

ASFA Consumer Research 2013

Released at the ASFA 2013 National Conference



Research methodology



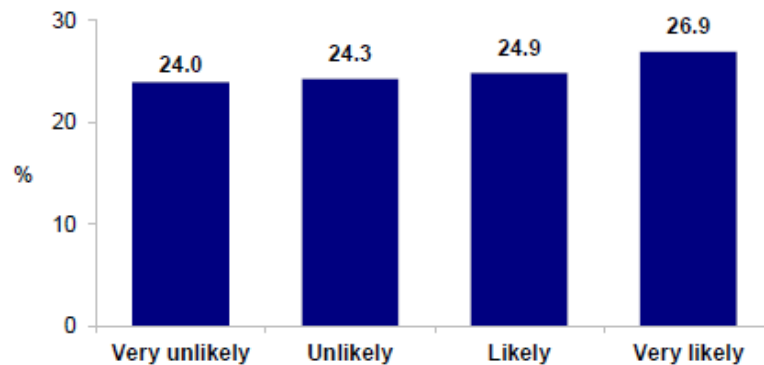
- The research was conducted between October 8th and October 21st 2013 via an online quantitative survey of approximately 100 questions, developed and hosted by CoreData.
- Using a randomly selected sample from CoreData's proprietary panel of more than 130,000 Australian consumers, data was collected from a representative grouping of the population.
- A sample total of 1,023 valid responses form the basis of the analysis.
- Results were analysed from a range of perspectives including gender, industry sector, generation and adviser usage.



Key findings – account consolidation

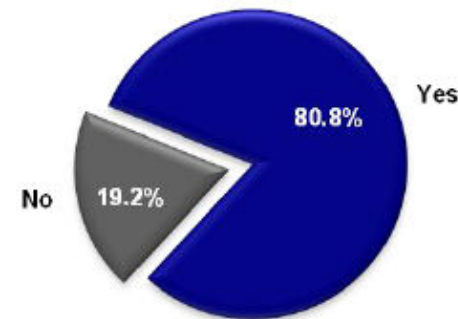
- Around half think they are likely to consolidate funds in the next two years.
- However, at least one in five (19.2%) do not know how to consolidate their super fund accounts.

How likely are you to consider consolidating your superfunds in the next 2 years?



n = 338, respondents who have more than one super fund

Do you know how to consolidate your super fund accounts?

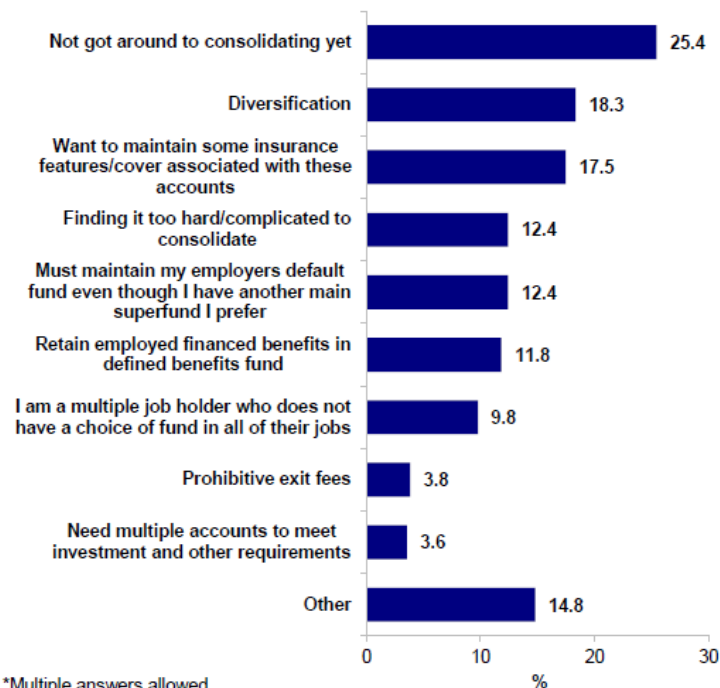


n = 338, respondents who have more than one super fund

Key findings – account consolidation

- The top reason for holding multiple super funds is simply not getting around to consolidating them yet.
- This is followed by a desire for diversification and wanting to maintain insurance cover.

Why do you have multiple super fund accounts?



*Multiple answers allowed

Key findings – account consolidation



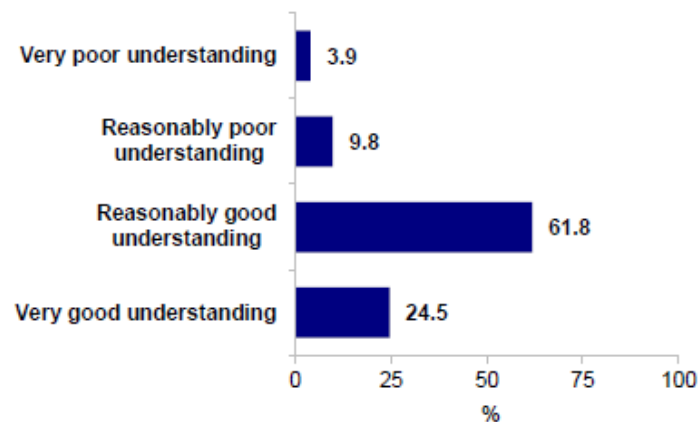
- Respondents' most commonly cited drawback for having multiple super funds are the additional fees and charges incurred.
- They also cite that managing multiple accounts is confusing and complicated.
- Respondents believe the greatest challenges in consolidating super accounts are completing excessive paper work, exit fees, differing rules/requirements - not to mention actually just getting around to it.
- Respondents most commonly want assistance in making the process quick and easy.



Key findings – account statements

- Only one quarter of the sample (24.5%) claim to have a very good understanding of their super statements. People tend to struggle with terminology, how fees are calculated, and understanding investment returns. Tables, graphs, and figures also tend to be some of the more difficult aspects of super statements to understand.

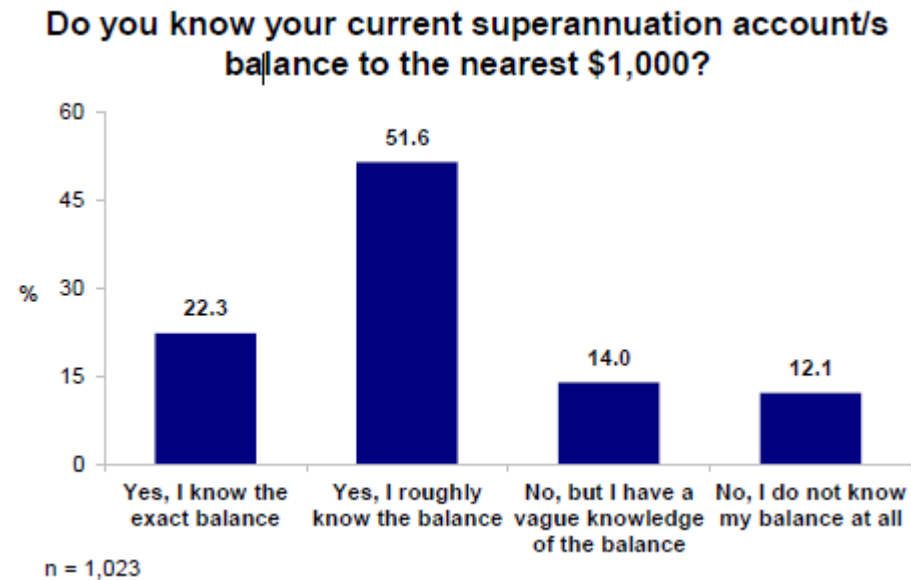
How well do you usually understand your super statements?



n = 1,023

Key findings – account statements

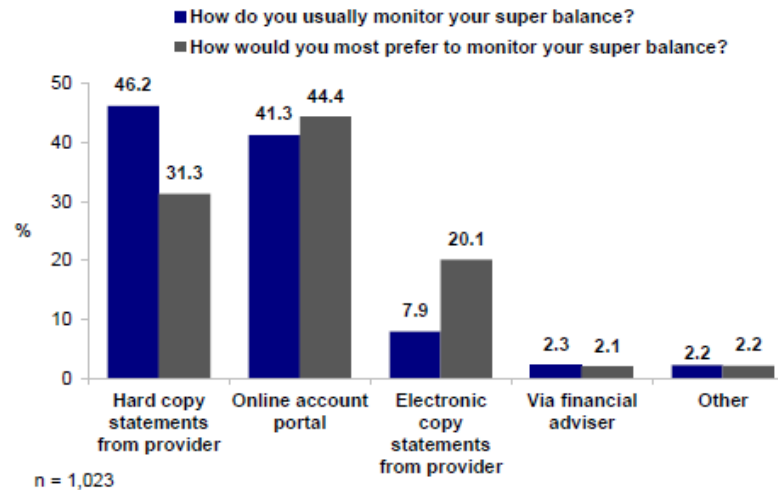
- At least one quarter (26.1%) of respondents do not know their current super balance or only have a vague idea.



Key findings – account statements

- While slightly more respondents usually monitor their balance through hard copy statements than online account portals (46.2% vs. 41.3%), a greater proportion appear to prefer using an online account portal to do this (44.4% vs. 31.3%).

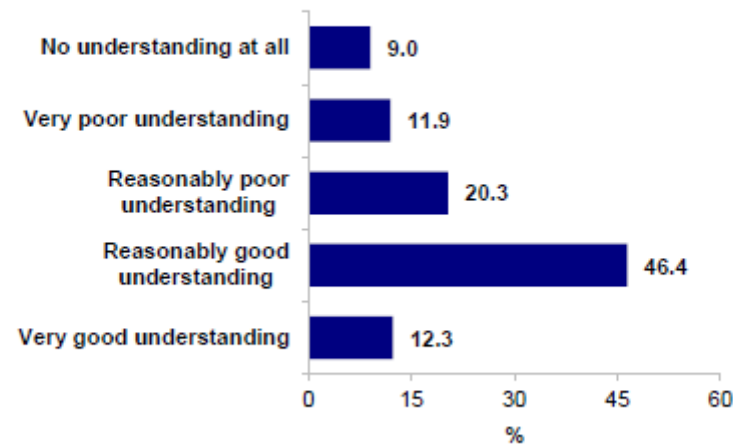
How do you usually monitor your super balance? How would you most prefer to monitor your super balance?



Key findings – super insurance

- At least 58.7% of the sample feel they have a good understanding of insurance through their super. However, only 12.3% have a very good understanding and there are still 41.3% with a poor understanding.

How well do you understand the insurance options available to you through your super?

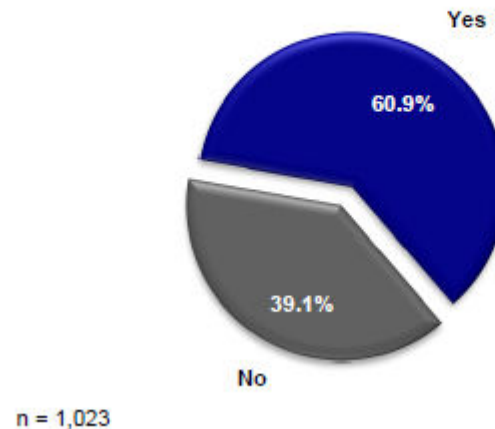


n = 1,023

Key findings – super insurance

- As many as four in 10 (39.1%) do not know how to change/choose insurance options through their super fund.

Do you know how to change/choose your insurance options through your super fund?



Key findings – super insurance



- The greatest perceived benefits of purchasing insurance through their super fund is the tax advantage and cheaper deals achieved through super funds' bulk purchasing power.
- Other benefits of purchasing insurance through super funds is clearly the convenience. It is easier to acquire insurance in this way and premiums are automatically paid through the super fund.



What's next?



- ASFA will be using the findings of this consumer research to inform the development of educational and awareness campaigns to be run during 2014.
- The campaigns will target areas where increased consumer education is likely to lead to better retirement outcomes.
- ASFA will also use the results to advocate for better policies around what information is provided to fund members and to find ways to make sure it is presented in a way that leads to better retirement outcomes.

