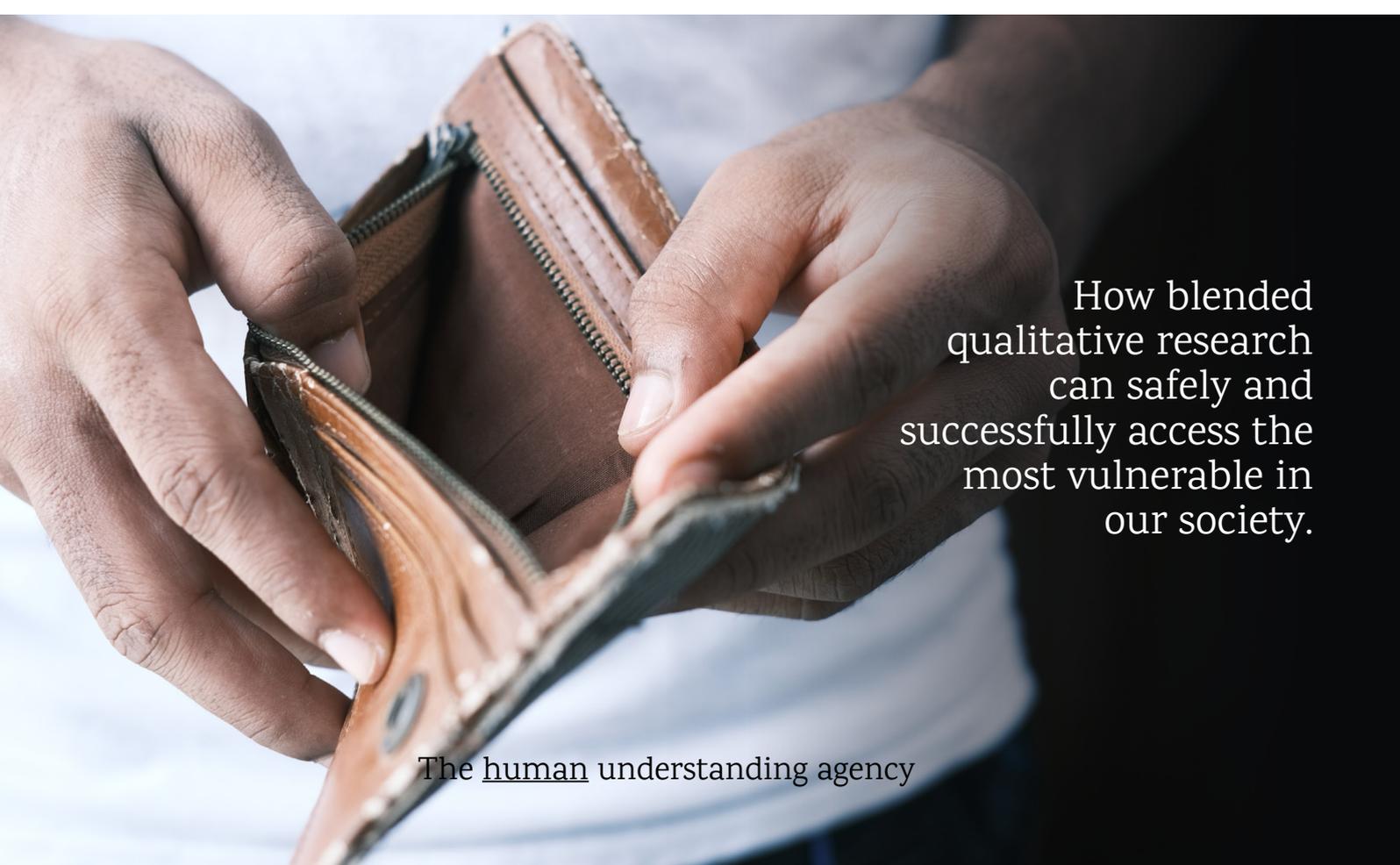




Are you meeting the needs of your vulnerable customers?

By Rebecca Hitchmough,
Associate Director – Walnut Unlimited
Rebecca.Hitchmough@walnutunlimited.com

November 2021



How blended qualitative research can safely and successfully access the most vulnerable in our society.

The human understanding agency



Vulnerability is rising, and it's rising rapidly

Almost 28 million people are now considered financially vulnerable in the UK. If you're anything like me, you'll find that a baffling and deeply troubling number to get your head around. But how do we begin to make sense of this and what does it mean for brands?

As someone who has specialised in researching vulnerable audiences for several years, it has, up until now, been considered somewhat niche. But not only is that changing, it is changing rapidly and industry regulators are starting to respond.

Just look at the Financial Conduct Authority (FCA). By the end of 2022, they require all those they regulate to do more to protect their vulnerable customers. And I suspect it won't be long until other industry regulators follow suit.

The FCA describes a vulnerable customer as someone who, 'due to their personal circumstances, is especially susceptible

to harm'. The definition of vulnerable customers (whether it be financial, academic or research based) is wide ranging to say the least, but ultimately, this is about human understanding. At Walnut Unlimited, we know vulnerability is not a fixed state, as people may drift in and out of vulnerability throughout their lifetime dependant on a range of internal and external circumstances. These could include poor health (such as long Covid), life events (such as being made redundant), or low capability (such as poor numeracy or literacy skills). Essentially, there is no one size fits all definition that will encompass every variation of vulnerability, risk, and circumstance.

A more helpful way to identify vulnerable customers is to understand how their circumstances impact their decision making and engagement with brands and from there, think about how companies can then ensure that these customers are afforded the appropriate level of care to make sure they do not suffer harm because of their circumstance(s).

Why is it important?

The evidence* couldn't be clearer - the main factor driving vulnerability across all age groups continues to be wealth. Less affluent customers suffer more from low financial resilience, low financial capability, negative life events, and health problems. Basically, being broke will permeate every aspect of your life making you vulnerable across every marker out there. And with reduced universal credit, soaring gas prices and the end of the furlough scheme all just around the corner, the number of people in need of protection is set to skyrocket.

But struggling financially, isn't the whole story. Another major problem is that people do not always perceive themselves as vulnerable, which is an understandable response given how value loaded the label is. But this lack of self-identification has consequences. It means that many people who qualify for support from companies rarely reach out to access it.

*Ipsos FRS <https://www.ipsos.com/ipsos-mori/en-uk/financial-research-survey-frs>

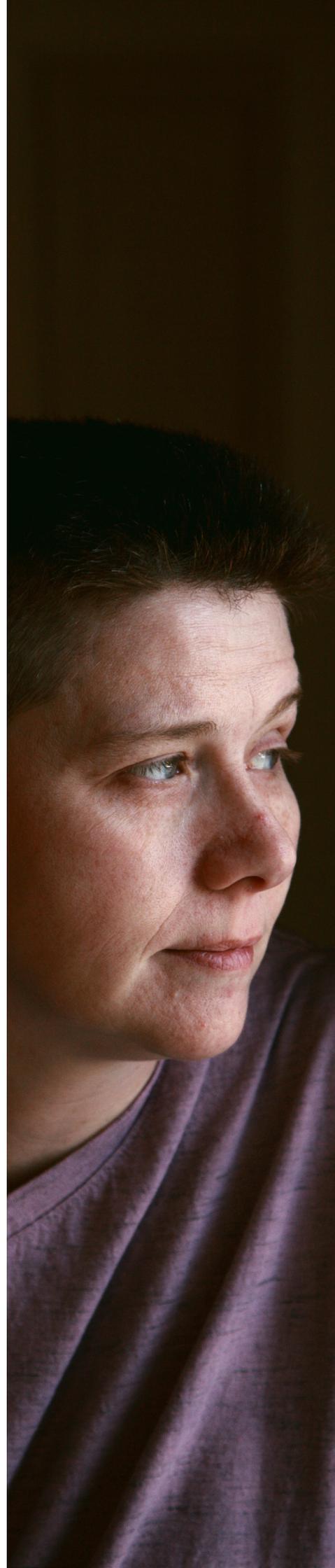


What can companies do to meeting the needs of vulnerable customers?

It's clear that the onus of responsibility must lie firmly on the shoulders of brands to proactively protect, rather than reactively respond, to those most at risk. Putting vulnerable customers first should be at the heart of any decent business model. It makes good regulatory sense, and it definitely makes good business sense. We believe by helping brands understand their vulnerable customers and their relevant risk, we can help them to create better services whilst simultaneously safeguarding the most vulnerable in society. Just a few areas we have worked in:

- **Financial services brands** like banks, insurers, lenders and debt management companies are arguably most at risk when it comes to impacting our nation's vulnerable population. These companies must safely and comprehensively take stock of how their services can impact all customers, not just those who classify as vulnerable – and, most importantly, fathom what can be done to mitigate any fallout.
- Those industries that are already highly legislated because of the implications for those most vulnerable are more likely to see increases in legislative changes, rather than any drop – areas like **tobacco, alcohol and gambling** must be acutely aware of those who are at most risk.
- **Government bodies** who enforce laws and legislations upon the population can use insights to understanding the impact on those most vulnerable and ensure campaigns and communications land the right message.
- **Charities** charged with protecting the most vulnerable in our society must first understand their challenges and struggles. It may seem obvious, but with a changing landscape of vulnerability it is important for charitable organisations to maintain an up to date 360-view of those they are charged with safeguarding.
- Malnourishment and food poverty is on the rise in the UK, and the pandemic only accelerated this – a high publicised story emphasised by Marcus Rashford across the media. Are **retailers** doing enough to support those who cannot access the very basics needed to survive? What is being done at local level to help the communities around these retail giants?
- It may be a bit left field, but **FMCG brands** who are selling products that fall into HFSS legislation are already anticipating changes to the way they promote products as tighter HFSS restrictions are already on the horizon.
- **Just about anyone else!** We can pinpoint many criteria that contribute to vulnerability, but there are still so many unknown factors. At the very least, many vulnerable customers may be using your brand, product or service. Do you know if/how/why?

The onus of responsibility does not just lie on the shoulder of companies, but also us as market researchers. As researchers, we have the important and powerful role of communicating the needs and experiences of vulnerable customers and communities to those who can bring about change.





Our approach to understanding vulnerable customers.

One single, neatly packaged business approach simply won't do when it comes to treating customers fairly. This is mirrored in our approach to research as we design tailored solutions to help you better understand your customers. We know all too well that flexibility must be at the heart of any research design if we are to ensure that all customers are given a voice and we don't inadvertently exclude those who have so often been ignored. This is why, at Walnut Unlimited, we take a bespoke approach to every research problem, and utilise a range of traditional and innovative methodologies to ensure all of your customers' experiences are heard and understood.

That's not to say that research among this audience is without its challenges. In any project it is crucial to consider any potential avenues through which harm can occur whilst simultaneously respecting the freedom and experiences of participants. I think all researchers would consider the mission to understand the experiences, risks and needs of vulnerable customers, as a high-risk area. Therefore, it is imperative that we uphold the highest of standards and ensure those helping us to achieve this goal are well-informed, never misled and are not subject to any undue harm.

Here's a few (of the many) example techniques we think are best suited to access vulnerable customers.



Behavioural Science:

When applying Behavioural Science (BeSci) thinking to vulnerable audiences it really comes down to one core idea - not making customer needs fit into an existing or new product/service, but starting with the customer needs and designing products and services to meet them. Of course, this isn't just relevant for vulnerable audiences but is even more important for this group given their specific needs and access challenges.

We use BeSci to improve our client communication and product strategies by helping you understand behaviour better. We use a series of behavioural frameworks to help clients dig deep into how decision-making works at a rational and subconscious level. These frameworks help us uncover the context, motivations and barriers for vulnerable customers.

Our overarching framework EMMA© (Emotion, Motivation, [contextual] Meaning and Action) bridges the gap between people and brands. All of our frameworks feed into our EMMA© model of human decision making. The EMMA© model condenses the complex understanding of humans into a clear, concise and easy to use approach. It encapsulates how decision-making works at a rational and subconscious level. An approach all the more essential when researching vulnerable audiences.

The combination of EMMA & Shortcuts gives us at Walnut the ability to strategically unearth the deeper context behind your customers' vulnerabilities, how their circumstances impact their lives in general and their decisions around insurance in particular. Then, we can drive forward actionable recommendations to create products and services that can help facilitate better access and solutions to them.



Participatory:

Here at Walnut, we adopt a participatory approach when researching vulnerable and less heard communities. This is sometimes known as co-production or peer-led research. Often, the research relationship between participants and researchers is purely transactional – we take their experiences and retell their stories to companies. There is little direct input from customers in how certain issues should be researched, or even what issues are a priority to be understood. As market researchers, and ultimately the gatekeepers of customers' lived experiences, we need to ensure the research process is not just transactional, but instead, empowering.

Our participatory research draws upon and values participant knowledge, experiences, and capabilities at every stage. Our Walnut researchers work collaboratively with a small number of customers identified to be vulnerable, who act as co-researchers. Their role is often similar to a researcher throughout the project, but they ensure their lived experiences are embedded in the research from design to dissemination.

For example, your customers review your research objectives and ensure they tackle the most salient issues and address their needs; help to shape discussion guides and questionnaires so that no key topics are missed; and be given the opportunity to deliver results directly to stakeholders whilst drawing upon their lived experiences.

Our approach aims to bridge the gap between companies and their vulnerable customers, by balancing out the influence and control researchers have. But alongside this, incorporating the voices of those who you are researching, and especially those classified as vulnerable or who's voices are less heard in research, helps to deliver more impactful, meaningful research practices and ultimately ensures changes are led by those it will impact the most.

Ethnography:

Of course, there's several approaches to researching vulnerable audiences... focus groups and depth interviews all have their merit, granted. And of course, each approach should be chosen based upon the needs of the individual. That said, it is ethnography that is traditionally done the heavy lifting when capturing rich, contextual information which builds that much needed moderator / participant trust.

Essentially, ethnography allows us first-hand experience of your customers. It adds contextual understanding into customers perceptions and experiences towards their vulnerability and how these effect and shape their experience of, and needs from your products and communications.

Lasting approximately c. 3 hours, the in-home ethnography consists of a range of questions, projection techniques and observations. Each ethnography is moderated by one our highly qualified and experienced qualitative social researchers. Our moderators are skilled in researching audiences with a range of complex vulnerabilities and are passionate about getting it right.

By utilising this approach, Walnut are able to provide you with a rich source of visual data and helps reveal unarticulated needs from you and your brand. It places a human face on data through real-life experiences and can provide a deep understanding behind quantitative findings you may already hold.

By embedding this approach in BeSci we can capture emotional and practical behaviour so we can better understand how vulnerability shapes the lives of your customers and identify discrepancies between what your customers say they do and what they actually do.

WAL
|
NUT



WAL
|
NUT



But don't just take our word for it...

We have a tried, tested and agile approach to understanding vulnerable customers grounded in qualitative expertise and Behavioural Science thinking that has won us the MRS Grand Prix award among several other industry recognitions for our work.



Below you can read a handful of examples of this:

Understanding how perceptions increased vulnerability for



HM Government

We worked on behalf of the Government to explore how perceptions and experiences of local communities relate to increased vulnerability to radicalisation. A project like this required a research design that went beyond the traditional, that's why we opted for a walking **ethnographic approach** with those vulnerable to Far Right or Islamist ideology. This approach allowed participants to take us around their communities and highlight places of significance or tension. I'm unable to divulge much here given the sensitivity of the project but I can say that this pioneering approach elicited insight that I'm convinced we couldn't have gained otherwise.

Giving people a voice through research for



We took our research findings to parliament to support The Multiple Sclerosis Society (MS Society) with challenging current government policy. This was made possible by underpinning our research design with **participatory methods** to ensure the entire research process reflected the views of people living with MS. In other words, we ensured that the research gave people a voice, rather than spoke on their behalf to echo the activist mantra "nothing about us without us". The powerful and compelling research findings were taken to parliament to lobby the government to rethink their disability benefits policy and to show the impact of the new policy on those living with MS.

Understanding how to support vulnerable customers for



We've been working with Lowell, a debt management company, to better understand how they can support their vulnerable customers. Lowell has an exciting and noble mission – they want to transform their industry from one that is notorious for its poor treatment of vulnerable customers to one grounded in ethical and dignified management of some of those most at risk in our society. Our current project with Lowell is exploring the impact of unmanaged debt on customers mental and/or physical health. Through their investment in **behavioural science thinking** and **blended research** with us, Lowell are trailblazing their way to setting the gold standard of vulnerable customer management within the financial industry.



Translating research findings into actionable insights to better support your vulnerable customers

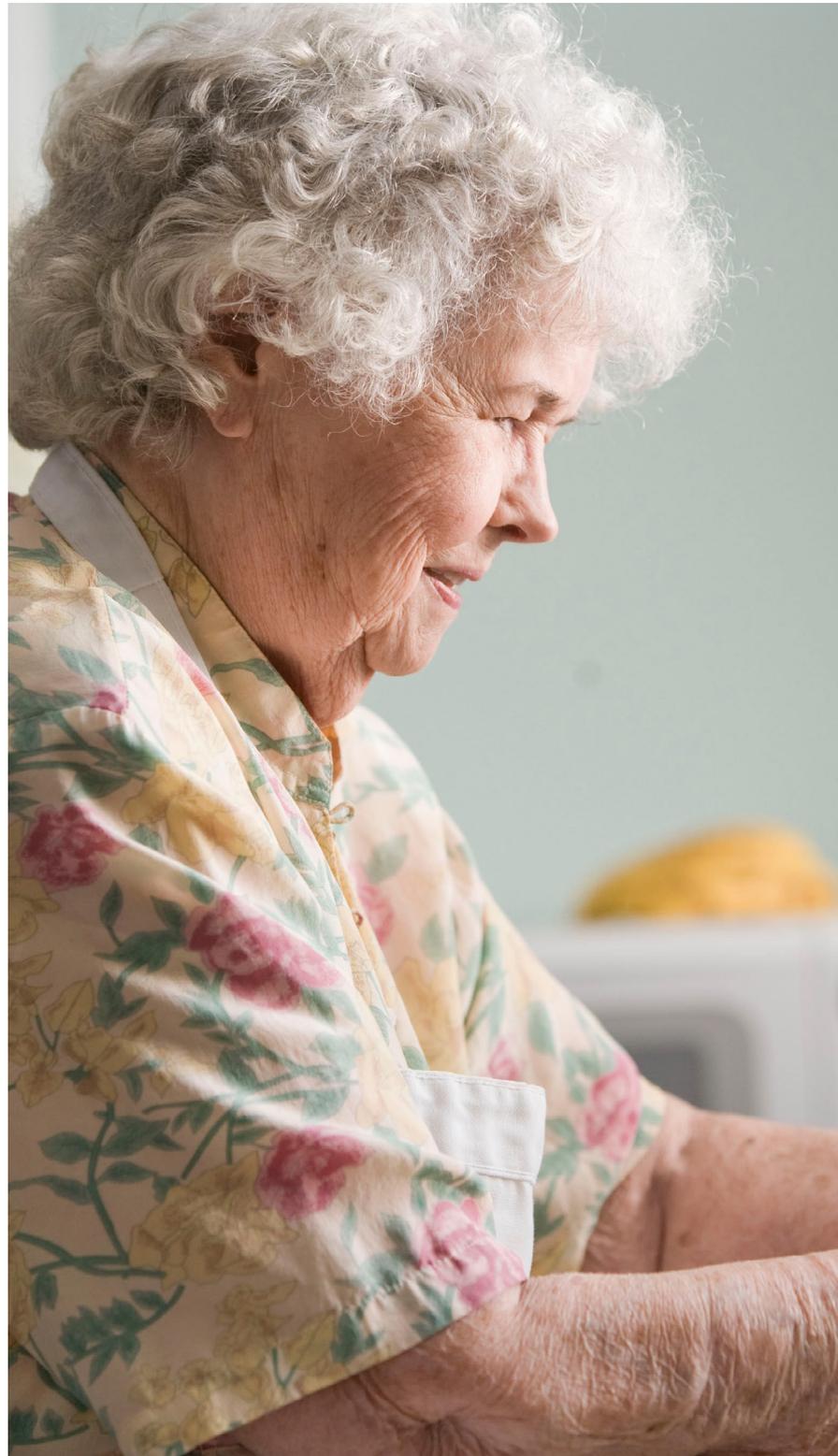
It is now more essential than ever to know how to translate research findings into actionable insights when supporting vulnerable customers. We support brands to both gain a thorough understanding of their vulnerable customers and to use this insight to optimise their products and services to better meet the needs of their vulnerable customer base.

We welcome and are excited about this much needed shift in the industry. It is crucial that brands not only act proactively but empathetically, and we strongly believe our experience in researching vulnerable audiences can help brands step up to support and preventatively protect their vulnerable customers, rather than reactively respond to them in times of crisis or risk.



If you're interested in understanding your vulnerable customers, email me at

Rebecca.Hitchmough@walnutunlimited.com



A person with long hair, wearing a dark-colored t-shirt, is seen from behind, pulling a white, sheer curtain to the left. The curtain is partially open, revealing a bright window with a white frame. The scene is dimly lit, with the primary light source being the window, which creates a strong contrast and casts soft shadows. The overall mood is contemplative and serene.

WAL
|
NUT

The human understanding agency