Autumn 2015 (90%).
- Employers with eligible job holders were more likely than those with no eligible job holders to agree that the advert was *memorable* (53% vs. 38%) and *relevant* (91% vs. 72%) in Spring 2016.
- Employers with no eligible job holders were significantly less likely to agree the advert was *relevant* in Spring 2016 (72%) when compared to Autumn 2015 (87%).
- Employers with no eligible job holders were significantly less likely to agree the advert was *memorable* in Spring 2016 (38%) when compared to Autumn 2015 (58%).
- Employers that were furthest from staging were less likely than other staging dates to agree the adverts were *memorable* (39%) or *relevant* (79%) in Spring 2016.



A majority of employers stated that the radio advert was 'telling them to do something now' (79%) and a similarly high proportion said it made them think about workplace pensions (76%). This response was similar to that seen in Autumn where 75% and 76% of employers agreed with these statements (respectively). The radio advert continued to not stand-out, as 33% of employers felt it stood out from other government advertising. This compared to 36% in Autumn 2015. Figure 22 presents the responses that generated the most frequent agreement and provides comparisons to Autumn 2015.

**Figure 22: Radio advertising diagnostics**



(All employers)

As in Autumn 2015, the most frequent take-out from the radio advert was that 'all employers need to comply', and there was a significant increase in small employers mentioning this (58% of small employers in Spring 2016, 48% in Autumn 2015). After this, the most common take-out was 'I have to offer my staff/put my staff into a workplace pension', which saw a significant increase in micro employers stating this between Autumn 2015 and Spring 2016 (32% of micro employers in Spring 2016, 21% in Autumn 2015).

In Spring 2016, 40% of employers named TPR as the advertising sponsor. This was not a significant difference from Autumn 2015 where 43% named TPR. There were no significant differences in recall of TPR as the sponsor by employer type.

Mentions of DWP as the advertising sponsor significantly declined, from 13% in Autumn 2015 to 7% in Spring 2016. Those furthest from staging, small and micro



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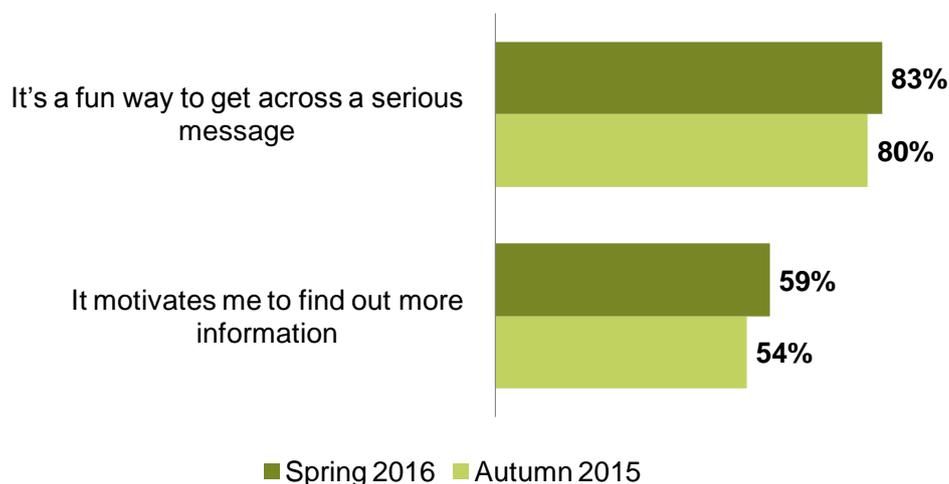
employers and employers with eligible job holders were all significantly less likely to name DWP in Spring 2016.

#### 4.6 Digital advertising: diagnostics and message take-out

**The digital advertising continued to strike a balance between being perceived as creative and having a call to action.**

As in Autumn 2015, the digital advert continued to have lower reach than the television and radio adverts (15% recalled the advert in Spring 2016). However, it continued to generate a positive response, with 83% regarding the advert as a fun way to get across a serious message, and 59% agreeing it motivated them to find out more. This was very similar to the levels seen in Autumn 2015, where 80% and 54% agreed with the respective statements, as shown in Figure 23.

**Figure 23: Digital advertising diagnostics**



(All employers who recalled the digital advert)

TPR was the most frequently cited sponsor of the advertising, with 32% of employers naming it (24% in Autumn 2015). A quarter (25%) named the government, which was comparable with last wave (28%). Mentions of DWP significantly dropped from 15% in Autumn 2015 to 5% in Spring 2016. A third (29%) continued not to know who had sponsored the advert (31% in Autumn 2015).



## 5 Preparing for automatic enrolment

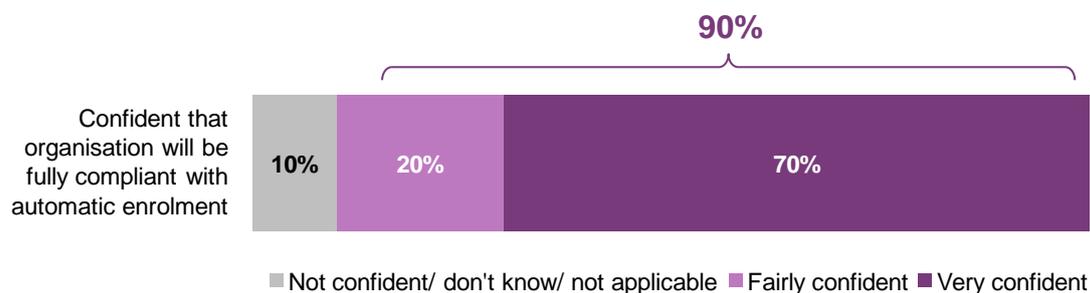
### 5.1 Confidence in future compliance

#### Employers continued to be confident in their future compliance with automatic enrolment requirements

The vast majority (90%) of employers were confident that their organisation would be fully compliant with the new workplace pensions reforms; 70% of employers were very confident. This compared to 93% of employers who were confident in Autumn 2015, and 67% who were very confident.

This wave, small employers (97%) had a higher degree of confidence than micro employers (87%). However, there were no significant differences from Autumn 2015 to Spring 2016 in levels of confidence for either small or micro employers. There were no significant differences in confidence on the basis of proximity to staging or eligibility of staff, which mirrors the situation found in the Autumn 2015 survey.

Figure 24: Confidence in compliance



### 5.2 Actions taken to prepare for automatic enrolment

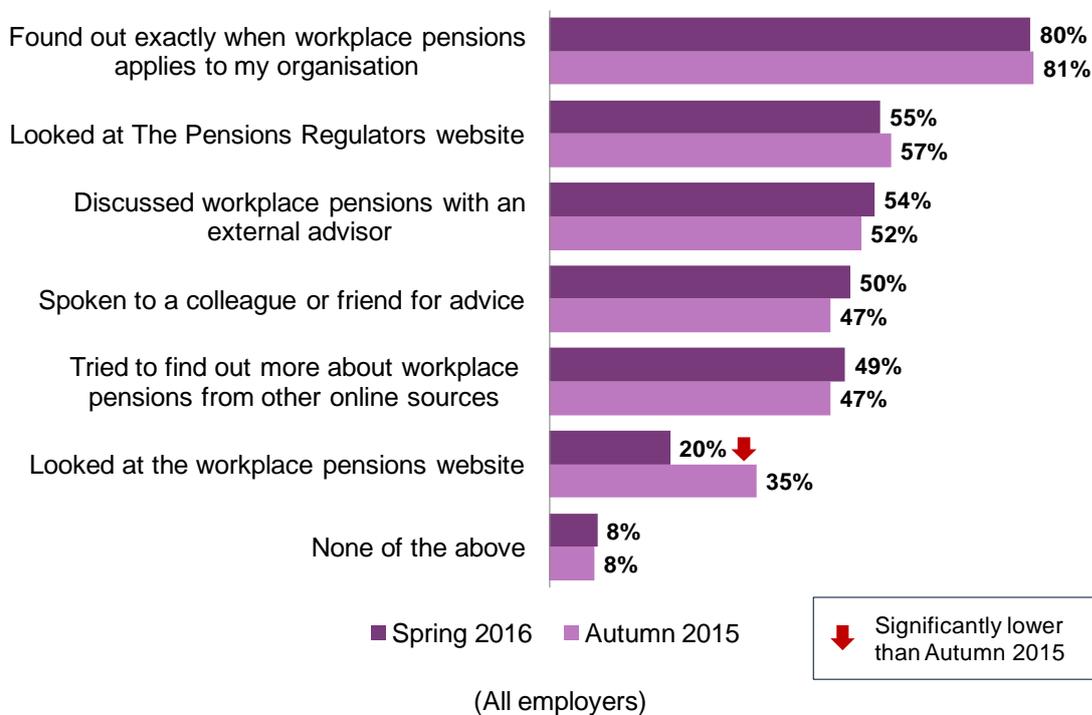
#### Nearly all employers had taken some action to prepare for automatic enrolment.

A total of 92% of employers had engaged in at least one of the information seeking actions (see Figure 25). This mirrored the Autumn 2015 survey, where the proportion engaging in activities was also 92%. There was only one significant difference between Autumn 2015 and Spring 2016 in the types of activities employers were engaging with: fewer employers were looking at the workplace pension website/ micro-site this wave (20% vs. 35%).



Employers' awareness, understanding and activity relating to automatic enrolment and evaluation of communications campaign

**Figure 25: Information seeking actions already carried out<sup>10</sup>**



<sup>10</sup> The workplace pensions website is the term used to describe the campaign microsite that was established for the advertising campaign. For the first wave of the campaign, digital adverts routed respondents to this microsite. In the campaign burst this survey covers, digital respondents were routed directly to the TPR website.



Small employers continued to be more likely to have engaged in information seeking behaviour than micro employers, as Figure 26 highlights. There were also higher levels of activity among employers with eligible jobholders than employers with no eligible jobholders across several of the activities including: tried to find out more about workplace pensions online (55% vs. 39% respectively) and looked at TPR's website (59% vs. 48% respectively).

**Figure 26: Information seeking behaviours already carried out by size**

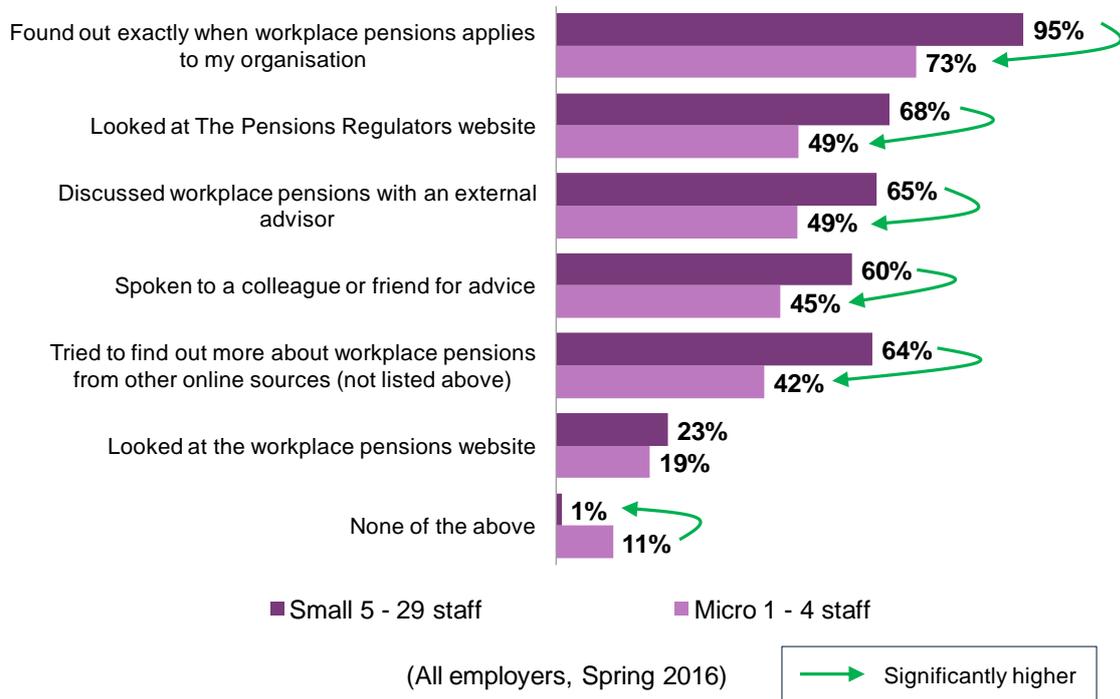
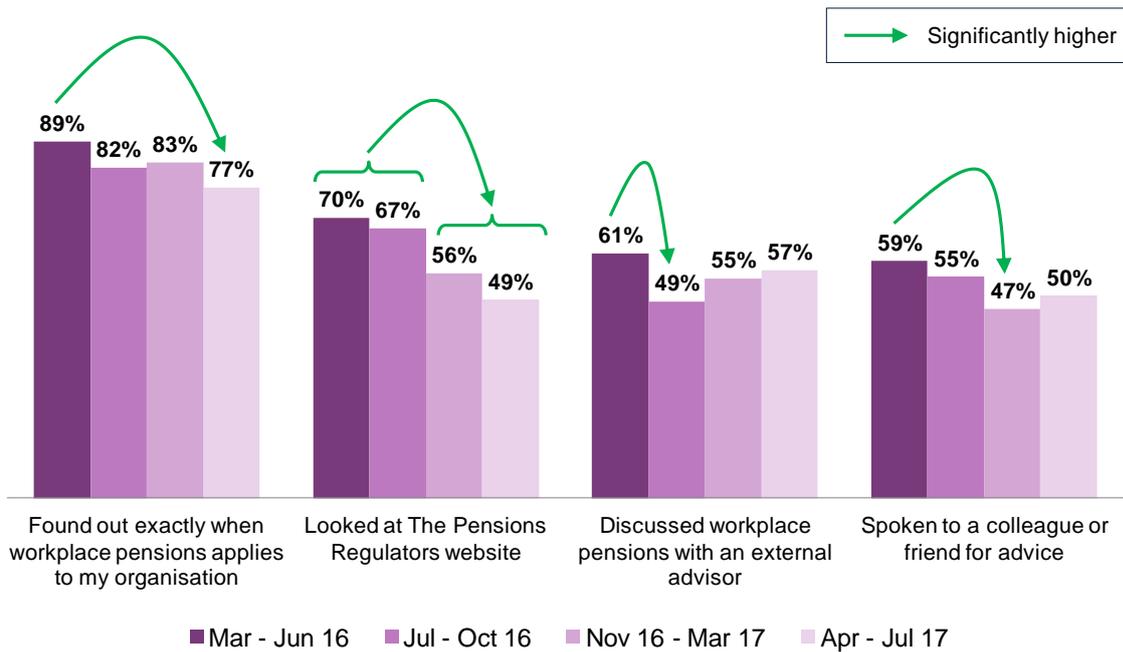




Figure 27 presents the top four information seeking actions by staging date. Across the top two responses, those closest to staging (1 to 4 months away) were more likely than those furthest from staging (14 to 17 months) to have engaged with the activity.

**Figure 27: Information seeking behaviours already carried out by staging date group**



(All employers, Spring 2016)



## Employers' awareness, understanding and activity relating to automatic enrolment and evaluation of communications campaign

There were lower levels of engagement with specific preparatory automatic enrolment activities as opposed to information seeking activities. This mirrors the pattern seen in Autumn 2015, as shown in Figure 28.

**Figure 28: Automatic Enrolment preparatory actions already carried out**

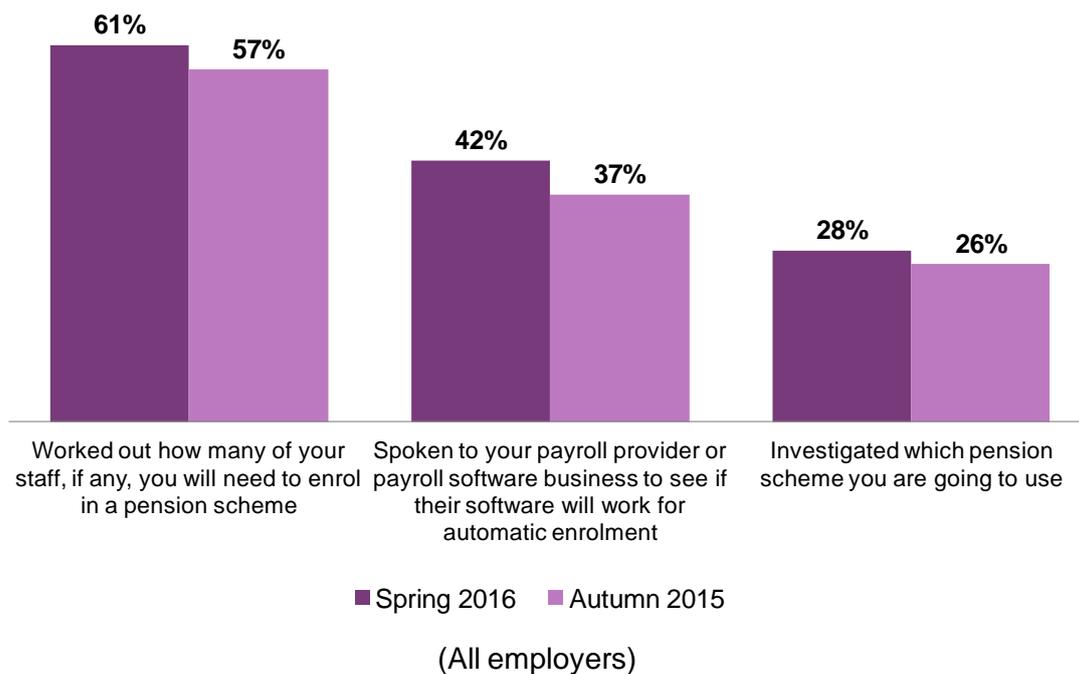
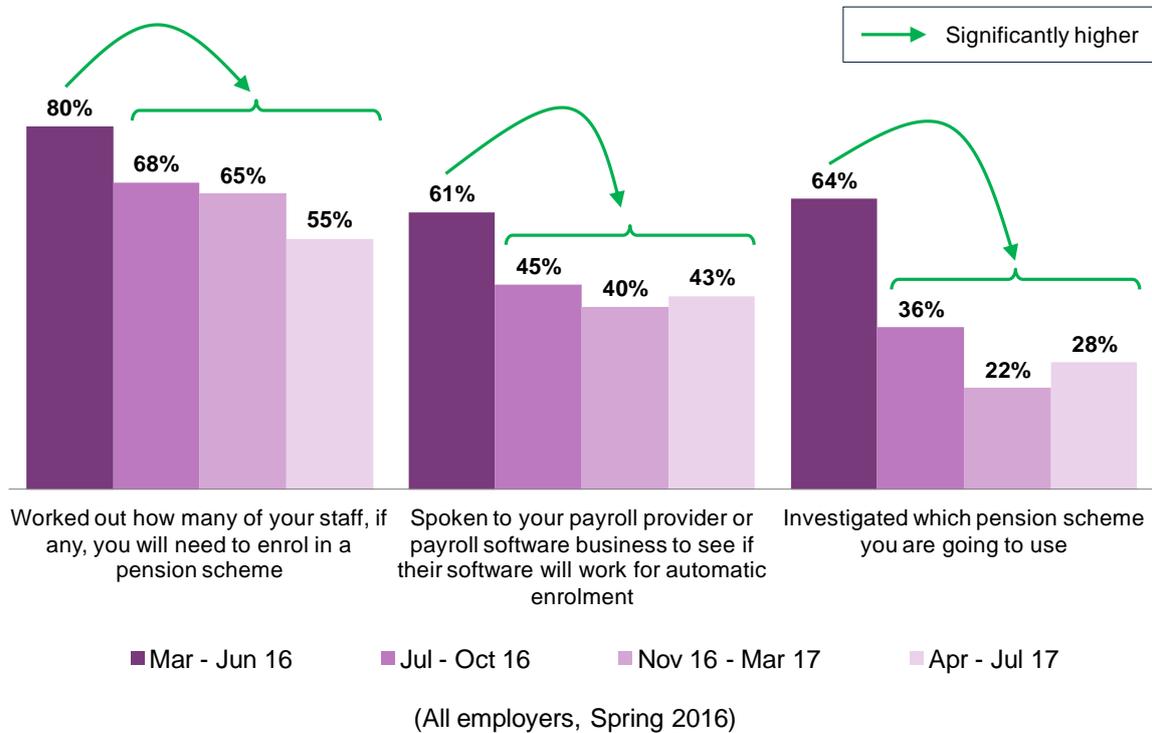


Figure 29 presents each activity that had been completed by proximity to staging, and it shows that those closest to staging were significantly more likely to have completed each activity than those 5 months or later from staging.



**Figure 29: Automatic Enrolment preparatory actions already carried out by staging date**



Employers were asked if they had engaged with the preparation tools available on TPR's website: the step-by-step guide and the duties checker. In both cases, around two thirds (68% and 67% respectively) stated they had used the tools. In addition, employers were asked if they had used TPR's website to nominate a business contact: almost 9 in 10 (89%) employers claimed to have done so. There were no significant differences by eligibility of employee or business size across the three tasks.

Employers were also asked whether they had completed, were in process of or had not started their declaration of compliance. One fifth of employers (20%) incorrectly claimed they had already completed the declaration, while the majority (65%) stated that they had not started, and 15% stated they were in the process of completing the DoC. Proximity to staging determined how likely an employer was to incorrectly believe they had completed the declaration, with 35% of those 1 to 4 months, 25% of those 5 to 8 months, 21% of those 9 to 13 months and 16% of those 14 to 17 months away from staging believing they had already completed the task.<sup>11</sup>

<sup>11</sup> This question was introduced in Spring 2016 and so comparisons with previous waves are not possible



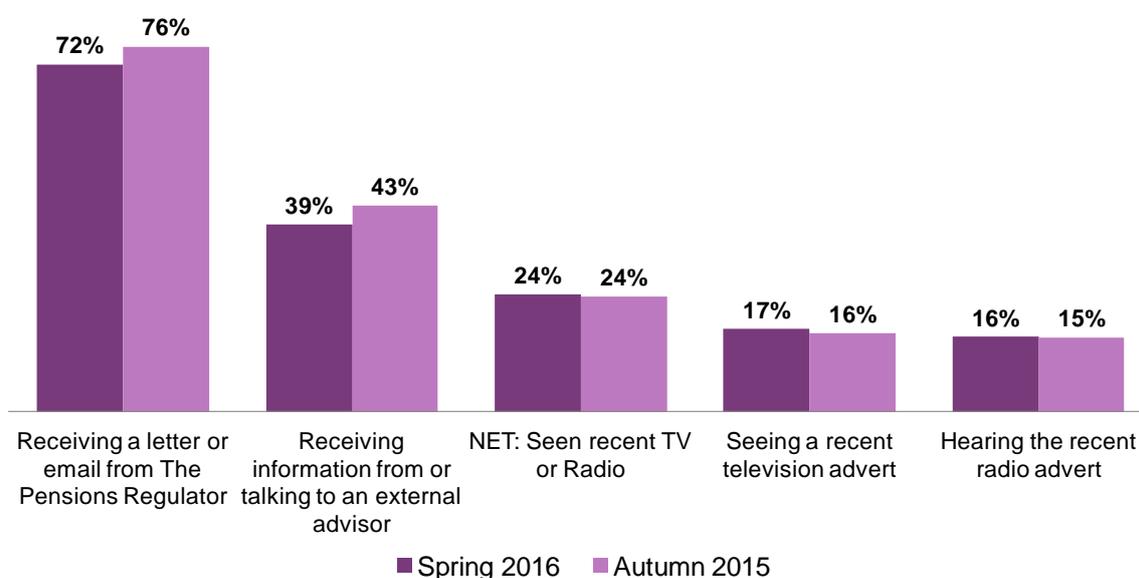
### 5.3 Influences and triggers for preparation activities

#### Letters from TPR continued to be the main reported trigger for action, followed by contact with an adviser, and then advertising

As in Autumn 2015, employers were asked to explicitly state what had triggered the actions they had taken to help prepare for automatic enrolment. The list of triggers included a wide range of potential influencers and sources of information, ranging from advertising, to direct communications from TPR and from intermediaries, and informal discussions with colleagues and friends. Findings indicate which influences were perceived to have the greatest impact on taking action.

Three quarters (72%) of employers stated that receiving a letter or email from TPR made them start preparatory action for automatic enrolment. The second most frequently cited trigger for action was receiving information from or talking to an adviser (39%), followed by seeing or hearing advertising (24%). These levels were comparable with those seen in the last survey wave and figure 30 presents the most frequently given responses.

**Figure 30: Triggers for information seeking behaviours**



(All employers who have undertaken at least one activity)

While the majority of employers stated that regulator communications was the main trigger for action, a majority of employers also believed the advertising campaign played a supporting role in driving action. Nearly two thirds (61%) stated that the advertising prompted them to look back at regulator communications. This was amongst employers who had seen at least one campaign advert and who stated that regulator communications and the advertising prompted action.



#### 5.4 Use of external advisers

##### **Accountants and financial advisers remained the adviser types that were most likely to be consulted by employers.**

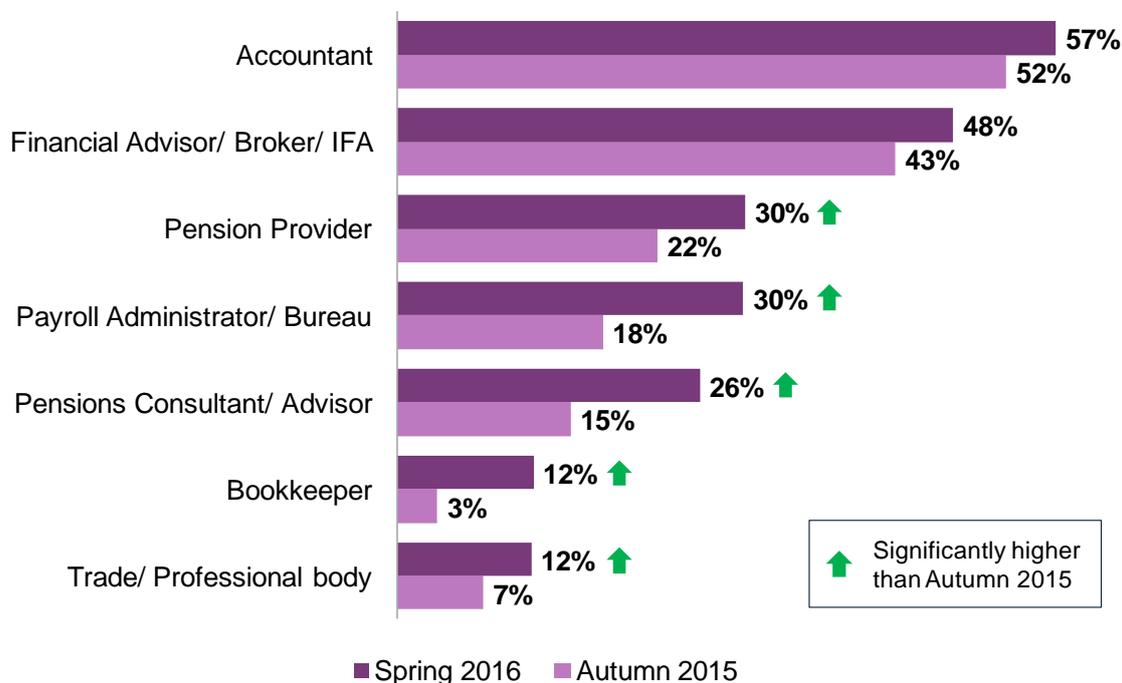
Use of advisers remained comparable with Autumn 2015, with 49% of employers consulting at least one adviser (48% in Autumn 2015). In keeping with previous waves, small employers (62%) were more likely than micro employers (42%) to have already consulted an external adviser about the introduction of automatic enrolment. Differences between Autumn 2015 and Spring 2016 were not significant for either small or micro employers.

When asked which type of adviser(s) they had consulted, over half (57%) of employers (who had consulted an adviser) had spoken to an accountant about automatic enrolment. Among the main types of adviser consulted, there were significant increases in levels of usage from Autumn 2015 to Spring 2016. Use of pension providers, payroll administrators, pension consultants, bookkeepers and trade/ professional bodies all increased in Spring 2016, as highlighted in figure 31.

Across most adviser types micro and small employers had similar levels of usage. IFAs were the only exception to this, where small employers (59%) had higher levels of use in comparison to micro employers (39%). There was very little variation in the types of adviser used among employers between 1 and 8 months of staging.



**Figure 31: Types of external advisers used**



(All employers who plan to consult an adviser, Spring 2016)

Just under a third of employers (29%) planned to use an external adviser for the introduction of automatic enrolment in the future. This would most likely be an accountant (60%), pension provider (37%), pension consultant (26%), financial adviser (25%), payroll administrator (22%) and/or bookkeeper (17%). This represents a change from Autumn 2015, where mentions of accountants (50%), pension providers (24%), pension consultants (17%) and bookkeepers (8%) were significantly lower.

For those employers who had not already consulted an adviser, micro employers continued to be more likely than small employers to consult an accountant about automatic enrolment (67% vs. 42% Spring 2016, 56% vs. 41% Autumn 2015).

Amongst employers who had either already consulted or who planned to consult an external adviser, the levels of reliance on those advisers were broadly the same between small and micro employers this wave (91% and 92% respectively) and were very similar to expected levels of reliance reported in Autumn 2015 (94% and 91% respectively).

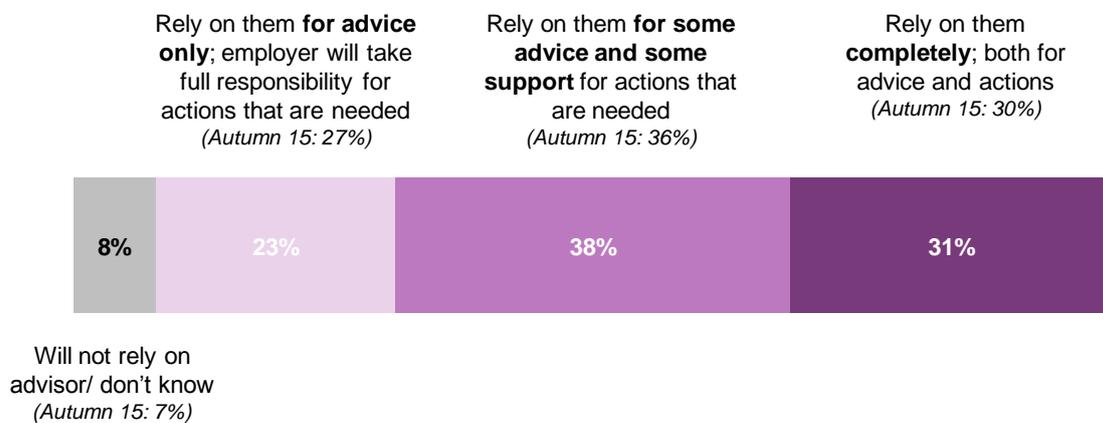
Reliance on advisers continued to be mostly focused on both advice and support with 38% of employers stated they would require advisers for 'some advice and support', compared to 23% for 'advice only'. This represents a directional (but not significant) shift from Autumn 2015 where levels of reliance were more evenly distributed across 'some advice and support', 'advice only' and 'complete reliance'.



Figure 32 shows the levels of expected reliance and how this compares with Autumn 2015.

There were no significant differences between small and micro employers this wave, and in Autumn 2015, in terms of expected levels of reliance. Approximately two thirds of employers (70% small and 67% micro) still expected to rely on advisers to provide practical advice, and this was similar to Autumn 2015 where 66% of small and 65% of micros expected to require practical support. There were no significant differences in expected levels of reliance by distance from staging in Spring 2016.

**Figure 32: The extent to which employers will rely on their external adviser(s)**



(All employers who have to consulted an advisor, Spring 2016)



## 6 Familiarity with The Pensions Regulator and TPR communications

### 6.1 Familiarity with TPR

#### **Awareness of, and familiarity with, TPR remained consistent with levels seen in Autumn 2015**

Almost all (96%) employers had some level of familiarity with TPR i.e. had at least heard of the name, which was consistent with the 95% seen in Autumn 2015. Overall, there were no significant differences in level of familiarity between Autumn 2015 and Spring 2016.

Micro employers were significantly less likely to be familiar with TPR, with three quarters (75%) either claiming to 'know a lot' or have 'heard the name and know a little'. This is in contrast to small employers, where nearly nine tenths (89%) were familiar with TPR. This was the same pattern as seen in Autumn 2015. There were no meaningful differences in familiarity with TPR by proximity to staging.

### 6.2 The Pensions Regulator communications

#### **Over half of employers had visited TPR's website and of those the majority found it useful**

As in Autumn 2015, proximity to staging impacted on recall of receiving communications from TPR. In this wave, those furthest from staging were significantly less likely than employers staging before April 2017 to recall receiving a letter (69% vs. 87% vs. 83%) or email (23% vs. 40% vs. 33%) from TPR.

Around half of employers (55%) visited TPR's website, with those closest to staging (from 1 to 8 months away) significantly more likely than those 9 or more months from staging to have done so. This is shown in Figure 33.

**Figure 33: Employers that have visited TPR's website by staging date**

Visited TPR's website	
Mar – Jun 16 stagers	70%
Jul – Oct 16 stagers	67%
Nov 16 – Mar 17 stagers	56%
Apr – Jul 17 stagers	49%



Employers' awareness, understanding and activity relating to automatic enrolment and evaluation of communications campaign

Of those who had visited the website, the vast majority (89%) found it useful, with 45% stating it was fairly useful and 44% claiming it was very useful.<sup>12</sup> Employers between 5 and 8 months from staging were significantly more likely than both those 1 to 4 months and those 9 to 13 months away to believe the website was very useful (50% vs. 34% and 37% respectively).

Employers were asked whether they found everything, most, some or none of what they wanted on TPR's website. Four fifths of employers (79%) stated they found all or the majority of what they wanted, with nearly a third (29%) claiming they found everything they wanted.<sup>13</sup>

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<sup>12</sup> This question was introduced in Spring 2016 and so comparisons with previous waves are not possible.

<sup>13</sup> This question was introduced in Spring 2016 and so comparisons with previous waves are not possible



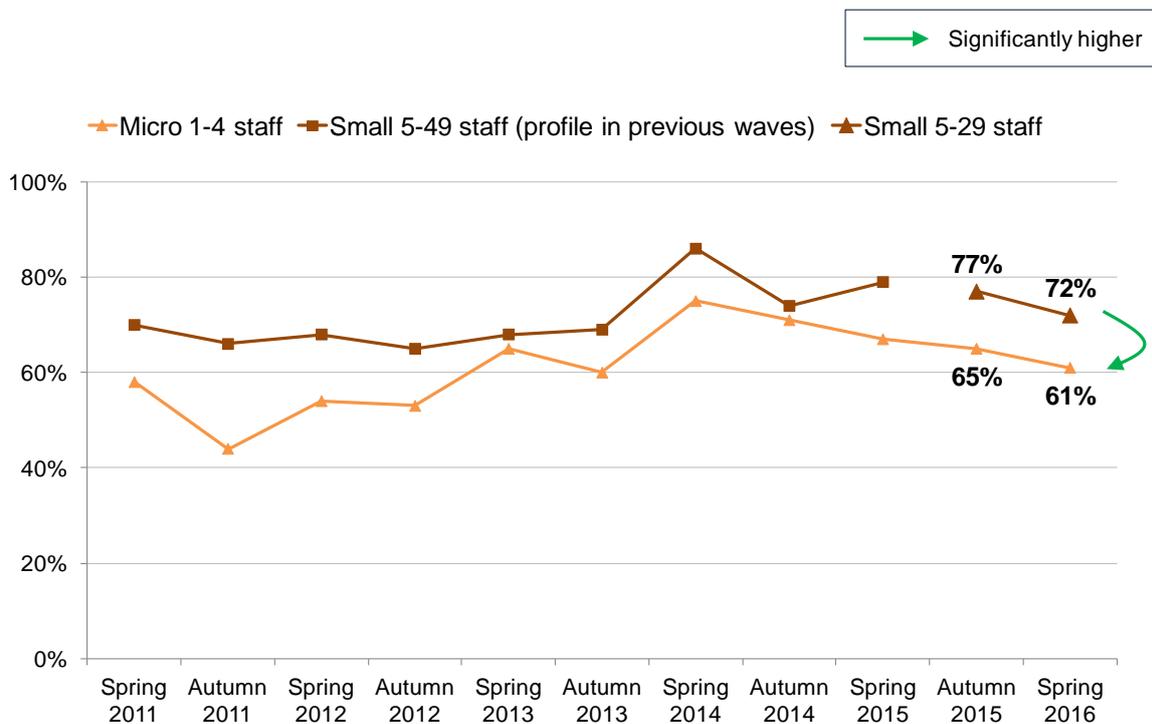
## 7 Attitudes towards automatic enrolment

### 7.1 Attitudes to the pensions reforms

#### Consistent with previous waves, a majority of employers believed that automatic enrolment is good for their employees

As found in all previous waves, a majority of employers (65%) agreed that 'the introduction of automatic enrolment is in principle a good thing for their employees'. Small employers (72%) were more likely than micro employers (61%) to have agreed with this statement, and this has been the case since the research began in 2011.

Figure 34: Automatic enrolment is 'a good thing' by size, over time



There were also differences on the basis of eligibility. Employers with eligible staff were more likely than those with no eligible staff to consider it a good thing for their employees (69% vs. 57%). This difference was not observed in Autumn 2015. There were no differences by staging date among employers staging after June 2016. Employer that were between one and four months from staging (71%) were significantly more likely to agree with the statement than those five to eight months from staging (61%).

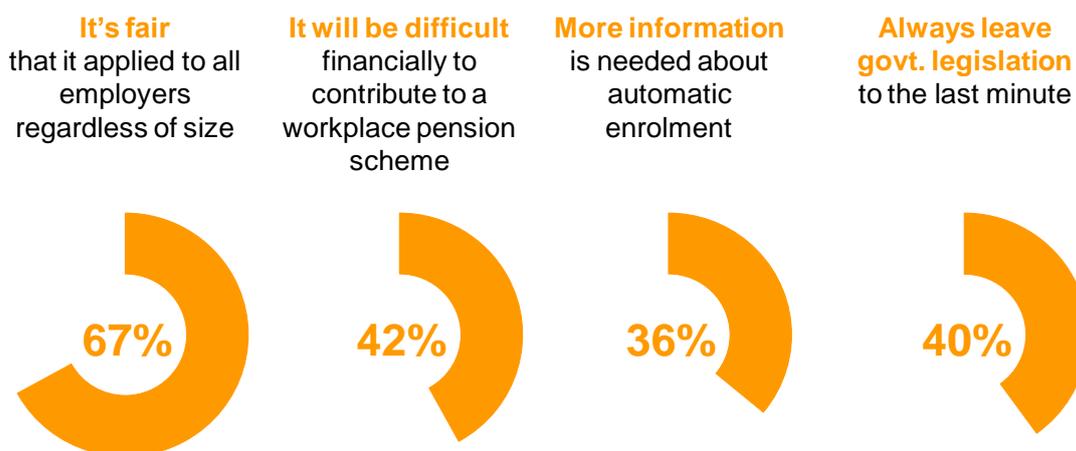


## Employers' awareness, understanding and activity relating to automatic enrolment and evaluation of communications campaign

A majority (67%) also agreed it was 'fair that automatic enrolment applied to all employers, regardless of their size'. This was consistent with Autumn 2016. In Spring 2016, employers with eligible job holders were more likely than those without any to believe automatic enrolment was fair, regardless of business size (71% vs. 60% respectively). This difference was not observed in Autumn 2015.

In terms of challenges with automatic enrolment, over a third agreed that their organisation would find it 'difficult financially to contribute to a workplace pensions scheme' (42%), that their 'organisation needs more information' (36%) and that they tend to 'leave government legislation to the last minute' (40%). Figure 35 presents these responses. These responses were all similar to the findings of the Autumn 2015 survey, with the exception of the statement concerning leaving government legislation to the last minute, which increased significantly from 33%.

**Figure 35: Agreement with attitude statements**



(All employers, Spring 2016)

As in Autumn 2015, micro employers were significantly more likely than small employers to say they needed 'more information about automatic enrolment' (43% vs. 22%) and that they 'always leave dealing with legislation to the last minute' (43% vs. 34%). In comparison to Autumn 2015, they were also more likely than smalls to say they would find it 'difficult financially to contribute to a workplace pension' (45% vs. 36%).

From Autumn 2015 to Spring 2016 there were very little significant changes in attitudes to automatic enrolment across small and micro employers. Small employers provided the only exception: they were significantly less likely this wave to say they needed more information about automatic enrolment (down from 34% to 22%).



Employers' awareness, understanding and activity relating to automatic enrolment and  
evaluation of communications campaign

Employers with no eligible job holders had significantly higher levels of agreement, than employers with eligible job holders, that it was difficult financially to contribute to workplace pensions (39% vs. 49%). There were no other significant differences in Spring 2016 by eligibility type.



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