

THE OPPORTUNITIES FOR REACHING GENERATION Z IN SELF-CARE

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Abstract

The issue of pensions will be a severe problem in the coming decades, so it is essential to communicate, reach and prepare the impacted demographic, and reaching young individuals is also social imperative. The aim is to ensure that for young people, aged 18-25, saving for retirement is not only a medium- to the long-term plan but also a short-term one. The study is divided into two central logical units. In the first unit, several research methods were used, both secondary and primary, to gain an in-depth understanding of the topic at the centre of the research and, in addition, the thinking and behaviour of the population concerned, which was chosen as the population of interest for the research. The second part of the study used these research findings to develop a buyer persona, the perfect representative of the target group, and a complex marketing plan to address this target segment.

Keywords: *pension, pension funds, PAYGO, social media, generation Z*

1. Introduction

Young people are the future, and the pension system crisis will be a burning issue for them. It is necessary to raise their awareness to open to self-care as soon as possible and start saving for their retirement. It is clear that the sooner people start saving, the more favourable the conditions for retirement. Nevertheless, the main problem with pensions is precise that they have a long-term impact. There are no tangible consequences if investments are managed more frugally or less consciously in the distant future. It is more difficult to react to such risks. This stems from ancient, innate thinking, as humans operate in reactive mode (Földvári and Szathmáry, 2019), which means that when a problem occurs, we only start to act then. This behaviour can be observed concerning global warming, protection against viruses, or also concerning preparing for an exam. This visceral instinct can be developed through education, and young people are more receptive to learning than older people. These findings suggest that developing young people's financial literacy is necessary to enable them to create a stable financial background for themselves in adulthood and retirement (Kovács et al., 2021). There is a need

to show the benefits of saving consciously and appropriately, have a tangible return on current investments, and make the target group aware of their responsibilities.

Young university students are not yet fully aware of the financial basics and do not currently have any savings in pension funds. It is not an issue, as it was shown that most of them do not have a secure income yet, therefore it is challenging to plan financially in the long term, but a few years on, they will have a fixed income. Since the 2000s, higher education has been increasingly valued in high-paying jobs, leading to a more pronounced pay gap between the highly skilled and the rest (Budría and Pereira, 2005). The responses suggest that retirement savings are included in their plans. Clearly, they have been paying attention but do not have the necessary amount of knowledge and are waiting to get started. Pension funds can easily do this as they need to broaden their financial knowledge, and once they do, they will see the potential involuntary pension funds and become agents

2. Literature review

Several studies have found that as people approach closer to the end of their working lives, their fears about retirement grow; but, as they go further away from retirement age, their concerns decrease (Rooij, 2011; Boisclair, 2017). Valus and Bacová (2018) point out the problem, the parents of the 18-25 aged young adults do not have enough experience with the pension funds – based on Baláz's (2012) research, Slovaks start thinking about pension savings the earliest in their 50s, so the parents are just as new in the system as their children - therefore they cannot give advice to their children. The results from Slovakia also show that the number of the new voluntary pension fund members from recent entrants to the labour market is low; between 2008 and 2011, only 30% of the new workers started pension savings (Rizman, 2016). In Tomáš's (2017) review, the root problem is that the young generation does not know the basics of financial security in retirement (Budai and Denich, 2023). Pension funds and banks should seize this commercial opportunity while meeting unmet demand, with a particular focus on the needs of the young generation. Make voluntary pension savings an option for consideration. How can this be achieved? Younger generations with a future-oriented perspective are more likely to save for retirement (Rolison et al., 2017). Lusardi and Mitchell (2007) discovered similar findings to the Italian researchers (Fornero and Montico, 2011); the results show in the United States of America that those who are financially literate are more likely to prepare for retirement and that planning is substantially linked to wealth at pre-retirement age. International research by Hasler and Lusardi (2017) also confirms previous findings, and they found a strong link between financial literacy and pension savings in the G-20 economies. The researchers above point out the same results that there is a significant correlation between financial literacy and willingness to invest. Those with more outstanding financial awareness ratings are more likely to plan ahead of time (Baranyi et al., 2022).

The results of previous researches carried out provide strong support for the literature mentioned earlier. The financial knowledge of the target group studied was mainly derived from home, followed by the knowledge acquired at university or school. The pre-transition generation has not been appropriately educated about pensions, and many parents start to think about the subject at an age when their children are 20-25 years old and lack the necessary know-how. As students encounter few financial education courses prior to higher education, their own experience and what they have seen at home may be so crucial for their financial literacy. Thus, it is possible to reach the target group, educate them, and engage them in the financial system through targeted campaigns and communication via the internet.

Internet sources made up a surprisingly small proportion of the resources. This represents an opportunity for the marketing campaign as the platform is not saturated with this type of content.

Through a targeted marketing campaign focused on education, preceded by an understanding of the target group.

3. The aim of the empirical research and the applied methodology

It is imperative to collect data for research and explore the relationship/s between them (Pató, 2014).

As a first step of the research, a secondary research method has been used, which involved a review of the relevant literature. The document analysis method is a data collection procedure based on the examination of finished products and aimed at identifying the main content of the material under study. Then a secondary method also has been used to gain an understanding of the situation, competitive environment and the market in general of pension funds in Hungary. Various statistics were analysed, reports published by companies and publicly available reports to do this.

In the second unit of the study, the first step in the creation of the marketing plan, the buyer persona training, was implemented. For this, results from both secondary and primary sources of information were used. As primary sources, face-to-face meetings, participation in conferences and workshops, international events and competitions were used, to understand the socio-demographic, psychographic, geographic and behavioural characteristics of the 18-25 age group studied in this thesis. As a secondary source, other literature review, market mapping, and also primarily desk research, analysing national and international statistics to construct the buyer persona were conducted.

The target group of the research was young students and career starters, with responses coming from the University of Miskolc, Corvinus University of Budapest, Eötvös Lóránd University, Hungarian University of Agricultural and Life Sciences and Budapest University of Economics, among others. Most of the responses came from the University of Miskolc.

4. Results

There are now 32 voluntary pension plans in the country, 21 of which are open to the public. The top 12 players on the market have been investigated for the competition study. The top 6 pensions funds have a bank or insurance company background, except the Pannónia Nyugdíjpénztár.

Table 1. Key data on pension funds
Source: own construction

TOP 6 voluntary pension funds by assets	Name	Back-ground	Number of members (thous.)	Assets (HUF billion)	Number of investment portfolios	Total cost indi. (20year TCM ind.)	10-year average invest. return (net ret.)
1	OTP Önkéntes Nyugdíjpénztár	banking	231	287	6	0,45% - 1,40%	between 2.7% and 7.5%
2	Allianz Önkéntes Nyugdíjpénztár	Insurance	174	212	4	1,01% - 1,07%	between 5.94% and 8.2%
3	Aegon Önkéntes Nyugdíjpénztár	Insurance	173	195	5	1,25% - 1,77%	between 5,2% and 8,03%
4	Aranykor Önkéntes Nyugdíjpénztár	Insurance	103	152	4	0,76% - 1,21%	between 5,94% and 8,26%
5	MKB Önkéntes Nyugdíjpénztár	Banking	79	138	4	0,62% - 1,32%	between 3.16 and 7.2%
6	Pannónia Önkéntes Nyugdíjpénztár	-	34	118	3	0,92% - 1,36%	between 4,4 and 7,21%

Following the general vital indicators, a social media and online presence audit were carried out by us. During the evaluation we investigated that in average how many interactions the pension funds social media platforms receive. Based on the results we compared them to each other. Most marketing strategy ideas are closely linked to online opportunities, which is not surprising given that the target group identified can be reached most effectively through these platforms. The marketing plan chapter will explain the comparison of marketing activities in more detail.

In the competitor analysis, the top 10 competitors were looked at, i.e. the most prominent funds on the market. The background of the pension funds was first compared and then the number of members, the assets under management and the number of investment portfolios available. The 20-year TKM indicators and the 10-year average net investment return were also examined. The present Competitive Price Analysis was completed in 2022. After comparing the general vital indicators, a social media and online presence audit were conducted, as most marketing strategy ideas are closely linked to online opportunities. Not surprisingly, the target group identified can be reached most effectively on these platforms.

Table 2. Webpage audit
Source: own construction

Logo	Name	Slogan	Website strengths	Website weaknesses
	OTP Önkéntes Nyugdíjpénztár	Secure your comfortable retirement now!	The oldest Hungarian banking background, the familiar colours and shapes suggest authenticity to consumers.	The website is informative and detailed but is aimed more at the middle-aged gen. It is def. not the target g. identified in this strategy.
no specific	Allianz Önkéntes Nyugdíjpénztár	No specific	Short, easy to understand.	A sub-page of the main page of the insurer. It's hard to find; it's just a landing page; if the reader is not paying attention, they can easily get lost.
	Aegon Önkéntes Nyugdíjpénztár	Invest in your future; the sooner, the better!	Well structured website and available in several languages. It is colourful, with lots of positive images. There's a lot of CTA in the lyrics, which makes it catchy.	
	Aranykor Önkéntes Nyugdíjpénztár	The foundation of the future	Colourful, eye-catching. Well structured, highlighting essential parts, numbers, and elements. It uses the large font, making it more eye-catching.	It's more for the younger generation with its bright colours and shapes.
	MKB Önkéntes Nyugdíjpénztár	No specific	Transparent, simple, but modern. Options (buttons, subtitles, CTAs) to encourage people to call for. The target group can be both younger and older.	
	Prémium Önkéntes Nyugdíjpénztár	No specific	Attention-grabbing. It operates with icons and images. Informative.	It is not clear enough, which can make it confusing. You want to target the younger gen. with an image style.
	Erste Önkéntes Nyugdíjpénztár	Take care of your retirement with ERSTE	Modern site, bright colours, lots of pictures. It is detailed, and it has an authentic feel. It can appeal to younger and older generations alike.	
	Pannónia Önkéntes Nyugdíjpénztár	Think about your future now!	Colourful, engaging, fun, unified. Informative, clear. It can appeal to younger and older generations alike.	

Regarding the webpages' UX design, we tried the website and asked 5 university students about their experiences. These feedback provided the results for the graphs. It was important because the financial sector, banks, and pension funds are not youth brands in most cases. As most market players are only trying to suggest safety and reliability, they lose a lot of messages and do not keep up with the latest trends. Websites are not user-friendly, UX is not well designed in apps, so they are not easy to use, and many more little things that can be a watershed in today's accelerated world.

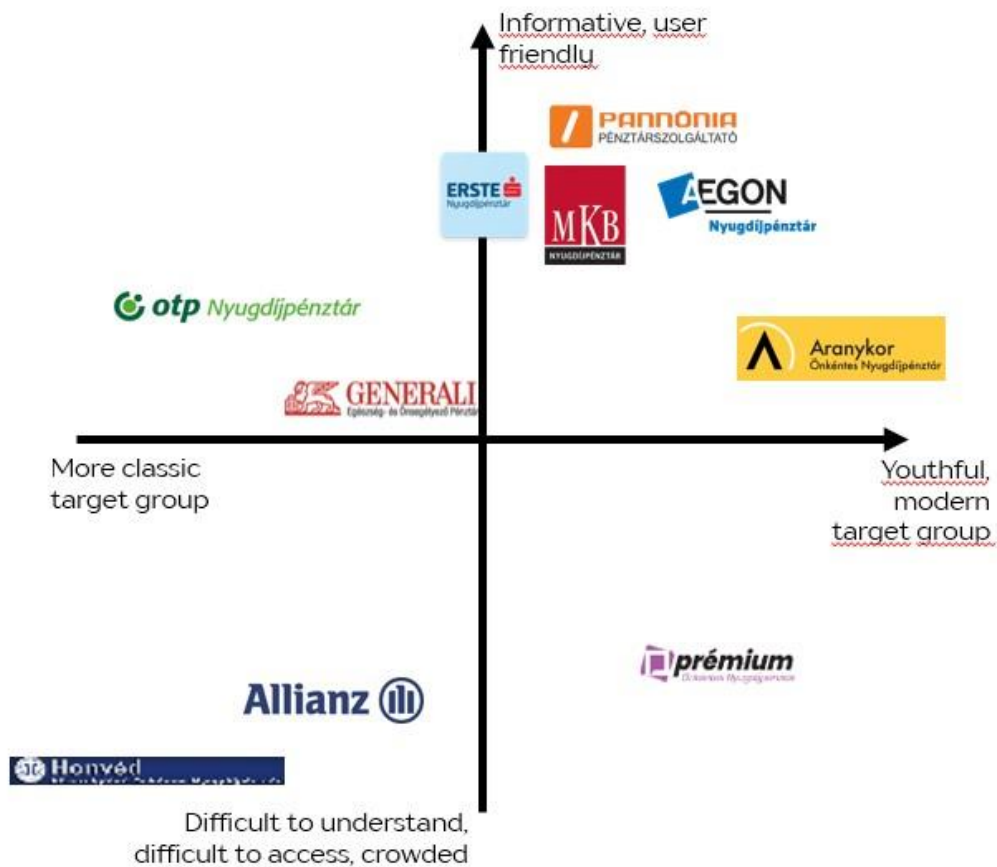


Figure 1. Webpage matrix

Source: own construction

Table 3. Social media audit
Source: own construction

Name	Facebook presence	Instagram presence	LinkedIn presence	TikTok presence
OTP Önkéntes Nyugdíjpénztár	The link is embedded on the homepage. 5890 people are following. Regular cont., excellent creative material, but low hits. Only 1-10 likes/post.	None	Central only (in Hungarian - also)	None
Allianz Önkéntes Nyugdíjpénztár		Central only (in Hungarian - also)	Central only (in Hungarian - also)	Foreign central branches
Aegon Önkéntes Nyugdíjpénztár		Central only (in Hungarian - also)	Central only (in Hungarian - also)	Foreign central branches
MKB Voluntary Pension Fund	The link is embedded on the homepage. 4894 people are following. Regular content, consistent design and creativity, but average 1 post.	None	The link to this page is emb. on the homep.. 26 people are following it. Regular cont., and creative materials. Average 1-10 post-reaction.	None
Prémium Önkéntes Nyugdíjpénztár	The link is emb. on the homep. 4868 people are following. Regular cont, consistent design, in line with the website (very bold, youthful). Average 10-50 post reactions, comments are also displayed.	None	None	None
Pannónia Önkéntes Nyugdíjpénztár		Not linked to the website. Cont. needs to be standardised and made reg.. It is also worth launching advert..	There is, but it is not linked to the website. There is no cont., and these are worth introducing. It is also worth launching ads, message request type ads for your target audience.	None
Generali Önkéntes Nyugdíjpénztár	The link is embedded on the homepage. 914 people are following. Occasional content, 1-2 times a month. Average 1-10 post reactions.	Central only (in Hungarian - also)	None	Foreign central branches have

The content should be consolidated, and at least 3-3 pieces of content should be published on a regular basis, on a weekly basis. It is also worth running ads on these. The situation is similar for LinkedIn, where the strategy mentioned above should be followed, and it is advisable to launch message request type ads. Tiktok is currently a significant gap in the market, with no one having a Hungarian account. It can be seen that the platform has already started to make inroads further west, as foreign parent companies have accounts here.

Social media presence is not very active among market players (Table 3).

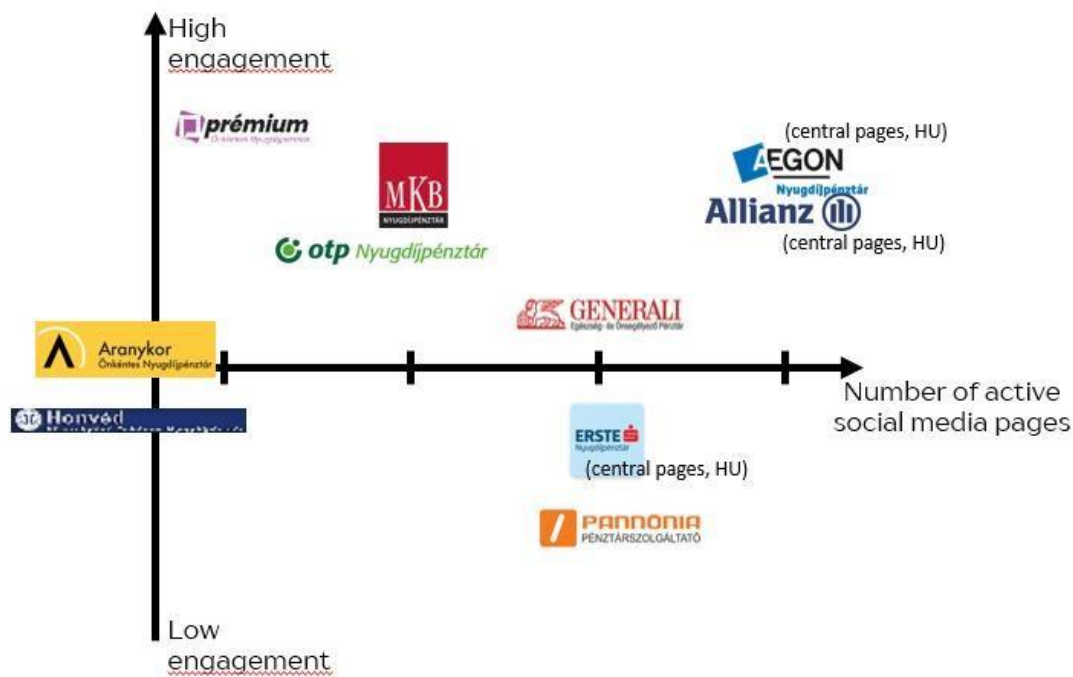


Figure 2. Social media matrix
Source: own construction

5. Conclusions

From the above-mentioned findings, it is clear that young people aged 20-25 are joining pension funds in increasing numbers. Young generation, the 18-25-year-olds are openminded, just not tangible, to the benefits of early membership. In the light of our findings it is an excellent opportunity for pension funds to reach out to young people, who are currently a group of individuals that none of the institutions is targeting with targeted communication. It is possible to get 18-25-year-olds to become members in their twenties through conscious campaigning and education. The problem is that pension funds are not currently communicating consciously to the youngest age group and their web pages are not user friendly. The marketing campaign's development can start a youth communication that appeals to young people.

This campaign's aim is to get young people to make micro monthly contributions of a few thousand forints at first and increase the size of their contributions over the years as they become more secure. It

is important that the pension fund does not let go of young people after they have joined. They have to support and actively communicate with them through newsletters, blogs, surveys and individual offers. Have regular social media content, develop communication under the content, Google ads based on keyword research and keep it running. A minimum of 3 Facebook and Instagram posts per week, one educational blog post per week, two newsletters per month and one short educational video per month should be posted on the various platforms. It is essential because an active and regular social media presence suggests credibility and trustworthiness to the potential target group.

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