



DC Plan Providers Failing to Position Their Brands to Maximize Market Share

Cambridge, Mass., (July 6, 2011) – According to a new report released by Cogent Research, defined contribution plan sponsors of all sizes value Service & Support over a variety of other attributes in determining which plan provider should run their DC plan. While a variety of niche players have managed to distinguish their brands on this front, few providers have been able to also achieve high brand recognition among participants – a combination the Cogent Research study finds to be critical to winning market share. These and other findings are addressed in the Cogent Research Retirement Planscape™ 2011 Study which was released last week. The study is based upon a representative survey of 1,600 DC Plan Sponsors across all plan sizes and industries.

Based upon a driver analysis which looks at the relationship between likelihood to consider a plan provider and association with any of 13 attributes, including Service & Support, Good Value for the Money, Participant Brand Recognition, and Leader in the DC Industry – among others – Cogent Research was able to isolate those attributes that are “table stakes,” those attributes that are “differentiators,” and those that just plain don’t matter when it comes to choosing a DC plan provider.

While lack of brand recognition among participants can certainly be a detractor – that is, it can prevent a provider from making it to “the table,” Cogent found best-in-class plan sponsor Service & Support serves as the strongest differentiator – that is, maximizes the chance that a plan provider will be selected to run the plan. “Being well-known and liked – what we like to call brand equity – can only get you so far” says Christy White, Cogent Research Principal. “To really stand out from the competition in the minds of plan sponsors, providers need to excel at the things that matter most to them – service and support. Problem is – no one plan provider has managed to be highly associated with both of these critical attributes,” she added.

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The list of the top ten providers in terms of association with participant brand recognition includes firms most commonly recognized as leaders in the DC industry, with Fidelity Investments, Charles Schwab, and Vanguard topping the list. However, the list of providers that are distinctly associated with the attribute of Service & Support looks quite different:

Top Ten Plan Providers that have Distinguished their Brands on Service & Support:

1. Ascensus
2. Milliman
3. Affiliated Computer Services
4. Mercer
5. Diversified Investment Advisors
6. Great-West Retirement Services
7. Paychex
8. The Standard
9. Hewitt
10. ADP Retirement Services

Source: Cogent Research Retirement Planscape™ 2011

“This void in the market represents both an opportunity for niche brands to improve their acquisition efforts by upping awareness levels among plan participants, as well as a challenge for more established industry players who need to become as well-known for Service & Support as they are for being just well-known” added Linda York, Senior Product Director at Cogent Research.

About Cogent Research. Cogent Research helps clients gain clarity, obtain perspective, and formulate direction on critical business issues. Founded in 1996, Cogent provides custom research, syndicated research products, and evidence-based consulting to leading organizations in the financial services, life sciences, and consumer goods industries. Through quality research, advanced analytics, and deep industry knowledge, Cogent Research delivers data-driven solutions and strategies that enable clients to better understand customers, define products, and shape market opportunities in order to increase revenues and grow the value of their products and brands.

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