



# Smart Energy GB Consumer engagement plan

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# 1. Introduction

## 1.1 Introduction

This document is the latest updated consumer engagement plan produced by Smart Energy GB.

## 1.2 Objectives of Smart Energy GB and other relevant supplier licence conditions

The Modifications to the Standard Conditions of Electricity and Gas Supply Licences, Electricity Distribution Licences and Gas Transporter Licences (Smart Meters) (hereafter “the licences”) state that the objectives of Smart Energy GB are:

- Build consumer confidence in the installation of smart metering systems by gas and electricity suppliers;
- Build consumer awareness and understanding of the use of smart metering systems (and the information obtained through them);
- Increase the willingness of energy consumers to use smart metering systems to change their behaviour so as to enable them to reduce their consumption of energy; and
- Assist consumers with low incomes or prepayment meters, or consumers who may encounter additional barriers in being able to realise the benefits of smart metering systems due to their particular circumstances or characteristics, to realise the benefits of smart metering systems while continuing to maintain an adequate level of warmth and to meet their other energy needs.

These objectives apply in respect of energy consumers at domestic premises and, where it is cost effective to extend consumer engagement activities undertaken by [Smart Energy GB] so as to also include the engagement of energy consumers at relevant designated premises (i.e. microbusiness customers), in respect of such consumers.

### 1.3 Supporting the growth in the targeted number of smart meter installations in 2016 and into 2017

The number of smart meter installations targeted by energy suppliers rises notably in 2016 from 2015; all geographic areas see a year on year increase in installations and so extremes of geographic variance in the locations of targeted installations decline somewhat as we move from 2015 to 2016. This means that in 2016 it will become increasingly efficient and effective for Smart Energy GB to use more national mass media channels to play a role in building knowledge and understanding of smart meters, with regional/demographic specific channel up-weighting adding the elements that best deliver our further campaign tasks.

## 2. Lessons from test and learn in 2015 activity

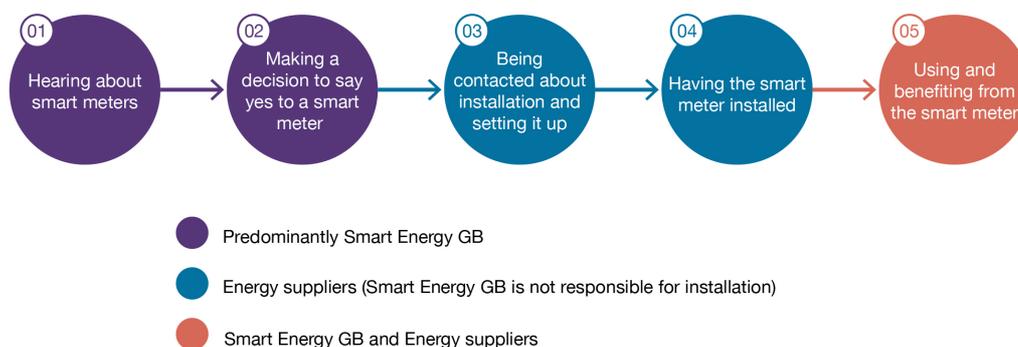
Throughout its operation, Smart Energy GB has committed to using a test and learn approach so that we continually improve both creative approaches and our channel choices for the delivery of engagement activity.

This test and learn approach is underpinned by comprehensive independent evaluation of activity, both for activity that has been delivered at scale (e.g. advertising, PR coverage), and also when other specific types of activity have been used.

### 2.1 The customer journey

We are pleased to have received positive endorsement from test and learn that we are correctly defining the role of Smart Energy GB and individual energy suppliers in working together across the consumer journey; from first learning about smart meters through to successfully using those meters to manage and reduce their household or microbusiness' energy consumption. This is set out in figure 1 below.

Figure 1: The complementary roles of Smart Energy GB and energy suppliers in any individual customer's journey



It should be noted that even in stages 3 and 4, consumers will benefit from Smart Energy GB produced materials and information designed to support the installation experience and be “supplier-neutral” or provided “white label” for individual supplier branding.

## 2.2 The structure of communication tasks

Independent evaluation also continues to endorse the broad structure of communication tasks that we have defined to reflect different audience attitudinal positions:

<p>People pre-disposed to think that new technologies “<b>sound good</b>”</p>	<p>Ensure that they are <b>aware of and understand</b> the role of smart meters &amp; the steps needed to access their smart meter</p>
<p>People who are busy and may be minded to think this is “<b>not my priority</b>”</p>	<p>It will be important that our messages reach them in ways that really deliver compelling <b>relevance and social proof</b></p>
<p>People who tend to think that new developments, or accessing a new development such as smart meters, may make them nervous or <b>sound difficult</b></p>	<p>There is a need to <b>educate and reassure</b> in messaging and means of communication and for some in this group it will be especially important to see the endorsement of a partner they trust alongside Smart Energy GB’s own role</p>
<p>People who are <b>disconnected</b> from mainstream life and/or <b>vulnerable</b> in ways that would make it difficult to engage them in the customer journey (as described in detail in our publication <i>Smart energy for all</i>)</p>	<p>These audiences will need <b>hand-holding</b> to support engagement (or even to provide the gateway for any engagement and the customer journey at all). To deliver hand-holding efficiently, a trusted endorsement (or even presence ahead of our brand) is even more important for people falling into this group. Partnership marketing delivery will be critical in this area</p>

Independent evaluation has endorsed the quality of the Smart Energy GB creative approach and the core Gaz & Leccy campaign. Smart Energy GB continues to learn from evaluation to hone creative design and message but we are pleased that we do not need in 2016 to plan for any major revision of creative approach; and indeed the levels of those reporting that they find the campaign informative and engaging already bode well for the potential as Smart Energy GB extends Gaz & Leccy into further channels next year.

In terms of bought media channels/media buy selections, in 2015 Smart Energy GB tested different channels through independent evaluation of effectiveness (including through some A/B testing) and will use findings to select most effectively and efficiently bought media in 2016.

We are pleased that independent evaluation has reported strong results for the effectiveness of the company's consumer PR in both growing positive smart meter coverage, and the Smart Energy GB share of voice in any smart meter coverage. However, this is an on-going task, and so the evaluation really only confirms that Smart Energy GB must continue with, and indeed continue growing, consumer PR outcomes and impact

### 3. Key aims in 2016

The most recent *Smart energy outlook* (our 10,000 person benchmark bi-annual tracker of public attitudes, produced by Populus and published September 2015) findings showed that 23% of the British adult population understand what a smart meter is (we describe this as “understanding”) and that 14% of the British adult population both understand what a smart meter is and state an interest in having one/already have one (we describe this as “propensity”).

Being able to see energy usage in pounds and pence (60%) and receiving accurate bills (41%) are the most appealing features of smart meters for those who have understanding and remain important “gateway” messages to convey as we aim to grow understanding of smart meters. Nevertheless, we believe that it will continue to be important to communicate that the smart meter rollout is a nationwide upgrade of the energy infrastructure in homes across Britain, with both individual household and nationwide benefits.

#### 3.1 Smart Energy GB’s approach to behaviour change

In planning Smart Energy GB’s approach to delivering our behaviour change campaigns, we are mindful of three key behavioural concepts/challenges associated with the task: inertia (people prefer to do nothing than something), short-termism (people like to focus on the here and now) and future discounting (people do not necessarily recognise the value of long term gains).

Much work has already been committed to working out the optimal behaviour change model for Smart Energy GB’s aims, including significant consumer research, stakeholder consultation, channel modelling, behaviour change modelling and audience segmentation. We looked at models of behaviour change and energy behaviour change campaigns around the world.

The approach to developing and delivering our behaviour change strategy is underpinned by our commitment to test and learn, driven by insight from both Smart Energy GB’s own sources and external sources, and developed with the support of the Smart Energy GB behaviour change expert panel which has met several times during 2015 and will continue to do so during 2016 and beyond.

Smart Energy GB believes that our planned interventions in behaviour change can be broadly categorised as follows:

- Assets and insight to support energy suppliers in direct channels before an installation (such as direct marketing copy informed by behavioural economic thinking)
- Assets and insight to support energy suppliers during an installation (such as film assets for consumers to watch whilst the installation is taking place)
- Assets and insight to support energy suppliers after an installation (such as leave-behinds to engage families with energy saving and the smart meter display)
- Use of media partnerships to promote energy efficient and smart meter centric behaviours as new social norms
- Use of above the line advertising, PR and social channels to drive specific behaviour change messages regionally and nationally
- Use of partnership marketing to make specific interventions with harder to reach audiences

Securing behaviour change as early as possible in the journey, even if this is simply encouraging assertion of intended behaviours before an installation (which we can assume will increase likelihood of those behaviours materialising) can be key to success. The Smart Energy GB team will therefore work with energy suppliers and experts at the Behavioural Insights Team to test wording in pre-installation communication that may prime consumers for the expected behaviour changes. We also believe that interventions during and immediately after an installation will be valuable.

The Smart Energy GB message framework for the campaign through to 2020 sets out a glide-path from the need for change (the energy industry needs modernising) through to sustained use (be part of it). Smart Energy GB is commissioning modelling to identify smart meter penetration tipping points locally and nationally to inform message selection in above-the-line channels. This reflects that behavioural economics talks of the availability heuristic - whereby if a concept is more available to your short-term memory/recall you are helped to believe that it is common.

The use of language throughout the campaign will be based on behavioural insights, and Smart Energy GB plans to increase testing of this in 2016. For example, the endowment effect (people dislike losing something that they own disproportionately more than they like gaining something they don't own) will be something we consider in framing savings/losses.

As shown with previous large-scale behaviour change campaigns – Digital Switchover (70+ specific activity), Public Health (partnerships, BME) Road Safety (children's power as advocates) – specific activity is needed to influence in particular hard to reach audiences (as set out by Smart

Energy GB in the publication *Smart energy for all*). Traditional marketing routes are proven not to be as effective here and the best return on marketing investment is niche activity. Smart Energy GB will therefore test behaviour change interventions against these specific audiences to ensure that the required behaviours can be embedded across the board (and indeed to ensure that particularly vulnerable audiences do not make inappropriate behaviour changes, such as failing to maintain an adequate level of warmth in their homes).

Clearly, Smart Energy GB would want a great deal of its behaviour change learning also to be valuable to be implemented by energy suppliers in their own channels; and indeed it is an important manifestation of the value that we provide that we support best practice in this area across suppliers.

## 4. Marketing activity in 2016

### 4.1 The strategic context for marketing

As Smart Energy GB aims to grow the level of understanding and propensity in 2016 from 2015, our campaign now moves from a phase when marketing activity was predominantly highly regionally based, to one where it is more efficient to move to more mass media channels. Essentially this is a scientific equation, as we use best practice in marketing modelling to determine the mix of, and scale of marketing channels necessary to achieve our goals.

This is considered alongside the latest smart meter installation data provided to Smart Energy GB by energy suppliers via DECC, which contains far less extreme geographic variance in the location of 2016 targeted installations than in 2015. This pattern of more even geographic spread continues as the roll-out progresses in 2017, and beyond. As such, in order to support our campaign objectives relating to increased understanding and propensity, we will focus marketing activity in 2016 so that it continues with the first of the company's core two core tasks:

- Increasing awareness of smart meters.
- Normalising the existence of smart meter technology and persuading that it is relevant.

But now also extends significantly into the third task (that Smart Energy GB only started at limited scale in 2015):

- Education and reassurance for those who are interested in the benefits of smart meters but may hit a barrier of fear that the technology is too complicated for them or that there is a hidden negative.

And launch in a fourth task that Smart Energy GB has to date yet to start:

- Hand-holding for those that need additional support and ensure that we are reaching audiences with additional barriers, predominantly through partnership marketing delivery with organisations that have existing reach and/or positions of unique trust with different vulnerable or otherwise hard to reach audiences.

## 4.2 Paid media channel mix

Smart Energy GB's analysis of the predominant uses for different paid media in 2016 is:

To drive awareness	Continued use of out-of-home advertising, radio, search engine marketing; moving to use of national media in 2016, with the first introduction of TV and video-on-demand.
To deliver relevance & social proof	Continue with our strand of "estimation" activity to raise awareness of the relevance and importance of the change to the current experience; we use social channels to build the conversation, and tactical media.
To educate & reassure	Provide more detailed information regarding the rollout in press advertorials; using media partnerships and educational video content to further drive reassurance and deeper explanations.
To hand hold	Tactical use of ethnic media in areas where mainstream media consumption is low. Dedicated print and digital campaigns alongside pay-per-click to target Smart energy for all audiences. Some face-to-face activity. The predominant driver of activity in this area is via partnership marketing.

### 4.3 Creative delivery in 2016

As Smart Energy GB deepens delivery within existing channels, and extends into new channels, we will:

- Create the next stage in engaging film use of Gaz & Leccy.
- Develop content for stand out moments, on estimation but also to establish greater Gaz & Leccy recognition, so that they are effective when they become more of a mass media presence during 2016 and beyond.
- Produce the specific assets for use with microbusinesses and that are also designed for/adapted for audiences with additional barriers.
- Produce the suite of versatile assets that can be used by suppliers and partners in their own external and internal communications, supported by the clear brand guidelines that support and govern their use.

### 4.4 Digital channels

*Smart Energy GB website:* The second phase of the Smart Energy GB website is already under development, and will be key to deepening the way that in Smart Energy GB's owned digital channels we are able to bring the benefits of smart meters vividly to life, support consumers in signposting to onward journeys to installation by their suppliers, or to partners if they need other additional reassurance or support, and promote better energy use in households once smart meters are installed.

The next phase Smart Energy GB website will exist not just in English and Welsh, but also with core web content in the five languages in Great Britain whose speakers have the least proficiency in English (Polish, Panjabi, Urdu, Bengali and Gujarati).

*Social channels:* In terms of public engagement, Smart Energy GB will deliver campaign messages, mainly in the form of Gaz & Leccy, via Facebook. We will use twitter for the amplification of campaigns and to publicise timely news stories. YouTube is already used as the public repository of content, including educational content and this will continue. From 2016 onwards though, LinkedIn will also form part of channel delivery for *Smart energy for business* audience campaigns.

### 4.5 Partnership marketing

Smart Energy GB's overall approach to partnership marketing (where Smart Energy GB works with another, trusted, organisation to together deliver the campaign to audiences, where that partner can help Smart Energy GB to be more efficient and/or effective because of their unique reach to certain audiences) has been carefully developed.

However, delivery of partnership marketing is one of the areas that the Smart Energy GB board had chosen to most significantly hold back in 2015 as a result of delays in the smart meter rollout. This is because partnership marketing predominantly, although not entirely, focuses on supporting reach to audiences who may face additional barriers, as set out in *Smart energy for all*, and the Smart Energy GB board did not feel it was right to over-stimulate their interest in smart meters at the early stage in the rollout. As such, in 2015 partnership marketing activity was restricted to building the infrastructure needed to deliver and evaluate partnerships in the future.

However, as the rollout builds up in 2016, and in particular as Smart Energy GB needs to get more vulnerable and/or harder to reach consumers ready to participate strongly from 2017 onwards, we do believe that in 2016 there is a need to start to work in partnership with external organisations and start to see delivery of Smart Energy GB partnership marketing activity.

As such Smart Energy GB's partnership marketing activity in 2016 will fall into three broad areas:

Audiences with additional barriers*	Specific partnerships with largely third sector and/or community based organisations. Some will be of scale to warrant a contractual relationship directly managed by Smart Energy GB; but a number will be smaller scale and thus be managed via a bid fund infrastructure.
Micro-business audiences	Target and reach micro-business audiences through partnerships with advisory organisations and/or organisations that can provide direct communications channels.
Mass audiences	Complementing the use of mass media, to provide more efficient access to some groups of mass audience.

\*In 2016, of the full mix of audiences with barriers identified in *Smart energy for all*, Smart Energy

GB believes that it will be right for us to start focus for the following:

- Blind or partially sighted
- Those lacking English or Welsh proficiency
- Those lacking digital skills/no personal internet access
- District heating customers
- Those with learning impairments
- Those with low literacy levels
- Those with memory impairment
- Customers off gas grid
- Prepay customers
- Private renting tenants
- Those with severe or profound deafness
- Social housing tenants

## 5. Policy & communications activity in 2016

Smart Energy GB's policy & communications activities fall, broadly, into the following areas:

- Earned media **consumer targeted PR** (in national, regional, & audience specific print, online & broadcast media)
- **Stakeholder** engagement, including with the elected representative community, and contribution to policymaking in relevant areas where Smart Energy GB can highlight the positive role that smart meters can play in delivering energy policy, or wider policy, goals
- Managing **public correspondence** with Smart Energy GB

### 5.1 Consumer targeted PR

In 2015 Smart Energy GB built up its in-house press office function so that it has been able both to generate significant amounts of positive earned media coverage of smart meters, as well as react to the increasing in-coming interest in smart meters from both consumer and policy oriented media.

On-going independent media coverage evaluation shows that Smart Energy GB is already the largest voice on smart meters.

Smart Energy GB has also established its position as the go-to voice for media in policy coverage of the Smart Metering Implementation Programme. Whilst coverage in policy media is not a major goal in and of itself, it is important to ensure that policy media properly understand the goals of the smart meter rollout and stop ill-informed criticism taking hold, which could then easily mislead mainstream consumer views.

In 2016 we will continue to deliver increasing, and consistent, volumes of consumer-facing coverage, with a pipeline of more frequent earned media interventions.

The Smart Energy GB consumer PR team will also focus on increasing regional earned media coverage, to complement regional paid media activity, and target specialist microbusiness media to secure coverage in support of the company's objectives relating to microbusiness audiences.

## 5.2 Stakeholder communications

Smart Energy GB has now established the framework for its approach to stakeholder communication activity throughout Britain having, through 2015, been able to assess the nature and levels of stakeholder interest in the smart meter rollout, and how these audiences best prefer to be served. Looking ahead, this will include regular written communication, e-mail updates, small events, larger events and a very limited number of exhibitions.

## 5.3 Managing public inquiries/correspondence with Smart Energy GB

Smart Energy GB's approach to balancing the customer journey between the company and energy suppliers (see figure 1 earlier) is designed to reflect that it is not appropriate for Smart Energy GB to develop individual relationships with consumers.

Nevertheless, Smart Energy GB already receives a certain amount of public inquiries and correspondence, as some members of the public respond to hearing us in media interviews and reading coverage of our campaign in the press. These members of the public turn to Smart Energy GB with questions about smart meters that they feel require a more personalised answer than is possible just from our generally available information and materials. There are even some members of the public who feel "fandom" of Gaz & Leccy, and contact for that reason. Even though it is not a goal to grow public inquiries or correspondence with Smart Energy GB, it is inevitable that it will grow as there is an increase in public facing activity and increase in the breadth of that activity across social channels.

Smart Energy GB previously had no dedicated capacity for dealing with public inquiries and correspondence, but by end-2015 it will have created small and focused capacity to manage incoming phone, and written (post and email) inquiries who will also work closely with the digital team to triage and respond to inquiries that arrive via digital channels.