

Sanlam hosts SA's first fully immersive media briefing in the metaverse

Research including more than 5,000 South Africans has shown the nation is not making the right money moves at crucial life stages, resulting in massive gaps in their financial planning.



Source: Supplied. Avatars exploring Sanlam's virtual world.

The Sanlam-commissioned *News24* survey also showed more than half (54%) of respondents would advise their younger selves to think of money as an asset to grow, rather than a luxury to spend. Despite knowing what to do to thrive financially, many are understandably focused on their short-term financial priorities rather than making financial decisions based on long-term success. Across all age categories, most do not have core financial products.

These findings were released at Sanlam's first fully immersive media briefing in the metaverse, where it also launched its new campaign *Life of Confidence*.

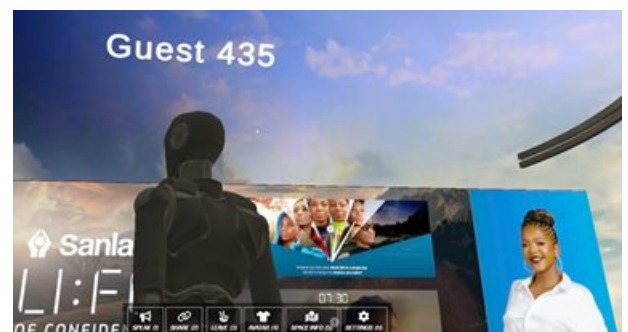
The event saw just under 500 people in attendance, represented as avatars who were able to explore Sanlam's new virtual meeting space, which featured a main stage, gallery and breakaway rooms.

The virtual space was designed using digital tools featured on Mona - a platform for fully customised interactive worlds. It provides creators with open tooling and infrastructure to freely launch high quality experiences in the metaverse.

Its use-cases include optional tokenised gated access to virtual spaces for socialising, exhibiting and for livestreaming events such as the one offered by Sanlam.

5,205 demographically and geographically diverse South Africans across various life stages took part in Sanlam's survey.

Zweli Moyo, executive head: strategy and impact office at Sanlam, says, notwithstanding the macro challenges impacting South Africans, one of the main reasons we miss crucial moments to make sound financial-planning decisions may lie in what is known as 'present bias' or 'future discounting'.



Source: Supplied.

“This is the tendency to choose instant reward above the benefits that come with restraint, time, and planning. In fact, research has found that humans cannot picture their future selves in any true capacity. When we think of our future self, the synaptic activity in the brain is the same as when we think of a stranger.”

Findings show that people regret not getting financially organised and educated earlier in their lives.

Financial literacy a sticking point

The key findings of the survey:

- The majority of respondents in every life stage said they would advise their younger self to ‘think of money as an asset to grow, not a luxury to spend’. ‘Enjoy your money, you only live once’, came in as the lowest recommendation for younger selves across the board.

But reality looks a lot different: the top two financial concerns across all life stages are making ends meet and paying off debt. From age 50 until retirement, the biggest concern after making ends meet, is retiring comfortably.

- Just 10.3% of 18 to 24-year-olds surveyed have a retirement product; with only 17.6% in the 25 to 29 age group having a retirement product. Unfortunately, this means the vast majority are not taking advantage of compound interest and tax breaks linked to saving for retirement.

Only 7.2% of the retired respondents say that they had felt well prepared to retire. Unless people are encouraged to act early, the outcomes for future retirees are unlikely to improve.

- Overall, 41.3% of respondents have life insurance, with under a half (49.4%) of 40 to 44-year-olds (49.4%) and 45 to 49-year-olds (47.8%) having life insurance.



Source: Supplied.

- Providing for education, leaving a legacy, and even being able to buy property came in as a lower priority across all age groups than paying off debt and making ends meet.

This indicates that South Africans are living largely on the backfoot, rather than being focused on financial provision for aspects of life that build wealth and success.

- 67.3% of all respondents don't have a financial adviser. The younger life stages -18- to 39-year-olds - use the internet as their main source of advice. Ages 40 onwards: mainly get financial advice from an adviser.

Moyo said that competing short- and long-term priorities, as well as the natural tendency to focus on the here and now, often result in a misalignment between our intentions and our actions. “We want to thrive financially, but we get into debt. We want to stop working and enjoy our lives, but we don’t prioritise saving for retirement.

“We want to become wealthy, but we don’t invest. Making decisions today to secure your future financial wellbeing may seem overwhelming, but there are resources available to help you on this journey. You don’t need to do this alone.”

Mariska Oosthuizen, chief marketing officer at Sanlam says, “Sanlam’s promise is to help all Africans live with confidence. A key part of delivering on this promise means using human insights like short-term bias creatively to engage audiences and catalyse them to empower themselves and thrive financially.

The research has shown an alarmingly low incidence of financial planning and financial product ownership and therefore resilience and preparedness among South Africans. Our challenge is to find ways to engage differently, to help South Africans realise the benefit of planning and looking at their finances as a lifelong priority.”



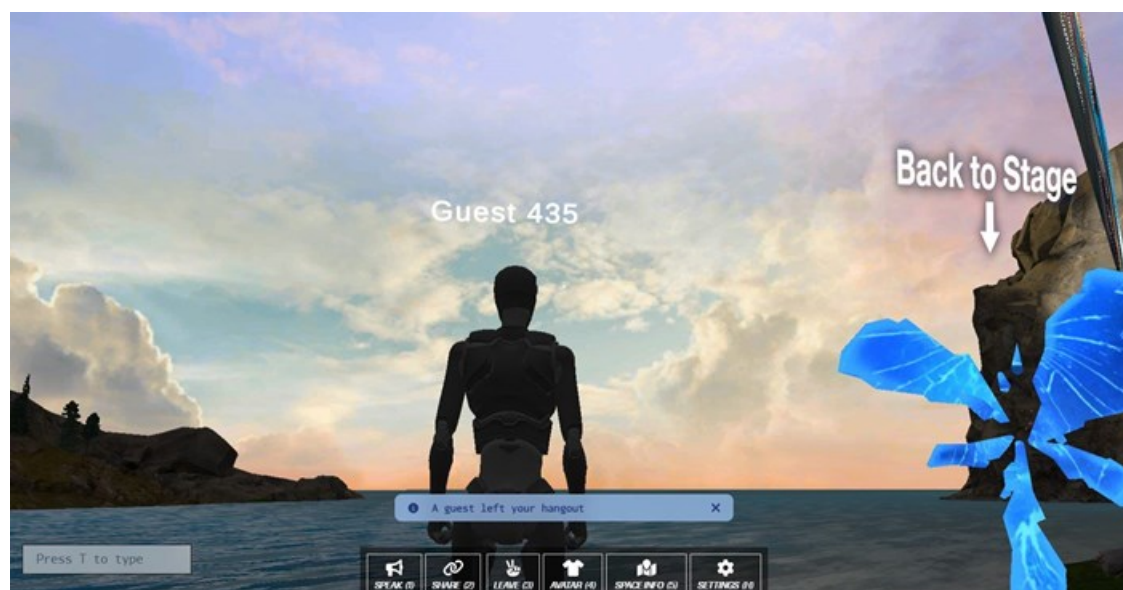
Source: Supplied.

Avatars at the forefront of financial education

To showcase the impact of ‘present bias’ on financial planning, the Sanlam group is launching a new financial education initiative, Life of Confidence, which uses a range of digital tools to help address this short-termism.

Oosthuizen continues, “We are taking these human insights and neuroscience behaviour and looking at how we can help spark more long-term thinking and planning. Using a time period that every one of us can easily conceive - 24 hours - to help people connect with their future selves and encourage more South Africans to take financial action at pivotal life moments.

“We are hoping this catalyses better decision making at the moments in life when it counts most.”



Source: Supplied.

At the core of the campaign is Zesande, a digital avatar who lives her entire life in a day.

“We map out the course of her lifetime in just 24 hours – for instance at 6am she is 20 starting out in the working world and by 8pm she has entered retirement - educating consumers about the big financial decisions and plans that need to be

made at each stage to live a life of financial confidence.

" Concepts such as compound interest, retirement savings and life insurance are explained and linked to the time of life when those are most important for individuals, helping them tangibly map out their financial lives on a time continuum.

Creatively engaging the metaverse

"Through Life of Confidence, we want to help South Africans understand what is most important at their present and future life stages, and encourage them to take the necessary steps. This will give them the highest level of financial preparedness and success and set them on the path to a life of financial confidence.

"The campaign has allowed us to realistically depict living an entire life in a day and demonstrates financial learnings in a creative, compelling way," said Oosthuizen.

Additional elements include an interactive digital experience by means of desktop or mobile technology where South Africans can learn what they should be considering at the key life moments.

The campaign's media launch took place in the metaverse today (Tuesday, 31 January), a first for South Africa.

For more, visit: <https://www.bizcommunity.com>