Smart Energy GB
Consumer Engagement Plan and budget 2017
The trading name of “Smart Metering Communications Body Limited” is “Smart Energy GB”. Any references in this document to “Smart Energy GB” or “the company” should be understood as referring to “Smart Metering Communications Body Limited”. Any references in the “Modifications to the Standard Conditions of Electricity and Gas Supply Licences, Electricity Distribution Licences and Gas Transporter Licences (Smart Meters) to the Central Delivery Body” should also be taken as referring to Smart Energy GB.
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1.0 Introduction
1.1 Introduction

This document contains the Smart Energy GB board’s Consumer Engagement Plan and budget for 2017.

The membership of the Smart Energy GB board is:

Independent Chairman
• Mark Lund OBE

Elected by and representing large energy suppliers
• Jane Bednall (also Chief Marketing Officer, SSE)
• Jean Fiddes (also Head of Residential Sales & Retention, E.ON)
• Christine McGourty (also Director of Corporate Affairs, British Gas)
• Chris Thewlis (also Director of Customer Service & Sales, n.power)
• Stephen Veal (also Energy Director, Utility Warehouse)
• Shwezin Win (also Head of Value Creation for Smart Metering, EDF Energy)

Representing Citizens Advice
• Mike Dixon (also Assistant Chief Executive, Citizens Advice England & Wales)
• Victoria MacGregor (also Director of Energy, Citizens Advice England & Wales)

Elected by and representing small domestic energy suppliers
• Patrick New (also Retail Director, Ecotricity)
• Rofi Ihsan (also Chief Financial Officer, Co-operative Energy)

Elected by and representing non-domestic energy suppliers
• Steve Mulinganie (also Regulation & Compliance Manager, Gazprom)

Representing the interests of energy consumers
• Mervyn Kohler (also Special Adviser, Age UK)
• Chris Macleod (also Marketing Director, Transport for London)

The board advises members that this Consumer Engagement Plan and budget has been produced in adherence with the objectives and other requirements placed upon Smart Energy GB in the Standard Conditions of Electricity & Gas Supply Licences, Electricity Distribution Licences and Gas Transporter Licences (Smart Meters); as well as in adherence with the requirements in those licences placed upon energy suppliers in relation to Smart Energy GB.

The process for the development of Smart Energy GB’s annual plan and budget is as follows:

1. The Smart Energy GB board receives instruction from the large energy suppliers who have responsibility for setting the Performance Management Framework (PMF), that contains the targets that Smart Energy GB must achieve, as to the targets that they want Smart Energy GB to achieve in the next calendar year, and the glidepath for targets beyond the next year. Smart Energy GB received this instruction in relation to 2017 targets and glidepaths thereafter on 12th September 2016.

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1 Smart Energy GB’s financial year is 1st January to 31st December. The “2017 budget” therefore relates to the company’s budget for 1st January 2017 to 31st December 2017.
2. The Smart Energy GB board developed an initial view of the 2017 plan and 2017 budget that it believed would be necessary to deliver against the targets that large energy suppliers instructed Smart Energy GB to deliver in 2017, and issued this as a written consultation to energy suppliers on 27th September 2016. This written consultation provided energy suppliers with an opportunity to provide any additional evidence or views that they wanted the Smart Energy GB board to take into account in finalising the 2017 plan. The written consultation closed on 18th October 2016, and the board would like to thank all energy suppliers who responded to the consultation.

3. At a meeting on 19th October 2016, the PMF forum of large energy suppliers confirmed that its instruction of 12th September 2016 regarding PMF 2017 targets was unchanged.

4. The board considered all the responses received to the consultation and has improved its initial plan, as well as providing more information in this final plan in areas requested by energy suppliers. The board met on 27th October 2016, and at that meeting voted to recommend the 2017 budget to energy supplier members for their approval.

5. Member voting closed at 12:00 on 14th December 2017. Following member approval, the Consumer Engagement Plan 2017 and budget 2017 will become live from the 1st January 2017. The board is setting out the responsibilities explained above in order to respond to a question raised by some energy suppliers in the recent consultation.

Some energy suppliers stated in their consultation responses that they have some doubts about the government’s projections of pan-supplier smart meter installations in 2017; for example because they believe that the ability of energy suppliers to scale up installations may be hampered by continued delays in the DCC. They then questioned whether the board should change the 2017 PMF targets to reflect these concerns.

The board wishes to reassure those suppliers who have such views on potential delays to the rollout that it is not unaware of such concerns. However, the board does not have the power on its own to alter Smart Energy GB’s PMF targets, and resulting plans and scale of activity, based on its own view of such concerns. The power to adjust the PMF targets rests with large energy suppliers alone, and the Smart Energy GB board has a legal duty to produce a Consumer Engagement Plan and budget that it believes is the most appropriate plan by which to achieve those targets.

However, what the board is able to commit to is keeping an open dialogue with large energy suppliers, who have responsibility for the PMF targets, through 2017. This dialogue will include the board prompting those suppliers with questions as to whether, were in 2017 there to be any material change to the expected smart meter rollout (for example, caused by further issues with the DCC), those suppliers want to adjust the PMF targets and so allow the board to adjust its 2017 plan, spend less and return some money to energy suppliers.

We welcome that the PMF forum agreed with our suggestion that it hold an extended meeting in February 2017 to review PMF targets in light of energy suppliers’ latest installation projections, DCC progress and the wider context for the smart meter rollout.

In 2015 a process akin to this took place, and as a result, the board was able to make an in-year adjustment to Smart Energy GB’s plans and return funding to energy suppliers. Were a target adjustment to be made by the PMF forum in 2017 the board would examine and adjust the plan and budget in a similar way.

The board is therefore confident that this budget has been produced in adherence with Smart Energy GB’s licence obligations to energy suppliers, and believes that supporting this budget is consistent with energy suppliers’ licence obligations to Smart Energy GB.
1.2 Smart Energy GB’s legal objectives and how PMF targets are set

Smart Energy GB, as the voice of the smart meter rollout, was created as an independent not-for-profit company, governed by legally binding objectives set out in the Modifications to the Standard Conditions of Electricity and Gas Supply Licences, Electricity Distribution Licences and Gas Transporter Licences (Smart Meters) [hereafter “the licences”], to deliver the national consumer engagement campaign for the British public to support the installation of smart meters in consumers’ homes and microbusinesses across the three nations of Great Britain by all energy suppliers; and to support those consumers in the successful use of their smart meters when installed so as to reduce energy waste.

Smart Energy GB’s objectives as set out in the licences are to:

1. Build consumer confidence in the installation of smart metering systems by gas and electricity suppliers.
2. Build consumer awareness and understanding of the use of smart metering systems (and the information obtained through them).
3. 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.
4. 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.

Our legal duty to deliver against the four objectives above relates to domestic energy consumers. In addition, the licences state that we have a duty to extend our campaign to reach microbusinesses, but only where it is value for money for us to do so. The licences set out valuable detail on the mutual responsibilities between Smart Energy GB and energy suppliers, and we would urge anyone reading this document to remind themselves of the detail relating to consumer engagement contained in the licences.2

Smart Energy GB is governed by a non-executive board, whose make-up is set out in the licences. The majority of the board are nominated and elected by energy suppliers; the board also contains representatives of energy consumers and representatives of Citizens Advice.

The board has a responsibility to ensure that Smart Energy GB discharges its duties under the licences in relation to the above objectives, but also in relation to a number of other areas including (but not limited to):

- ensuring that Smart Energy GB activity is based on expert advice from persons who have widely recognised expertise in matters that are relevant to the achievement of the company’s objectives
- ensuring that in carrying out its activities Smart Energy GB does not restrict, distort or prevent competition in the supply of gas or electricity or in any commercial activities connected with smart meters
- ensuring that Smart Energy GB takes such steps and does such things as are within its powers to implement its Consumer Engagement Plan and does so in an efficient and cost effective manner that achieves value for money in the performance of its activities
- producing an annual budget that comprises a detailed statement of the best estimate of Smart Energy GB, made in good faith, of all the costs that it expects to incur for the purpose of undertaking it activities during the calendar year to which that annual budget relates

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Smart Energy GB’s targets for any period are determined by large domestic energy suppliers (those with over 250,000 domestic customers, and legally referred to as “relevant suppliers”); as the licences give this group the authority and responsibility to develop and maintain the Performance Management Framework (PMF) targets which they expect Smart Energy GB to deliver. This group of large energy suppliers has instructed Smart Energy GB of the PMF results that they expect the company to deliver in 2017 (see section 4 below) and this instruction has in turn shaped the board of Smart Energy GB’s view of the necessary activity that we must deliver in 2017, and the budget needed to deliver this activity.
1.3 Understanding Return on Investment (ROI)

Critical to the government’s business case ("Impact Assessment") for the Smart Metering Implementation Programme is the Return on Investment (ROI) of the costs involved in the rolling out of smart meters; i.e. the extent to which those costs are outweighed by the savings generated by the activity in question.

This applies to all the elements of the smart meter rollout, but in the case of the role of Smart Energy GB in particular, applies to:

1. The saving generated for energy suppliers in the costs of securing a household’s acceptance to upgrade from a traditional meter to a smart meter, thanks to the easier and smoother acceptance of the offer of that new meter by a household who understands what a smart meter is and has enthusiasm to have a smart meter thanks to the engagement of the national smart meter campaign

2. The saving generated for the country in reduced energy wastage by households who have received their smart meters using those meters to their greatest potential thanks to the behaviour change impacts of Smart Energy GB’s campaigns (alongside the direct support and encouragement of their individual energy supplier)

National engagement best practice for a wide-ranging infrastructure rollout and mass action take-up campaigns demonstrates that positive ROI is delivered by properly engaging households to understand and be enthusiastic about a change before contacting them to ask them to undertake their individual activation.

This is because such engagement saves considerably in the range, time needed for, depth and cost of individual conversion tools and actions that would be needed to convert those households were the foundation created by the national campaign not to exist.

The creation of Smart Energy GB by government was based on the application of this principle, and strong evidence of such ROI efficacy in a number of recent national infrastructure and activation campaigns - ranging from the digital TV switchover to the “Tax doesn’t need to be taxing” campaign (and many others in between).³

In early 2014, in order in part to provide the detailed evidence that would assess the ROI benefit provided by the existence of the Smart Energy GB campaign in relation to the first of the points above (i.e. in relation to the saving generated for energy suppliers in the costs of securing acceptance of a household to upgrade from a traditional meter to a smart meter, thanks to the easier and smoother acceptance of the offer of that new meter by a customer who understands what a smart meter is and has enthusiasm to have a smart meter), we proposed energy suppliers work together with Smart Energy GB on a “beacon” trial (the location proposed was the town of Beccles in Suffolk; proposed at the time as it offered a strong confluence to meter eligibility criteria, such as a low level of high rise accommodation in the town).

Such a beacon trial would have allowed a randomised control analysis to show the ROI efficacy of Smart Energy GB engagement in reducing the effort and costs for individual energy suppliers in activating their individual customers to smart, and so provide the smart meter rollout specific evidence that would have validated (or challenged) the general national best practice on the roles of campaigns of our type.

Unfortunately in 2014 energy suppliers stated that, for understandable reasons because of their overall level of readiness to roll out SMETS 1 smart meters at that time, they were not able to come together to participate in a Beccles beacon trial.

As a result, at that time energy suppliers setting the PMF and Smart Energy GB had to agree assumptions of the attitudinal shifts (e.g. in levels of understanding and propensity) that would be required to support the rollout, and thus the outcomes that energy suppliers were looking to Smart Energy GB to deliver.

In 2015 the validity of those assumptions was examined in research when Smart Energy GB commissioned Populus to undertake (via a piece of recontact research with participants in Smart energy outlook) an examination of the differential between:

a. those consumers who have understanding of smart meters and

b. those who do not have understanding (i.e. they may have heard of “smart meters” but did not know what they actually are

in pro-active action in relation to getting their upgrade to a smart meter.

This research reported in late 2015 and provided an endorsement of the validity of the assumptions made by the PMF forum and Smart Energy GB. It showed that ‘understanding’ has a strong relationship with conversion rates. In particular, it showed conversion actions (had/try to get a smart meter installed) for those respondents who had ‘understanding’ to be at 24 per cent whereas the comparable figure for those who did not was 12 per cent.

This research also showed that those who have ‘understanding’ are more likely (19 per cent vs 7 per cent) to proactively seek a smart meter than those who don’t.

Furthermore, research conducted in 2015 (Tracking Behaviour Change) showed that those who proactively seek a smart meter and actually get one are more likely (67 per cent vs 52 per cent) to have made changes in their homes to save energy than those who passively received a smart meter from their energy company.

In the absence of findings from a trial such as that proposed in Beccles, this research provides the best possible current validation of the value of the core goals set for Smart Energy GB in its PMF (in the past and by large suppliers for 2017), and Smart Energy GB’s delivery of positive ROI to energy suppliers by achieving those goals.

With the validity of those core goals established to the best of current ability, econometric modelling (EM; detailed in section 5.2 of this paper) continues to demonstrate clearly that Smart Energy GB’s campaign delivers against the goals set for it by large energy suppliers in the PMF at better ROI than the alternative of those goals being undertaken by the range of individual energy suppliers.

Nevertheless, the board is keen that, despite the strong record of Smart Energy GB delivery in 2014, 2015 and now in 2016 against the PMF targets set for it by large energy suppliers (and at lower costs than those approved by energy suppliers) it supports the best possible robust and independent quantification of the saving generated for energy suppliers in the costs of activating a household to upgrade from a traditional meter to a smart meter, thanks to the Smart Energy GB campaign.

As such, Smart Energy GB is now making a formal request of energy suppliers that in early 2017 they agree to work with Smart Energy GB to establish an independent research study whose objectives would be to calculate the relative cost differential (e.g. due to the costs of whatever level and type of potentially greater individual energy supplier activation tools and actions are, or are not, needed to convert a householder) of getting a householder to accept a smart meter installation (i.e. agree to the installation, agree to be in for the time specified for the installation and then be home to open the door for the installer who arrives at the agreed time) between a householder who has understanding and enthusiasm for a smart meter as compared to a householder with no precreated understanding or enthusiasm whose first engagement would be at the point of their individual energy supplier activation.
In order that all stakeholders can have maximum trust in the findings of this research study (and to ensure confidence in the experts commissioned to deliver the research, the selected research methodology, that samples are properly blind and randomised and that no one has the opportunity to improperly influence the research), the Smart Energy GB board propose that this research should be commissioned by and report to a governance group made up of:

- Energy suppliers
- Smart Energy GB
- Citizens Advice
- And with observers to the governance board invited from the DBEIS and Ofgem research teams

We hope that energy suppliers will welcome this invitation by Smart Energy GB to work together to support such an independent definitive assessment of the ROI question in relation to the savings that Smart Energy GB activity provides energy suppliers in the conversion of individual customers. We also hope that energy suppliers will welcome the commitment that the board is making in this Consumer Engagement Plan and budget to make any appropriate adjustments to the nature and scale of Smart Energy GB activity in 2017 and in future years that the results of such an assessment indicate are right.
2.0 Value for money and governance of Smart Energy GB
2.1 The National Audit Office model of value for money assurance and its use in Smart Energy GB

When Smart Energy GB was established in late 2013, as part of its setting the strategic direction for the company, the board considered how best the company would ensure that it reflected its legal obligations to deliver value for money in its activities and operations.

At the time the company considered a number of different value for money models, to determine which would best allow the company to consistently demonstrate to energy suppliers that through the quality of governance of the Smart Energy GB board, the company is giving them the assurance that they are meeting their licence obligation to do “such things within [their] power[s] to ensure that in achieving its objectives [Smart Energy GB] acts in a manner which is transparent, impartial, cost effective and represents value for money”\(^4\).

In 2013 it was decided that, even though Smart Energy GB is not in the public sector, we should internalise the most respected cost effectiveness/value for money model used by public service organisations.

That model has been developed by the National Audit Office (NAO). The NAO defines cost effectiveness/value for money as “the optimal use of resources to achieve the intended outcomes”. The NAO model is used in all their independent assessment of UK public bodies’ cost effectiveness and value for money for both service provision organisations (which is relevant for Smart Energy GB when we are delivering campaigns through channels under our own control) and commissioning bodies (which is also relevant for Smart Energy GB when we commission other organisations to deliver parts of our campaign on our behalf, such as our charity marketing partners).

The model for the assessment of cost/effectiveness/value for money is set out below, in diagrammatic form as published by the NAO:\(^5\)

\[^4\] See 45.26 in Modifications to the Standard Conditions of Electricity & Gas Supply, Electricity Distribution and Gas Transporter Licences

\[^5\] See https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money/
The flow diagram demonstrates the NAO model by showing the relationships between resources, inputs, outputs and outcomes to the NAO’s “3 E’s”: economy, efficiency and effectiveness. The NAO explains the model (in its own words) as:

1. Resources depend on the objectives of the organisation delivering the activity.

2. The acquisition of resources as inputs to processes determines economy: minimising the cost of resources used while having regard to quality.

3. The use of inputs in a process to produce outputs determines efficiency: the relationship between outputs, e.g. services, and the resources used to produce them.

4. The extent to which intended and unintended outcomes are achieved by outputs from a process determines effectiveness: the extent to which objectives are achieved and the relationship between intended and actual impacts of the activities.

5. Outcomes are subject to other influences besides the action of outputs.

6. The relationship between resources and outcomes determines cost-effectiveness or value for money: i.e. the optimal use of resources to achieve the intended outcomes.

Smart Energy GB has applied this model to ensure that it is properly delivering value for money throughout its history.

The board believes that the National Audit Office value for money criteria and model is still the most respected and appropriate by which Smart Energy GB can deliver its obligations to be value for money in all its activities and operations; and as such intends to continue to adhere to this model in 2017.

The board also notes that large energy suppliers have stated that in 2017 they wish to commission an independent assessment of the value for money of Smart Energy GB’s historic activities. The board looks forward to working with large energy suppliers to ensure that such an assessment is carried out by expert analysts, using a robust methodology.
2.2 Understanding how Smart Energy GB adheres to the NAO model in the five major areas of Smart Energy GB costs

In the section below, we describe in more detail how Smart Energy GB applies the NAO cost effectiveness/value for money model in our major areas of cost:

• planning paid media in our campaign
• planning the role of marketing partnerships in our campaign
• planning the role of PR in our campaign
• Smart Energy GB’s team capacity and staff costs
• office costs
2.2.1 Applying the value for money model to planning paid media in our campaign

The objectives are determined by the PMF metrics set by energy suppliers, and any additional key campaign quality metrics. The objectives are:

- **Economy**: Minimising the cost of resources used while having regard to quality.

Ensure best value for money media buying rates (independently evaluated by MediaSense).

Smart Energy GB’s Econometric Modelling (EM) approach, developed and applied by PHD and Annalect, ensures optimum effectiveness and efficiency of campaign channel choices, and is used to both plan and ongoing refine the media channel mix (a detailed explanation of the EM approach is provided in section 5.2 of this paper).

Smart energy outlook gives the most thorough view possible of outcomes against objectives with its unique (10,000 person) sample size. Independent campaign tracking (by Hall & Partners) provides more granularity and is conducted monthly. The EM modelling isolates the impact of our campaign from those of any other smart meter campaign activity, so ensuring that we can be confident that the outcomes achieved are genuinely the result of Smart Energy GB’s campaign. Quality of creative development, testing and regulatory pre-testing also minimises the chances of an unintended consequence (e.g. negative finding from the ASA following complaint by a detractor).

The optimal use of resources to achieve the intended outcomes is known as **Cost-effectiveness**.

**Commissioner / Service provider**

**Other influences**

- **Inputs**
- **Process**
- **Outputs**

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2.2.2 Applying the value for money model to planning the role of marketing partnerships in our campaign

The objectives are determined by the PMF metrics set by energy suppliers, and in particular those relating to Smart energy for all audiences that we know typically cannot be reached effectively/efficiently by traditional marketing media channels.

Analysis of which potential marketing partners have unique channels to reach Smart energy for all audiences. Assessment of the quality of these channels, track record of their use for similar public campaign engagement / energy issue engagement and so likely robustness if used as part of our campaign.

Independent partnership measurement and evaluation experts (MTM) work with Smart Energy GB to define goals and contracted activity for partners, integrating thorough reporting and evaluation systems into the contract. Expert solicitor used in the negotiation of all contracts. Contracts are set for fixed terms, to allow evaluation over a clearly defined period, and refinement for any future contract (or the ending of a partner relationship were outcome evaluation to show that results did not deliver sufficient value).

Independent (by MTM) evaluation of partnership outcomes against contracted aims for each contracted partnership, and a thorough view across the grassroots partnerships enabled by the Smart Energy GB in Communities consortium.

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Independent (by MTM) evaluation of partnership outcomes against contracted aims for each contracted partnership, and a thorough view across the grassroots partnerships enabled by the Smart Energy GB in Communities consortium.

The optimal use of resources to achieve the intended outcomes.

Economy
Minimising the cost of resources used while having regard to quality.

Efficiency
Relationship between outputs, e.g. services, and the resources used to produce them.

Effectiveness
Extent to which objectives are achieved and the relationship between intended and actual impacts of a service.

Cost-effectiveness
The optimal use of resources to achieve the intended outcomes.
2.2.3 Applying the value for money model to planning the role of PR in our campaign

Based on analysis of major public engagement campaigns, and experience in our campaign to date, we plan the focus of PR campaigns for audiences where we think our paid campaign most needs support and/or where we know that opponents are most prevalent/aiming to spread inaccuracies that need to be countered.

The majority of our PR is delivered using in-house resources as we believe this is both most effective given the depth of knowledge required and most efficient (i.e. we have no retained agency for either mainstream on-going consumer PR or opinion former work and both our press team and senior staff are media experienced and trained). Agency support is used for ethnic campaigns and for the development of cut-through activity with specific aims.

PR activity is planned to maximise the use of the existing asset and case study bank for greatest efficiency. Any further use of third party advocates and organisations are negotiated for best value, with the support of a specialist media solicitor to ensure contractual commitments are rigorous. PR activity plans set out clear KPIs in relation to volume of outputs and number of impressions.

Independent evaluation of PR activity outputs is carried out monthly by Ebiquity. Independent evaluation of PR campaign outcomes is carried out by Populus, using the cost-effective vehicle of their 2000 person omnibus survey. Other influencers: co-ordination with energy supplier PR offices and DBEIS is ensured through the use of the Smart Energy GB PR forum. Protecting PR effort from damage by inaccurate negative influences is achieved through the maintenance of a strong base of evidence, case studies, FAQs and a nimble reactive press office.
2.2.4 Applying the value for money model to Smart Energy GB’s team capacity and staff costs

In late 2014 independent experts provided an overview of the capacity needed in Smart Energy GB to deliver the campaign. This was used to determine the overall skill and staffing profile. The on-going shape of the campaign has determined when it has been appropriate to create roles, leading to a full capacity organisation from mid-2017.

An annual independent benchmarking of Smart Energy GB’s staff remuneration is carried out (for the last two years by Buzzacott LLP). This has consistently reported that in their view Smart Energy GB’s staff remuneration is value for money compared to the marketing/communications sector in which we compete for staff. Their report (produced October 2016) stated “our opinion is that Smart Energy GB pays fair but not excessive salaries which demonstrate value for money in comparison to similar roles within competing sectors”.

Thorough people management, appraisal and development systems are in place to ensure that we manage our staff effectively to maximise productivity. We conduct regular staff consultations and engagement exercises (which have reported excellent levels of staff satisfaction).

In every year’s planning cycle we consider the optimum balance of the use of our in-house staff resources against the cost equivalents of activity being delivered by outsource providers. In some cases this has meant that we have been able to minimise staffing (for example, financial functions are provided by an outsource contract to PwC LLP and day to day legal counsel is a retained outsource lawyer); in other cases planning the optimum use of staff resources has allowed us to reduce outsourced capacity, most notably in 2017 we are no longer planning to use any retained PR/public affairs agency support as we believe it would not add any value beyond that of our skilled in-house team.

Commissioner / Service provider

Other influences

Objectives

Resources

Inputs

Process

Outputs

Outcomes (intended and unintended)

Economy
Minimising the cost of resources used while having regard to quality

Efficiency
Relationship between outputs, e.g. services, and the resources used to produce them

Effectiveness
Extent to which objectives are achieved and the relationship between intended and actual impacts of a service

Cost-effectiveness
The optimal use of resources to achieve the intended outcomes
2.2.5 Applying the value for money model to Smart Energy GB’s office costs

Office space of appropriate size for staff team, suitable capability and location (e.g. space to hold board meetings for our relatively large board), at excellent rent with a lease term appropriate for Smart Energy GB’s likely length of life. Office space for the small Scotland and Welsh based teams that can be easily managed and is best value for money.

For the first two and a half years of the company’s life, Smart Energy GB used serviced accommodation for its London office. This was most efficient until the organisation reached 50 plus people. In 2015, before the board committed to 1 Alfred Mews, expert property agents ran a search and it was demonstrated that (possibly because of first tenant advantage) 1 Alfred Mews could be negotiated with both the cheapest cost per square foot compared to similar office spaces and also a unique lease with a break clause in 2021 and then a nine month rolling extension which optimised the match between lease-length and Smart Energy GB’s predicted life.

Office design emphasised resource efficiency and sustainability throughout. This included the extensive use of second hand furniture and also the energy/environmental plan. Through 2016 we have continued to refine office management to drive down major costs such as energy. Assessment of long-term needs in Wales and Scotland determined that the Welsh office in central Cardiff would best remain in serviced accommodation, but that in central Edinburgh the best quality/value combination is achieved by a lease on a small office.

2017 staffing plan will allow for full utilisation of London, Edinburgh and Cardiff office space. As and when staffing is reduced, towards the end of Smart Energy GB’s life, we will also look to sub-let space in order to minimise wastage.

Commissioner / Service provider

Objectives

Resources

Inputs

Process

Outputs

Outcomes (intended and unintended)

Economy

Minimising the cost of resources used while having regard to quality.

Efficiency

Relationship between outputs, e.g. services, and the resources used to produce them.

Effectiveness

Extent to which objectives are achieved and the relationship between intended and actual impacts of a service.

Cost-effectiveness

The optimal use of resources to achieve the intended outcomes.
2.3 HM Treasury approach to financial governance and management of public money and its application in Smart Energy GB

In addition, since 2013 Smart Energy GB has based its breakdown of governance and management responsibilities on a range of good practice, including the model set out by HM Treasury in its publication Managing Public Money.6

This model states that “Public sector organisations should have good quality internal governance and sound financial management. Appropriate delegation of responsibilities and effective mechanisms for internal reporting should ensure that performance can be kept on track. Good practices should be followed in procuring and managing resources and assets; hiring and managing staff; and deterring waste, fraud and other malpractice.”

Applying this model since 2013 has allowed the Smart Energy GB board to set and keep up to date appropriate policies and procedures regarding (but not restricted to) the following:

- procurement policy
- the full finance manual of all financial policies and procedures
- HR policies and procedures
- publishing updates on performance
- delegation of appropriate financial authorities

The board maintains a tight review mechanism, reviewing financial and non-financial performance at every board meeting. It is supported in this role by the Audit and Risk Committee (independently chaired by Hugh Spicer). The Audit and Risk Committee also reviews financial performance in the form of management accounts. It also reviewed, as has the external auditors, the full financial policies and procedures to ensure we have the right control environment.

By applying this model (and also in addition by receiving annual training on the proper exercise of fiduciary duties from a specialist company solicitor), the board is able to assure itself that it is properly fulfilling a number of its duties under the licences (for example, see sections 45.4 to 45.8 of the licence conditions relating to the constitution of Smart Energy GB and the exercise of judgement and decision making by the board), and also properly exercising a number of the board’s broader fiduciary duties.

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6 See HM Treasury Managing public money published July 2013 with annexes revised as at August 2015.
3.0 The campaign so far
3.1 The role of Smart Energy GB’s consumer engagement campaign alongside energy suppliers’ activation of their own consumers

In late 2013 Smart Energy GB considered recommendations on the strategic view of the balance of roles for the national engagement campaign alongside energy suppliers’ activation of, and responsibility to organise and deliver smart meter installations for, their individual customers; based on research with consumers and reflecting Smart Energy GB’s legal duties.

This view was then expressed in diagrammatic form in our Consumer Engagement Plan. Reflecting its importance, it is set out again in figure 2 below:

Figure 2: The customer journey - the complementary roles of Smart Energy GB national consumer engagement and energy supplier engagement with their own customers

Hearing about smart meters $\rightarrow$ Making a decision to say yes to a smart meter $\rightarrow$ Being contacted about installation and setting it up $\rightarrow$ Having the smart meter installed $\rightarrow$ Using and benefiting from the smart meter

- Predominantly Smart Energy GB
- Energy suppliers (Smart Energy GB is not responsible for installation)
- Smart Energy GB and energy suppliers
Reflecting the obligations set out in the licences for Smart Energy GB to complement the consumer engagement activity of individual energy suppliers, the purple circles in figure 3 represent Smart Energy GB’s task to get decision makers in households across Great Britain to understand what smart meters are, and be enthusiastic to accept an installation when offered by their energy supplier(s) or seek information on when their energy supplier may be able to perform their installation.

Reflecting the obligations set out in the licences for all energy suppliers in turn to ensure that their own activity is co-ordinated with that of Smart Energy GB, we believe that smart communications at supplier level are best focused at the point of direct activation and in that context should be coordinated with Smart Energy GB to deliver the maximum return on investment for suppliers against their contribution to the cost of Smart Energy GB. We do not believe that above the line smart communications at an individual energy supplier level is a necessary component in delivering the task of the country hearing about and making a decision to say ‘yes’ to smart meters; which instead can be most efficiently delivered by the national campaign.

Given the lack of any region-by-region geographic focus to the smart meter rollout (as by contrast was the case in the digital TV switchover), the large energy suppliers who have instructed Smart Energy GB on our 2017 PMF targets have had to carefully judge the scale of nationwide consumer readiness that they want Smart Energy GB to achieve next year (and thus in particular targets they want us to achieve relevant to the purple circles in figure 3, which in 2017 are measured through metrics of overall consumer understanding of smart meters and consideration).

The blue circles in the middle of figure 3 represent a part of the customer journey that can only be delivered by individual energy suppliers. Regardless of which company is their household’s energy supplier(s), individual household decision makers made enthusiastic about smart meters by Smart Energy GB’s campaigns will need to interact with their own energy supplier to seek out their smart meter installation and/or be enthusiastic when their energy supplier offers to install; as well as be home to greet and facilitate the installation when it actually takes place.

The orange circle in figure 3 relates to the area of supporting consumers in successfully using their smart meters better to manage their energy and reduce waste.

Energy suppliers have the responsibility for delivering this for their individual customers, both through engagement tools that they can provide thanks to the new data provided by smart meters (for example, online smart energy reports) and also through service innovations that are only possible in a digital smart meter world (such as modern pay-as-you-go, or new time-of-use tariffs). Reflecting our objectives as set out in the licences, Smart Energy GB also has a role in supporting consumers in successfully reducing energy using their smart meters. Smart Energy GB recently published *A smart route to change*[^7], a white paper that set out the behavioural science model that we hope all involved in the smart meter rollout (including in particular energy suppliers) will find useful in designing tools/interventions to support consumers in using smart meters to reduce their energy waste. In that paper we also opened an invitation to energy suppliers, either individually or collectively, to work with Smart Energy GB on trials of a number of such potential interventions/tools.

The view of the balance of roles in the customer journey set out in figure 3 has received strong support from energy suppliers as well as consumer groups and has formed the basis on which we have developed and delivered our engagement campaign over the last few years. It has also provided the basis on which energy suppliers are able to plan their own activation of their individual customers (reflecting the legal duty on energy suppliers to ensure their own activities are co-ordinated with those of Smart Energy GB). We believe that the view of the customer journey, as set out in figure 3, continues to provide a sensible framework on which to plan the overall balance of roles of Smart Energy GB alongside all energy suppliers.

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[^7]: See *A smart route to change: the application of behavioural science in supporting Great Britain’s smart meter rollout and changing the way we use energy for the better*, published by Smart Energy GB in July 2016 and available on our website, and contained in appendix 4.
Large energy suppliers determined the PMF targets that they wanted Smart Energy GB to achieve in 2016, and this in turn determined the overall scale and mixture of necessary activity in our campaign this year (and the resulting budget for 2016, approved by our members in autumn 2015).

Throughout 2016 we have reported to large energy suppliers through their PMF forum on on-going performance. Those energy suppliers also exercised their responsibility to keep the PMF targets under review, but did not at any point in 2016 choose to change any of the targets that they had set Smart Energy GB for this year.

Whilst we do not yet have the full year results in a number of the 2016 PMF metric areas (as this year is still on-going), we do have mid-year indicators in a number of areas that show that our campaign is delivering strongly, and is doing so with excellent value for money.

This built on a strong track record of delivery against targets in 2015, as is set out in figure 3 below, which also reminds how each of the metrics relates to our role as set out in the customer journey in figure 2 on page 20.

**Figure 3: 2015 PMF targets and results and PMF 2016 targets and latest view of direction of travel to year-end**

<table>
<thead>
<tr>
<th>Metric area</th>
<th>2015 target</th>
<th>2015 result</th>
<th>2016 target and latest view of direction of travel to year-end</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hearing about smart meters</td>
<td>Making a decision to say yes to a smart meter</td>
<td>Being contacted about installation and setting it up</td>
<td>Using and benefiting from the smart meter</td>
</tr>
<tr>
<td><strong>1. Understanding of what a smart meter is amongst a general sample of the British adult population.</strong></td>
<td>20% (as measured in <em>Smart energy outlook</em> with fieldwork at end 2015 and published February 2016)</td>
<td>25% (as measured in <em>Smart energy outlook</em> with fieldwork at end 2015 and published February 2016)</td>
<td>35% (as measured in <em>Smart energy outlook</em> with fieldwork at end 2016 and to be published February 2017). The mid-2016 indicator contained in <em>Smart energy outlook</em> published in August 2016 shows 30%; so this target is on track.</td>
</tr>
<tr>
<td>Hearing about smart meters</td>
<td>Making a decision to say yes to a smart meter</td>
<td>Being contacted about installation and setting it up</td>
<td>Using and benefiting from the smart meter</td>
</tr>
<tr>
<td><strong>2. Propensity to adopt a smart meter amongst a general sample of the British adult population.</strong></td>
<td>12% (as measured in <em>Smart energy outlook</em> with fieldwork at end 2015 and published February 2016)</td>
<td>16% (as measured in <em>Smart energy outlook</em> with fieldwork at end 2015 and published February 2016)</td>
<td>21% (as measured in <em>Smart energy outlook</em> with fieldwork at end 2016 and to be published February 2017). The mid-2016 indicator contained in <em>Smart energy outlook</em> published in August 2016 shows we have already achieved 21%. As a result of reaching the year-end target early, we have been able to reduce the scale of some activity that had previously been planned for the second half of this year and so save money.</td>
</tr>
</tbody>
</table>
### Metric area  | 2015 target | 2015 result | 2016 target and latest view of direction of travel to year-end

#### 3. Understanding of what a smart meter is amongst those with low incomes.

- **2015 target**: 20% (as measured in *Smart energy outlook* with fieldwork at end 2015 and published February 2016)
- **2015 result**: 26% (as measured in *Smart energy outlook* with fieldwork at end 2015 and published February 2016)
- **2016 target and latest view of direction of travel to year-end**: 35% (as measured in *Smart energy outlook* with fieldwork at end 2016 and to be published February 2017). The mid-2016 indicator contained in *Smart energy outlook* published in August 2016 shows 32%, so this target is on track.

#### 4. Propensity to adopt a smart meter amongst those with low incomes.

- **2015 target**: 12% (as measured in *Smart energy outlook* with fieldwork at end 2015 and published February 2016)
- **2015 result**: 16% (as measured in *Smart energy outlook* with fieldwork at end 2015 and published February 2016)
- **2016 target and latest view of direction of travel to year-end**: 21% (as measured in *Smart energy outlook* with fieldwork at end 2016 and to be published February 2017). The mid-2016 indicator contained in *Smart energy outlook* published in August 2016 shows 21%. As a result of reaching the year-end target early, we have been able to reduce the scale of some activity that had previously been planned for the second half of this year and so save money.

#### 5. Understanding of what a smart meter is amongst prepayment meter customers

- **2015 target**: 20% (as measured in *Smart energy outlook* with fieldwork at end 2015 and published February 2016)
- **2015 result**: 22% (as measured in *Smart energy outlook* with fieldwork at end 2015 and published February 2016)
- **2016 target and latest view of direction of travel to year-end**: 35% (as measured in *Smart energy outlook* with fieldwork at end 2016 and to be published February 2017). The mid-2016 indicator contained in *Smart energy outlook* published in August 2016 shows 26%. As we want to ensure the best potential to meet our year-end target, we have increased the originally planned amount of prepayment campaign activity in the second half of this year (see section 3.3 below).
### Metric areas

<table>
<thead>
<tr>
<th>Metric area</th>
<th>2015 target</th>
<th>2015 result</th>
<th>2016 target and latest view of direction of travel to year-end</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Propensity to adopt a smart meter amongst prepayment meter customers</td>
<td>12% (as measured in Smart energy outlook with fieldwork at end 2015 and published February 2016)</td>
<td>15% (as measured in Smart energy outlook with fieldwork at end 2015 and published February 2016)</td>
<td>21% (as measured in Smart energy outlook with fieldwork at end 2016 and to be published February 2017). The mid-2016 indicator contained in Smart energy outlook published in August 2016 shows 19%, so on track to achieve the year-end target.</td>
</tr>
<tr>
<td>7. Assessment of the value for money of Smart Energy GB media buy</td>
<td>Assessed on an “A to D” scale, by independent auditors MediaSense, with a target for 2015 of “B: good value for money achieved against market rates.”</td>
<td>MediaSense judged 2015 delivery as “A: excellent value for money achieved against market rates”</td>
<td>“B: good value for money achieved against market rates.” The mid-year view from MediaSense reported an ‘A: excellent’ rating which shows very strong progress against this metric thus far.</td>
</tr>
<tr>
<td>8. Propensity to adopt a smart meter having seen the Gaz &amp; Leccy campaign</td>
<td>35% (as measured in monthly tracking research)</td>
<td>45% (as measured in monthly tracking research)</td>
<td>35%. Latest year to date average shows performance at 46%.</td>
</tr>
<tr>
<td>Metric area</td>
<td>2015 target</td>
<td>2015 result</td>
<td>2016 target and latest view of direction of travel to year-end</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>-------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td>Hearing about smart meters</td>
<td>N/A</td>
<td>17% (measured by bi-annual independent research)</td>
<td>25%. Mid-year data shows understanding at 20%. We are reviewing the microbusiness campaign plan accordingly.</td>
</tr>
<tr>
<td>Stated propensity to adopt a smart meter amongst a representative sample of microbusinesses</td>
<td>N/A</td>
<td>12% (measured by bi-annual independent research)</td>
<td>19%. Mid-year data shows propensity at 14%. We are reviewing the microbusiness campaign plan accordingly.</td>
</tr>
<tr>
<td>Independent audit of partnership marketing major delivery partners and national delivery partners’ activity against contractual commitments</td>
<td>N/A</td>
<td>N/A</td>
<td>Due to the timing of when contracts have been agreed no target was set by the PMF forum.</td>
</tr>
<tr>
<td>Metric area</td>
<td>2015 target</td>
<td>2015 result</td>
<td>2016 target and latest view of direction of travel to year-end</td>
</tr>
<tr>
<td>----------------------------------------------------------------</td>
<td>-------------</td>
<td>-------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>12. Independent audit of evidence of effective use of bid fund grants by bid fund partners</td>
<td>N/A</td>
<td>N/A</td>
<td>Due to the timing of the distribution of bid fund grants no 2016 target was set by the PMF forum.</td>
</tr>
<tr>
<td>13. Reported energy use reduction</td>
<td>N/A</td>
<td>40%</td>
<td>40%. Results for 2016 will be published after research is in field at year end.</td>
</tr>
</tbody>
</table>
The methodology for assessing “understanding” was developed by expert pollsters Populus in 2014 for the first wave of our national public attitudes tracking (Smart energy outlook), and in particular sought to address the flaws in previous research into public attitudes to smart meters which typically assessed simple awareness of the words “smart meter” (e.g. “Have you ever heard of a smart meter?”) and so tended to record a large number of what were effectively false positive responses (i.e. people who have heard of a smart meter but actually have no idea how they would get one installed, or may be muddling a smart meter with an old fashioned “clip-on” energy monitor). As such, in order to be judged to have “understanding” a respondent needed to:

1. Have heard of a smart meter, and
2. Recognise that smart meters can only be installed by an energy supplier, and
3. Recognise that smart meters show them their energy use in pounds and pence, and
4. Recognise that smart meters deliver accurate energy bills

Similarly, Populus developed the methodology for measuring levels of “propensity” to adopt smart meters. In order to be judged to have “propensity”, a respondent needed to:

1. Pass the “understanding” hurdle as set out above, and
2. State that they are fairly or very interested in having a smart meter installed, or be part of the still statistically very small group who has had their smart meters installed.

Recommended targets were also developed in consultation with expert advisers Annalect, PHD and AMV BBDO following an analysis of the numbers of adult decision makers in households across Great Britain, and thus the numbers of the overall adult population that it is necessary to reach in order to support a rollout targeting every household in Great Britain.
Smart Energy GB’s results to date have been built on a philosophy that the most effective, and efficient, public engagement campaigns are willing to use an effective range of channels; with coherence and complementarity in the messaging applied across those channels.

We have also, in our activity across all our campaigns focused on different audience groups, reflected that our success is dependent on:

1. Applying lessons from best practice in behavioural science and welcoming that our task as set out in law is to support adoption and to support consumers in using their smart meters; and so understanding that helping consumers to understand the benefits of smart meters is a positive driver to their willingness to accept an installation (i.e. the opposite of a “fit and forget” approach).

2. Recognising that energy is a low-interest category for consumers, and one in which there have historically been trust issues between consumers and many of the companies from whom they purchase energy. Thus we needed to establish the national nature of, and importance of, the smart meter rollout and the position of Smart Energy GB as the independent and trustworthy voice of a rollout reaching consumers of all energy suppliers.

3. Recognising that the scale of our task, alongside the low-interest situation in the energy sector, means that we must be more imaginative, high quality and exciting in our creative development across all our channels than typical public engagement campaigns in other areas.

4. Using the best modelling to manage our channel selection; including econometric modelling in our channel planning and budgeting (for readers less familiar with the use of econometrics in campaign planning, it is a statistical tool which allows the impact of a mix of media channels to be forecast using both benchmark and actual data and is explained in more detail in section 5.2) and a unique and sophisticated tool, Smart Compass, in then selecting and buying specific paid media. Alongside this we segment and target our proactive earned media (“PR”) activity.

5. Understanding that many amongst harder to reach groups (as defined in our publication Smart energy for all) and our microbusiness audiences (as defined in our publication Smart energy for business) either simply do not access traditional communication channels or only trust messages if conveyed to them by a trusted intermediary. As such, outreach campaigns, often working in marketing partnerships with others such as charities who will deliver our messages and help engage consumers with smart meters, is key to our reach to these groups in particular.
A description of the campaigns that we have delivered in 2016, and how each has particularly supported relevant stages in the customer journey, is below.

1. Core

Role: drive mass awareness and understanding of smart meters and their key benefits in a highly engaging way. Bring to life the core idea that smart meters will help us all bring our gas and electricity under control.

Our core campaign, with Gaz & Leccy at its heart, compellingly conveys the benefits of smart meters offering consumers a new world of control. Reflecting the extremes of regional difference in targeted smart meter rollout in 2014 and 2015, in those years the core campaign was primarily delivered via regionally specific media (e.g. out of home advertising and radio) as well as being highly successfully introduced digitally. From summer 2016 the core campaign has also been deployed in national channels, including in TV advertising. Post Office™ is also now the key offline information partner in this campaign, as Smart Energy GB leaflets containing information on smart meters are now available in over 11,000 Post Office™ branches across England, Scotland and Wales.

2. B-strand

Role: in a low interest category where people have come to accept the current way of buying and using energy, capture people’s attention and make them see the real need for smart meters. Use every day, real life scenarios to draw people in and make the issue relevant.

A cut-through campaign conveying the need for smart meters by highlighting the tangible modernisation of service that they offer in real-life scenarios. We delivered this campaign using a wide range of channels including TV, video-on-demand (VOD), digital, PR and media partnerships, and through 2016 the theme of this B-strand was estimation.

Our *Estimation nation* series of films in this campaign started online but at its culmination in spring 2016 was used for VOD and TV advertising. PR activity in this campaign also saw Great British Bake-off star Ian Cummings back the smart meter rollout, by highlighting the absurdity of estimation in a series of cooking based activities.
3. Education

Role: provide a suite of educational content for consumers, who are interested in smart meters but need further information and reassurance in order to have the confidence to say ‘yes’ to an installation, for distribution via our own digital channels and for further use by partners wishing to provide their own audiences with trusted, independent information.

Delivery of comprehensive educational content: this content has been distributed by Smart Energy GB ourselves (e.g. digitally), but also importantly is being used by energy suppliers as well as by other partners; in English and other languages as well as other accessible formats. This campaign has also included comprehensive partnership media content, notably with the Telegraph and the Trinity Mirror stables, including the Editor of the Mirror personally backing smart meters in a letter to all his readers.

4. Patriotic

Role: position the smart meter roll out as a change of major national importance; build a groundswell of patriotism and the sense that every household has their part to play.

Positioning the smart meter rollout as a change of national importance, in which every household should be playing their part; this was a PR driven campaign, which started in late 2015.

A two-pronged arts themed GB-wide execution in this campaign was first book-ended by the Requiem for old meters, played by the Royal Philharmonic Orchestra on instruments made from old meters (which even secured a unique place as the end music on an edition of Radio 4’s The World Tonight), with the second book-end in early summer 2016 provided by the Poet Laureate, Carol Ann Duffy, supporting the smart meter rollout through her publication of her new poem, Meters.

Another element of this campaign has included legendary British artist Sir Peter Blake joining the campaign, to celebrate what he considers to be the iconic image created by the arrival of smart meters in-home displays in millions of homes across Great Britain.

In Wales there is a further execution in this campaign planned in the last part of the year, bringing together a number of smart meter installers in a traditional Welsh choir, to highlight the role of installers as the real “heroes” of the rollout.
5. For all

Role: provide dedicated support to those audiences who may encounter additional barriers to understanding and adoption of smart meters, utilising the most appropriate channels by audience and tailored activities across the marketing and communications mix.

The deeper campaign needed to reach vulnerable audiences, and support them in understanding smart meters and the important ways they can benefit.

Our detailed examination and analysis of the needs of these audiences, Smart energy for all (see appendix 1), has allowed us to plan and deliver across a variety of means, including digital channels, targeted media, PR activity and especially our partnership activity with a number of partners and also the Smart Energy GB in communities programme.

We have been advised by an expert panel on best practice approaches for these audiences, and would like to thank the members of that panel for giving up their time to help advise and ensure our work reflects best practice:

- Catina Barrett: Head of Inclusion, Learning and Work Institute (formerly NIACE)
- Steve Cole: Policy Leader, National Housing Federation
- Alison Dunn: Chief Executive, Citizens Advice Gateshead
- Julia Parnaby: Head of Knowledge & Information, Alzheimer’s Society
- Shelagh Marshall: Chair, Age Action Alliance Isolation & Loneliness Working Group
- Helen Milner: CEO, Tinder Foundation
- Rachel Nearman: CEO, GoOn UK
- Jacky Peacock: Executive Director, Advice4Renters
- Dr Tim Rotheray: Director, Association for Decentralised Energy
- Peter Sumby: Director of Development & Delivery, National Energy Action

With the support of this group, we designed our approach to working in partnership with trusted organisations in order to make sure our campaign reaches a number of communities who might not be reached if our engagement campaign only communicated via mainstream mass marketing channels.

As a result, now part of the Smart Energy GB campaign are a number of partners on a national level, including:

BILD (British Institute of Learning Disabilities): Smart Energy GB’s partnership with BILD is seeing the production of accessible materials on smart meters, and the dissemination of information and training on
smart meters across BILD’s 850 member organisations who support communities with learning disabilities.

National Housing Federation: Smart Energy GB’s partnership with the National Housing Federation gives housing associations access to free training on smart meters and the benefits for housing association tenants, as well as distributing regular communications about smart meters on the National Housing Federation website and in direct communication to their members.

National Association of Arms Length Management Organisations (ALMOs): ALMOs manage over half a million council homes in Britain and via Smart Energy GB’s partnership with their National Association, a programme of training ALMOs to support their residents during the rollout, and well as distribution of materials about smart meters is being delivered.

Age UK (in partnership with Age Scotland and Age Cymru): using Age UK’s channels to reach harder to reach over-65 audiences, in particular those with dementia or memory impairment.

Scottish Federation of Housing Associations and Community Housing Cymru: a multi-channel information campaign to activate housing officers in these two nations in communication to their tenants.

Citizens Advice (England & Wales): Delivering training on smart meters to all Citizens Advice volunteers who advise on energy issues, and the delivery of information about smart meters in Citizens Advice’s core advice services about energy, financial capability and money guidance.

In addition, in March 2016 we launched a programme of support for grassroots partners, called Smart Energy GB in Communities. This programme is delivered by a consortium made up of National Energy Action, Energy Action Scotland, Media Trust and the Charities Aid Foundation and is supporting local organisations in becoming part of our campaign; with a bid fund, which provides partners with grants to support community based smart meter engagement, regional support, which will drive partner engagement at a regional and local level and campaign training support, which will provide local organisations with the skills and resources to spread smart meter messages through marketing and communications training.

Also part of this campaign is inclusive upweighted advertising. Inclusive upweighted advertising is a targeted strand of paid media activity using a hybrid Gaz & Leccy/education creative aimed at landing the core campaign messages specifically for Smart energy for all audiences.
6. Language

Role: ensure that audiences without English or Welsh language proficiency are still able to understand and engage with the campaign.
From mid-year 2016, as our core campaign launched on TV channels, to complement our English and Welsh language campaign, we also launched adapted versions of our advertising in Polish, Gujarati, Urdu, Bengali and Punjabi (the five languages spoken by communities in Great Britain with the lowest proficiency in English or Welsh), complementing our website that also exists in these languages.

7. Pre-pay

Role: ensure that pre-pay customers understand that smart meters are also for them and are able to fully realize the benefits.
Our pre-pay campaign started with the launch of a partnership with PayPoint, which now provides information on smart meters at PayPoints in 1000 specially selected shops, as well as on the receipts of pre-payment customers topping up gas and electricity in store.

In the middle of 2016, our mid-year tracking data indicated we should increase activity for pre-pay audiences in order to support the campaign achieving our PMF targets for pre-pay audiences by the year-end. As a result, in the second half of this year we have also added a strand of pre-pay specific targeted advertising, as well as upweighting pre-pay messages in PR activity.
8. Microbusiness

Role: ensure that small business customers understand that smart meters are also for them and are able to fully realize the benefits.

Reflecting our responsibility to extend, where efficient, our activity to reach microbusiness customers, we have designed our core campaign approach to be transferable to a microbusiness setting without the need for the development of a new core creative campaign. This has allowed us to produce microbusiness targeted activity, including a repurposing of the *Estimation nation* film content from our B-strand campaign (see above) targeted specifically at microbusiness and delivered via digital channels.

Delivery in this campaign has also included work focused through public affairs (which has notably supported the Federation of Small Businesses in moving to position of stronger advocacy to their members on smart meters) and specialist advertising. Also part of this campaign has been targeted PR, notably with our small business “Energy Doctor” execution delivered through both digital and traditional media, with the support of the Carbon Trust.

In September 2016 we also secured the direct partnership involvement of the Thames Valley Chamber of Commerce in the campaign; a partnership which will deliver smart meter engagement to microbusinesses across Berkshire, Buckinghamshire, Oxfordshire and Swindon through a number of channels, and provide an important test bed for the value for such partnership activity on a broader basis in 2017 and beyond.

9. Smart Future

Role: secure the most influential opinion formers’ support for smart meters in order to add credibility to the smart meter message as it reaches consumers and build the base for the longer term campaign messages.

Securing the most influential opinion former public support for smart meters has been the focus of this campaign, to add further to the credibility and importance of the smart meter message as it reaches consumers. We have delivered our Smarter Britain series of events and published a wide range of on the record opinion former content (for example from Jonathan Porritt, Sir John Armitt, Lord O’Donnell and Professor Dieter Helm, amongst others) supporting the smart meter rollout (films of this content are available on Smart Energy GB’s YouTube channel). We have also been active in all three parliaments across Great Britain, to build and enhance cross-party political support for smart meters.
All our campaigns have been supported by important cross-cutting activity.

This has included a comprehensive digital approach including the award winning multi-lingual Smart Energy GB website, a range of social media content, film and other content digital distribution and YouTube repository and a very effective search engine marketing approach around key terms.

Cross-cutting all campaigns is also our press office, which as well as producing pro-active PR content for a number of campaigns, has also produced fast paced reaction to (frequently inaccurate) media and opinion former comment on smart meters; to ensure that often highly inaccurate and potentially damaging negative myths propagated by opponents of smart metering (which if not rebutted could set back all campaigns) are countered.

Our insight and research activity also crosses all campaigns, managing campaign pre-testing as well as the wide range of measurement and evaluation research used by management to assess and optimise campaigns; as well as independent research needed to provide data for the assessment of PMF results. Our cross-cutting insight has also driven the production of a number of thought leadership publications, most notably the *A smart route to change* white paper described in section 3.1 above and contained in appendix 4.

We are pleased that through 2016 the quality of our campaigns has been recognised by our peers, and in particular that in 2016 Smart Energy GB’s campaigns have won the following awards:

- Four British Arrows Awards (Silver: best new advertiser to TV; Silver: best advertiser in the household appliances, maintenance and services category; Bronze: best web-based series; Bronze: best over 90 second web-based film)
- Advertising Producers Association IDEAS award
- Two Creative Circle awards (silver awards: Best brand activity at a public event)
- Digital Cinema Media Award for Best Use of Innovation in Cinema
- Digital Impact Award (silver)
- Two silver Campaign Big awards
4.0 PMF targets for 2017 as instructed by large energy suppliers
On 12th September 2016 large energy suppliers instructed Smart Energy GB to target the PMF metrics in 2017 as outlined in this section.

It was confirmed at the meeting of the PMF forum of 19th October 2016, that the PMF was not making any changes to this instruction.

We welcome that the PMF forum agreed with our suggestion that it hold an extended meeting in February 2017 to review PMF targets in light of energy suppliers’ latest installation projections, DCC progress and the wider medium and long term context for the smart meter rollout as this becomes clearer at the start of 2017.

In 2015 a process akin to this took place, and as a result, the board was able to make an in-year adjustment to Smart Energy GB’s plans and return funding to suppliers. Were a target adjustment to be made by the PMF forum in 2017 the board would examine and adjust the plan and budget in a similar way.
4.1 2017 PMF understanding metrics

<table>
<thead>
<tr>
<th>PMF metric</th>
<th>2017 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding of what a smart meter is.</td>
<td></td>
</tr>
<tr>
<td>1. Level of consumer understanding of what a smart meter is, amongst the</td>
<td>May 2017: 47%</td>
</tr>
<tr>
<td>British adult population.</td>
<td>November 2017: 59%</td>
</tr>
<tr>
<td>2. Level of consumer understanding of what a smart meter is, amongst the</td>
<td>May 2017: 47%</td>
</tr>
<tr>
<td>sub-demographic of the British adult population with low incomes.</td>
<td>November 2017: 59%</td>
</tr>
<tr>
<td>3. Level of consumer understanding of what a smart meter is, amongst the</td>
<td>May 2017: 47%</td>
</tr>
<tr>
<td>sub-demographic of the British adult population who have prepayment</td>
<td>November 2017: 59%</td>
</tr>
<tr>
<td>meters.</td>
<td></td>
</tr>
<tr>
<td>4. Level of consumer understanding of what a smart meter is, amongst the</td>
<td>May 2017: 47%</td>
</tr>
<tr>
<td>sub-demographic of the British adult population who are older (65 plus).</td>
<td>November 2017: 59%</td>
</tr>
<tr>
<td>5. Level of consumer understanding of what a smart meter is, amongst the</td>
<td>May 2017: 47%</td>
</tr>
<tr>
<td>sub-demographic of the British adult population who live in rented</td>
<td>November 2017: 59%</td>
</tr>
<tr>
<td>accommodation.</td>
<td></td>
</tr>
</tbody>
</table>

Note: Smart Energy GB will report on the above numbers broken down by customers who have a smart meter or not.

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8 The methodology for assessing “understanding” was developed by expert pollsters Populus in 2014 for the first wave of the national public attitudes tracking (Smart energy outlook), and in particular sought to address the flaws in previous research into public attitudes to smart meters which typically assessed simply awareness of the words “smart meter” (e.g., “Have you ever heard of a smart meter?”) and so tended to record a large number of what were effectively false positive responses (i.e. people who have heard of a smart meter but actually have no idea how they would get one installed, or may be muddling a smart meter with an old fashioned “clip-on” energy monitor). As such, in order to be judged to have “understanding” a respondent needed to:

- have heard of a smart meter
- recognise that smart meters can only be installed by an energy supplier
- recognise that smart meter show them their energy use in £ and pence
- recognise that smart meters deliver accurate energy bills
Large energy suppliers in their PMF forum have also informed Smart Energy GB of the glidepath that they want it to achieve for increases in understanding beyond 2017, to the completion of the smart meter rollout at the end of 2020. This is set out below.

Figure 4: Increase in understanding to 2020

Large energy suppliers have instructed the understanding glidepath in the knowledge of the forecast installation numbers and have reflected the importance of generating a strong level of consumer understanding sufficiently in advance of households being approached for their individual installation. It should also be noted that large energy suppliers have instructed the 2020 final target for understanding in the knowledge that understanding needs to be achieved in a minimum of one decision maker per household. As a result, the final 2020 target for understanding has been carefully considered by large energy suppliers to reflect the balance of reaching a decision maker in every household whilst avoiding unnecessary wastage of effort and cost.

The 2017 PMF target to achieve 59 per cent of the GB adult population with ‘understanding’ by year end (from a starting point of 36 per cent of GB adults, equivalent of 17.5 million adults, at the end of 2016) will mean that by the end of 2017 a total of 29.5 million GB adults will have understanding (of whom 12.45 million new GB adults will have been generated in 2017).
4.2 2017 PMF timing of the rollout metric

<table>
<thead>
<tr>
<th>PMF metric</th>
<th>2017 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>**Comprehension of the timing of the rollout.**º</td>
<td></td>
</tr>
<tr>
<td>6. Comprehension of the timing of the rollout amongst the British adult population</td>
<td>May 2017: 30% November 2017: 45%</td>
</tr>
<tr>
<td>7. Comprehension of the timing of the rollout amongst the sub-demographic of the British adult population with low incomes.</td>
<td>May 2017: 30% November 2017: 45%</td>
</tr>
<tr>
<td>8. Comprehension of the timing of the rollout amongst the sub-demographic of the British adult population with prepayment meters.</td>
<td>May 2017: 30% November 2017: 45%</td>
</tr>
<tr>
<td>9. Comprehension of the timing of the rollout amongst the sub-demographic of the British population who are older (65 plus).</td>
<td>May 2017: 30% November 2017: 45%</td>
</tr>
<tr>
<td>10. Comprehension of the timing of the rollout amongst the sub-demographic of the British adult population who live in rented accommodation.</td>
<td>May 2017: 30% November 2017: 45%</td>
</tr>
</tbody>
</table>

Note: Smart Energy GB will report on the above numbers broken down by customers who have a smart meter or not.

º This metric will be measured by asking the population who are shown to know what smart meters are by having passed the “understanding” metric, the following question (exact wording to be confirmed by polling company):

Q: “Before today were you aware that smart meters are being offered to customers over the course of the next few years and so you might not be able to get one straight away?”

A: “Yes/No”
### 4.3 2017 PMF consideration metric

<table>
<thead>
<tr>
<th>PMF metric</th>
<th>2017 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consideration to seek or accept smart meter installation in the next 6 months.</td>
<td></td>
</tr>
<tr>
<td>11. Number of consumers who express consideration for smart meters amongst the British adult population.</td>
<td>May 2017: 29% November 2017: 35%</td>
</tr>
<tr>
<td>12. Number of consumers who express consideration for smart meters amongst the sub-demographic of the British adult population with low incomes.</td>
<td>May 2017: 29% November 2017: 35%</td>
</tr>
<tr>
<td>13. Number of consumers who express consideration for smart meters amongst the sub-demographic of the British adult population with prepayment meters.</td>
<td>May 2017: 29% November 2017: 35%</td>
</tr>
<tr>
<td>14. Number of consumers who express consideration for smart meters amongst the sub-demographic of the British population who are older (65 plus).</td>
<td>May 2017: 29% November 2017: 35%</td>
</tr>
<tr>
<td>15. Number of consumers who express consideration for smart meters amongst the sub-demographic of the British adult population who live in rented accommodation.</td>
<td>May 2017: 29% November 2017: 35%</td>
</tr>
</tbody>
</table>

Note: this is only for customers who have not yet had a smart meter installed.

---

This new consideration metric will be measured by asking the population who are shown to know what smart meters are by having passed the “understanding” metric, the following question (exact wording to be confirmed by polling company):

“How likely would you be to seek or accept a smart meter installation in the next six months?”

Respondents would be asked to respond on a scale of:

- definitely would
- probably would
- not sure
- probably not
- definitely not
4.4 2017 PMF microbusiness metric

<table>
<thead>
<tr>
<th>PMF metric</th>
<th>2017 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Microbusiness</strong>&lt;sup&gt;11&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>16. Level of consumer understanding of what a smart meter is amongst microbusiness decision makers.</td>
<td>May 2017: 47%</td>
</tr>
<tr>
<td></td>
<td>November 2017: 59%</td>
</tr>
<tr>
<td>17. Understanding of the timing of the rollout amongst microbusiness decision makers.</td>
<td>May 2017: 30%</td>
</tr>
<tr>
<td></td>
<td>November 2017: 45%</td>
</tr>
<tr>
<td>18. Consideration to seek or accept a smart meters installation in the next 6 months amongst microbusiness decision makers.</td>
<td>May 2017: 29%</td>
</tr>
<tr>
<td></td>
<td>November 2017: 35%</td>
</tr>
</tbody>
</table>

<sup>11</sup> The methodology for the above metrics will reflect the equivalent questions asked of domestic customers.
4.5 2017 PMF value for money metric

**PMF metric**

<table>
<thead>
<tr>
<th>Value for money</th>
<th>2017 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. Independent audit of partnership commitments (major delivery partner’s and national delivery partners’ activity against contractual commitments).</td>
<td>Independent audit of our partnership marketing major delivery partner’s and national delivery partners’ activity against contractual commitments.</td>
</tr>
</tbody>
</table>

The audits would include examination of the following areas:

- Project inputs - Has the partner invested the resources it committed to in its contract?
- Project outputs - Did the partner undertake the activities it committed to in its contract?
- M&E requirements - Did the partner achieve the M&E requirements committed to in its contract?

The following scale would be used to report:

- 1 = little or no progress against commitments
- 2 = commitment partially met
- 3 = commitment largely met but with some exceptions
- 4 = commitment fully met
- 5 = commitment exceeded

The report would provide a rating for each contract, as well as an overall rating across contracts. A mid-year and end of year report would be produced. For 2017 a target of “4” for both the mid-year and end-year has been set.
20. Independent audit of partnership bid fund grants.

Independent audit of a sample of partnership bid fund grants. The methodology for this would look at:

- Project inputs - Has the bid fund recipient invested the resources it committed to?
- Project outputs - Did the bid fund recipient undertake the activities it committed to?
- M&E requirements - Did the bid fund recipient achieve the M&E requirements committed to?

The following scale would be used to report:

- 1 = little or no progress against commitments
- 2 = commitment partially met
- 3 = commitment largely met but with some exceptions
- 4 = commitment fully met
- 5 = commitment exceeded

The report would provide a rating for each bid fund recipient examined, as well as an overall rating across bid fund recipients. A mid year and end of year report would be produced. For 2017 a target of ‘4’ for both the mid-year and end-year has been set.

21. Independent assessment of Smart Energy GB’s paid media prices

Independent assessment takes place twice a year and reports on its view of the value for money of paid media prices on the following scale:

- A: Excellent  Excellent value for money achieved based on comparison against market rates
- B: Good  Good value for money achieved based on comparison against market rates
- C: Review  Lower than average market rates achieved, but with a good justification (e.g. sudden crisis in smart metering forced cancellations/late bookins that meant best rates could not be achieved)
- D: Poor  Poor value for money achieved

2017 target: “A: excellent” is set for both mid year and end year.
4.6 2017 PMF energy use metric

Reported energy use reduction.\textsuperscript{12}

22. Reported energy use reduction amongst a sample of the generalised British adult population who have had smart meters installed in their homes.

<table>
<thead>
<tr>
<th>PMF metric</th>
<th>2017 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hearing about smart meters</td>
<td></td>
</tr>
<tr>
<td>Making a decision to say yes to a smart meter</td>
<td></td>
</tr>
<tr>
<td>Being contacted about installation and setting it up</td>
<td></td>
</tr>
<tr>
<td>Having the smart meter installed</td>
<td></td>
</tr>
<tr>
<td>Using and benefiting from the smart meter</td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{12} Source of data for this metric is a usage tracker conducted for Smart Energy GB by Populus. Metric defined as “decreased a lot” or “decreased a little” on a 5pt scale to the question “since receiving your smart meter has your energy usage...?” amongst those with a smart meter.
4.7 PMF standard on marketing partnerships

PMF standard

Marketing partnerships

23. Ensure that all partnership relationships positively contribute to consumers who may encounter additional barriers due to their particular circumstances, to realise the benefits of Smart Metering. Smart Energy GB will provide a narrative report on a six-monthly basis explaining how this standard is being met. This report will include an evaluation on how the partnership marketing spend has been effective in ensuring hard to reach and vulnerable customers perform in line with the national population for awareness, understanding and consideration, and to what level the spend has contributed to any incremental performance of these targets.
5.0 Campaigns in 2017
The Smart Energy GB board has carefully considered progress to date by Smart Energy GB in supporting the smart meter rollout (as set out in section 3 above) and also the targets that we have been tasked by energy suppliers with achieving in 2017 as set out in section 4.

For any year, when determining the mixture of, and scale of, campaigns that we need to run, we go through a process of:

1. Assessing aims as per targets set for us in our PMF
2. Challenge/validate expert analysis in the light of actual campaign experience to date
3. Understand analysis of benchmark campaign activity/scale and mix of channels needed to achieve targets
4. Adjust the campaign(s) in the light of on-going results

We continue to apply the process above through the year, in order to refine campaigns to achieve maximum effectiveness and efficiency.
When selecting channels, we apply a ‘discounting’ process in which we start with the most cost efficient channels available where reach is guaranteed (almost always paid media as defined by econometric modelling) and gradually discount those audiences who may need more expensive forms of engagement through a cost efficiency funnel. This in practice ensures that the most efficient channels are considered first and more expensive channels are only considered where a more cost efficient channel is either not available or effective. The principles of this process are:

1. Channels must produce a guaranteed reach, frequency and quality (e.g. clarity of message).
2. Channels with lowest cost per impact must be considered first.
3. A channel with a higher cost per impact cannot be considered before more cost effective alternatives have been discounted.

The role of earned and owned channels is therefore weighed against guaranteed reach, so whilst it is in theory extremely cost effective only to reach mass audiences by PR for example, it would not be possible to guarantee the required reach and frequency required to shift the metrics as set out in the PMF.

We therefore rely on owned and earned channels to (a) enhance the positive public debate; (b) deploy highly targeted interventions where paid channels may not be able to provide the reach, depth or credibility required to shift a specific audience; and (c) to provide a go-to resource for those seeking more information.

Figure 5: Illustrative cost efficiency funnel
Implicit in this process is a thorough analysis of audiences. Smart Energy GB has a detailed segmentation, based on ACORN housing data, census demographics and TGI attitudinal statements; distributed across specific engagement tasks across attitudinal and aptitudinal axis.

This process highlighted a highly divergent distribution of audiences as applied to the smart meter journey, including some audiences who would be likely to face material capability barriers in receiving information about smart meters or taking the steps required to install and use them.

In July 2015 Smart Energy GB undertook extensive analysis, which was subject to industry and expert review, to identify and quantify those audiences who may face such additional barriers to engagement. The purpose of this research was to ensure that (a) the benefits of smart metering are available to all; (b) investment is only directed towards engaging those audiences with a barrier which is likely to specifically impact their ability to install or use a smart meter; and (c) that such investments are made as cost effectively as possible.

The resulting strategy was published in summer 2015 (*Smart energy for all*, appendix 1), identified barriers of characteristic or capability, categorised as socio-demographic, disability/impairment, or health factors; and circumstantial barriers, categorised as personal, property or access to channels factors. Importantly, it allowed us to prioritise those specific barriers and combinations of barriers requiring additional engagement effort, and to ensure that additional investment is not made where specific barriers are unlikely to materially impact upon the individual’s engagement in and enthusiasm for installing and using smart meters.
5.2 Using econometrics to plan the most cost efficient campaign

Smart Energy GB uses well used and respected econometric modelling (EM) to drive efficient and effective campaign planning, by isolating and modelling the effects of component parts of our campaign investment.

EM uses statistical techniques to examine and quantify the relationship between a chosen measure of business performance and the various factors that influence it. It is well recognised as one of the most thorough methodologies to optimise campaign planning, and so drive maximum possible effectiveness and efficiency.

At least 10-15 per cent of companies advertising in the UK market invest in EM to plan their campaigns, including around 80 per cent of the country’s largest advertisers. EM is particularly used in highly competitive sectors such as FMCG.

5.2.1 The EM model used to plan the Smart Energy GB campaign
The EM model used for the planning of Smart Energy GB’s campaign has been developed by one of the most respected EM specialists in the UK, Annalect (formerly called BrandScience).

This EM model is more thorough than those used by many other advertisers, in that it is updated three times a year whereas most models are only updated annually or even every two years.

The EM model used for the Smart Energy GB campaign calculates which media channels have been most efficient at driving the KPIs (delivering the most uplift per pound spent) and conversely which channels have not been so efficient.

The model shows how the campaign’s delivery of KPIs influence each other. The EM analysts are also able to isolate the impact of our campaign from that of energy suppliers’ smart meter specific marketing and ensure that results are genuinely attributable to Smart Energy GB.

By understanding the full impacts of different media channels on the metrics historically, we attune our future campaigns to most effectively achieve the PMF targets.

5.2.2 Using EM to properly understand diminishing returns
Diminishing returns curves show us the expected return at different spend levels and ensure that we do not over-invest in a particular channel beyond its point of incremental return.

For example, if we are currently spending in a part where the slope of the curve is steep, we get a lot of incremental uplift for an extra £1,000. Conversely if the slope is shallow we get a small uplift for the next £1,000 spent and it may not be worth increasing budgets if we have hit high levels of diminishing returns.

As an example, we see the most efficient results from radio at around £100k-£150k per week, whereas TV builds much more steadily with scope for larger weekly spends of close to £1m.

When building the models we test different levels of diminishing returns for each channel. Thus for each KPI we generate a curve for every media channel that directly drives it.

These can be used to inform on efficient spend levels for each channel and, when used collectively, to optimise budgets.

Using these curves (along with benchmark curves for any channels we haven’t measured yet) we can mathematically create an optimal media mix for any given level of spend.

By making sensible assumptions about the future we can use these results to forecast the impact of future media plans enabling us to select the most efficient way of spending the budget to achieve business targets.
5.2.3 EM allows the correct attribution of results to Smart Energy GB’s campaign

Clearly Smart Energy GB does not exist in a vacuum and there has been some smart meter advertising by suppliers. It is therefore important that we are able to model the impact of this and ensure that we are correctly attributing the results.

EM allows us to isolate supplier smart meter marketing activity in the same way that we can isolate channels within our own mix.

We can therefore conclude an understanding increase from 18 per cent to 30 per cent between January 2015 and May 2016 was driven overwhelmingly by Smart Energy GB activity, accounting for 10 per cent of the 12 per cent uplift.

In the period, OVO Energy and E.ON deployed smart meter focused marketing campaigns (we cannot pull them apart as they followed almost identical time periods), which gives us a useful effectiveness comparator to individual supplier branded smart meter marketing activity.

During this time, the EM can conclude that on a pound for pound basis, Smart Energy GB activity was more than twice as effective at driving national understanding of smart meters. Of course these campaigns may have had different aims (such as raising brand awareness of the companies in question, or encouraging customers to switch to those companies), and so this EM analysis does not mean that those campaigns were unsuccessful in terms of their own goals. However, EM does provide assurance that in support of the smart meter rollout, Smart Energy GB’s campaign has been considerably more effective than the alternative of communication to raise understanding and propensity under a plethora of individual energy supplier brands.

5.2.4 How EM supported continuous optimisation of Smart Energy GB’s 2016 plan

EM is used to provide a continuous optimisation process, identifying best performing and underperforming media channels and re-allocating spend for greater efficiency in year.

For example, in 2016 EM demonstrated that return on investment within OOH (delivering towards our main KPIs) was lower than other channels. Therefore investment was shifted in H2 from regional OOH and into additional radio that has been performing strongly against benchmarks.

It is worth noting that EM also provides a robust methodology through which to isolate the results of short-term and long-term impacts; i.e. you cannot just add together the short term effects to get an overall uplift because to do so would be double-counting people across different weeks. While the EM model does not allow us to measure long term effects by individual channel, on average we find 46 per cent of the short term uplift is retained as base growth. Using this figure we can therefore approximate the long-term uplifts.

This means that longer term impacts from previous periods can be properly accounted for in planning.

It is worth noting that the application of continual learning through EM in 2016 is as of today projected to allow Smart Energy GB to expect a 2016 underspend on the original media buy budget for the year.
5.2.5 Applying 2016 results to 2017 planning

EM has been used to identify outstanding contributors to results in the campaign thus far for added focus in 2017.

On the back of outstanding results for radio (well above industry benchmarks) we have increased radio investment as a proportion of 2017 budgets (up by 68 per cent year on year vs. a 31 per cent increase in the total media budget year on year).

EM has also confirmed strong results from media partnership activity, particularly in its ability to drive consumers desire to activate. As a result we upweighted media partnerships in 2016 for audiences most in need of support (Prepay, Microbusinesses and Group Renters) to aid with meter take-up.

Whilst the consideration metric in the 2017 PMF is newly created by the PMF forum for 2017 and so we have not been able to use it in the modelling yet, it is possible to use characteristics which highly correlate to attempting an installation as a valid proxy.

One factor that EM has confirmed, and is of benefit for Smart Energy GB’s plan in 2017, is the quality of the creative outputs in the Smart Energy GB campaign.

EM measures carryover rates (sometimes called “adstocks”), which is the rate at which the effects of advertising decay.

For example a 50 per cent carryover rate implies that the impact of advertising on consumers halves each week they are not exposed to further advertising. A higher adstock implies the rate of decay is slower.

The chart below shows the measured AV advertising carryover rates against a comparable benchmark. You can see from this that Smart Energy GB TV compares favourably against the benchmarks, with a longer carryover rate. As a result, the money saved on TV over the course of 2016 from having a carryover rate of 70 per cent instead of 58 per cent (benchmark) was £3.9m.

We have thus been planned 2017 on the basis of the maintenance of these better than benchmark carryover rates.

Figure 6: Smart Energy GB AV advertising carryover rate vs benchmark

<table>
<thead>
<tr>
<th>Weekly carry over rate (%)</th>
<th>TV</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

- Carry over rate - Understanding
- Benchmark
5.2.6 Properly considering the impact of energy supplier marketing activity
The relative inefficiency of energy supplier spend in driving the understanding metric (up to half as effective than that of Smart Energy GB) and the lack of sight of individual energy supplier marketing plans by Smart Energy GB, means we have concluded that it is prudent to discount it for planning purposes.

Given the mutual responsibilities on Smart Energy GB and energy suppliers to ensure that consumers’ money is spent in the most efficient way, the EM analysis would point to energy suppliers not undertaking above-the-line marketing aiming to increase understanding of smart meters or increase propensity/consideration, as that activity is most effectively and efficiently delivered on the collective behalf of energy suppliers by Smart Energy GB. Better for energy suppliers would be to focus their individual activity on the activation of their individual customers, and work with Smart Energy GB to ensure that their activation activity is designed to best reflect good practice in this area.

5.2.7 Combining EM and creative insights in 2017 planning
We can combine EM insight with continuous ad tracking of creative strands to select the right channel and creative mix for effectiveness.

For example, in 2016, YouTube spends have been proven to be very effective at driving our metrics at low weekly spends, with a particular strength in driving understanding.

Strong YouTube performance combined with strong results from our estimation nation (B-strand) activity in 2016 have led to an increased investment in YouTube in 2017 which allows us to drive more reach from existing estimation content and introduce new creative to meet specific 2017 challenges (in establishing understanding amongst group renters, for example). YouTube will also be the central pillar of a small and efficient multimedia campaign aimed at the difficult to convert 18-34 audience.

Similarly to the digital mix, we can see that campaign recall peaked when running B-strand ‘Estimation nation’ TV alongside Gaz & Leccy in May/June. We saw a campaign awareness spike of an additional 10 per cent during this period (with total awareness at a peak of 64 per cent).

As a result we are planning ways that we can boost overall effectiveness in 2017 through the use of multiple TV strands as well as the overall multiplier effect of secondary channels.

5.2.8 Optimising for understanding
We’ve used outputs from the model firstly to analyse spend required to hit our targets in 2017, and secondly to most efficiently split this budget across media channels. As large energy suppliers have chosen from 2017 to abolish the propensity metric that has thus far been part of the PMF, and also rejected our recommendation of an activation readiness metric based on researched correlation factors in favour of the new as yet untested consideration metric, the prime metric against which we have been able to plan 2017 activity is understanding (for the GB population and the sub-demographics within it).

Based on projected 2016 understanding levels of 35 per cent by year end (which we are currently on track to achieve), and a significant increase to 59 per cent understanding that large energy suppliers have instructed us to achieve in our 2017 PMF targets, we have planned for a spend increase from £17.8m in 2016 to £23.1m in 2017.

We forecast this spend increase is necessary due to the recorded relationship between media spend and our metrics as it is projected to allow us to just reach our 59 per cent target.
As the model learns over time, we have been able to project forward with greater accuracy, as we have used a fuller mix of channels over a longer period. From end of 2015 to end of 2016 our paid media campaign drove the PMF understanding metric up by 10 per cent for £17.8m in spend (i.e. £1.78 per % point). From end of 2016 to end of 2017 we expect paid media to drive the PMF Understanding metric up by 24 per cent for a spend of £23.1m (£0.93m per % point).

Media in our 2017 plan is therefore forecast to be more efficient at driving understanding than media this year, by some 46 per cent. This reflects a full channel mix being deployed across the year (rather than just H2 as in 2016), optimisation of that mix from 2016 learning, the evolving creative focus and a more consistent spend throughout the year.

By using such a sophisticated EM approach, Smart Energy GB’s board is assured it is using the best practice model in marketing for the optimum planning and execution of an efficient and effective campaign.

The EM model learns as time goes on; with two years of our overall campaign behind us, and now with some months of our full multi-channel mix campaign in the model, we have been able to plan 2017 activity with even more sophistication than was possible in previous years.

The EM model is live through the year, and so in 2017 the model will continue to help us refine and best target our media plans and spend. As a result, the board is confident that the EM model provides the most sophisticated tool possible for the selection of campaign channels.
The channel optimisation process also involves working with our expert media planning agency, PHD, to ensure any optimisation recommendation can realistically be carried out, e.g. is it desirable to spend a specified amount in a single week in a specific media channel.\textsuperscript{13} As a result, the optimised media plan for 2017 based on EM modelling is set out below.

\textit{Figure 7: Optimal Media Investment in 2017}
\textit{Spend (£m)}

\begin{table}[h]
\centering
\begin{tabular}{|c|c|}
\hline
Channel & Spend (£m) \\
\hline
TV & 23 \\
Press & 20 \\
Radio & 10 \\
Video on demand & 0 \\
Social, display, native & 0 \\
Additional barriers audience-specific & 0 \\
Media partnership & 0 \\
Regional & 0 \\
Fees & commission & 0 \\
Other campaign costs & 0 \\
\hline
\end{tabular}
\caption{2017 optimised paid media plan}
\end{table}

\textsuperscript{13} Please note that for channels we have not yet deployed, or spend values for a channel not yet deployed, industry benchmarks are applied in line with the observed impacts achieved for our existing channels. As such, as these new channels are deployed and Annalect are able to analyse observed impacts, the analysis will continue to revise and update the optimal combination recommendation.
In 2017 we will continue to use marketing partnerships to extend the efficient reach of our campaign, in particular with more vulnerable consumers (as defined in our 2015 publication *Smart energy for all*, see appendix 1). This is because it is estimated that approximately 10-15 per cent of the adult population are not reached by mainstream channels (and this group significantly over-indexes with populations who also have a range of vulnerabilities). We have built a strong foundation for our partnership activity in 2016 in accordance with our published Consumer Engagement Plan (and were also pleased that the House of Commons Energy & Climate Change Select Committee endorsed our strategy for partnership working).

The Select Committee has recognised the importance of our partnership working approach in particular because they believe that is vital part of ensuring that messages about the smart metering rollout can reach segments of the population who:

- are not actively engaged with traditional media channels so need to be targeted through their community contacts using partnership marketing (this is particularly important for our more vulnerable audiences)
- consume traditional media but may struggle to understand the complexity of the smart meter message and need additional support or encouragement
- need information beyond that which can be provided by traditional media channels
- only trust recommendations from people or partner organisations with whom they have an existing relationship

We only consider using partners once more efficient traditional channels have been exhausted as possibilities. We select partners who have existing specific access to the appropriate audience and who can produce a guaranteed reach, frequency and quality (e.g. clarity of message) and we always consider first partners who offer the lowest cost per impact. We can be most assured partnership marketing cuts through as partners are required to demonstrate a track record of reaching their audience in diverse ways and by supporting this rather than dictating their approach centrally, we know our investment supports effective targeted activity. This is a well-established engagement approach, not only supported by the Select Committee for Energy and Climate Change as noted above, but also used in comparable campaigns such as Change 4 Life and Digital Switchover.

We have planned our partnership activity in 2017 to build on the work already established in 2016, but will also in terms of implementation ensure that 2017 activity reflects the results of the independent evaluation of activity to date which will be available in early 2017.

In 2016 Smart Energy GB developed a partnership agreement with Post Office™, which brought Post Office™ and its branch network across Great Britain into our campaign. The over 11,000 Post Office™ branches around the country that are distributing information about smart meters are an important offline information source for those parts of the population who cannot rely on the internet for accessing additional information. Post Office™ is also one of the country’s most trusted brands, and it is fitting that they now have a role in communicating about such an important national infrastructure project as the smart meter rollout.

The Post Office™ partnership enabled us to fulfil our responsibilities to those audiences who may be unable to seek further information online – 93 per cent of people in UK live within a mile of a Post Office™ branch/ 99.7 per cent within three miles.
As a result of this partnership, in 2016, an education leaflet on smart meters is available in all 11,000 Post Office™ branches throughout England, Scotland and Wales. There is also a Welsh language version available in all branches in Wales. The education leaflet has also been re-purposed for energy suppliers to use – all energy suppliers have access to the digital version and printed copies have been made available on request.

In 2017 we will be working with Post Office™ to build on the results of activity in 2016, and see how it is appropriate to deepen the role that Post Office™ and its branches play in communication to communities across the country, based on independent evaluation of Post Office™ activity this year. In addition, we are working with the Post Office™ to explore opportunities to use their customer insight to provide interventions to specific audiences such as microbusinesses as required.

In 2017 we will also work with our group of national partners, whose expertise and reach into a number of hard to reach communities is critical to our campaign effectiveness, to further develop their delivery of messages and community based activity. This group includes the National Housing Federation, Community Housing Cymru, the Scottish Federation of Housing Associations, the National Federation of ALMOs, the British Institute for Learning Disabilities, PayPoint, Age UK, Citizens Advice England & Wales and Action for Communities in Rural England. We are also developing our partnership programme with Chambers of Commerce, to support our microbusiness campaign, and will be looking to other national partners who have the strongest relationships with other Smart energy for all audiences.

In selecting appropriate partnership activity for 2017 priority audiences as defined by Smart energy for all, we apply the same principles as broad channel planning to ensure that we are able to deliver the best possible engagement for the best possible value.

1. Partners must produce a guaranteed reach, frequency and quality (e.g. clarity of message)
2. Partners with lowest cost per impact must be considered first
3. A partner with a higher cost per impact cannot be considered before more cost effective alternatives have been discounted

Our delivery model prioritises the selection of partners based on their scale, connection to the issues and the strength of their relationship with the target priority audience. In practice, this means a number of practical questions are asked at four steps:

**STEP ONE:** are we able to reach and provide the support required by the audience via mass marketing partnerships (currently our major delivery partner, the Post Office™)?

The Post Office™ provides a physical location on a nationwide basis where consumers can get more information on smart meters. The Post Office™ is a touchpoint for the majority of our 2017 priority audiences and it also enables us to reach the GB-wide population. It has a significant high street presence and a level of trust with the British population and enables us to service an offline call to action, driving awareness and education at scale. The partnership is providing 44 million OTS over a six-month period in 2016 at a cost of £0.007 per opportunity. This is a highly cost-effective partnership and means of reaching the GB-wide population at scale. We were pleased when DBEIS (then DECC) minister Lord Bourne recognised the significance of Post Office™ being brought into the smart meter rollout campaign.

In 2017 we will also continue to build the Smart Energy GB in Communities programme, which is delivered for us by a consortium led by National Energy Action (NEA), Energy Action Scotland, the Media Trust and the Charities Aid Foundation. In 2016 this programme pioneered its delivery of content, training and funding for grassroots organisations to run local smart meter campaigns, and in 2017 we plan to work with NEA as leaders of this consortium to develop this activity, based on the lessons from evaluation of 2016’s results.
STEP TWO: are we able to reach and provide the required support required by the audience via national partners?

National partners are selected based on the ability to reach and engage a priority audience at scale. They are audience specialists who are able to drive awareness of smart meters, demonstrate relevance and social proof. While the target list has been prioritised around access to hard to reach and vulnerable groups, the mass reach of these strategic partners ensures our messages are delivered to the size of audience necessary for the creation of a mass movement to inspire behaviour change on a population level, building on the media spend. Our partnership with Age UK, for example, will reach over one million people at a cost of £0.10 per reach.

STEP THREE: are we able to reach and provide the required support required by the audience via regional marketing partnerships?

Regional partners have a deeper relationship with audiences, particularly vulnerable groups primarily due to the type of service they provide e.g. social housing. These partners are well placed to educate and reassure audiences about smart meters and have the ability to hand-hold. A regional partner solution is selected where a national partner one is unavailable or where a national partner is only able to deliver on a portion of the task. For example we do not have a national partner solution to target private renters and are therefore working with a number of regional partners to reach and engage this audience. For example, this includes Future Climate who are targeting private renters in the HMO (houses of multiple occupancy) sector at a cost per engagement is £2.60.

STEP FOUR: are we able to reach and provide the required support required by the audience via a hyper-local marketing partnership?

Local partners have the ability to educate and reassure small local audiences on a micro level about smart meters and handhold along the smart meter journey. They have 1-2-1 relationships with their audience and are able to offer highly-targeted engagement. Due to the nature of the intervention the cost per engagement is higher. For example we are funding a local community to engage people in St. Mary’s on the Isles of Scilly. The cost per reach is £11.80 and includes work to reach people with a memory impairment. This is the only way to provide the depth of engagement required – in this instance a home visit to a rural location. They are the only service in the region offering that level of support and the region has one of the highest levels of fuel poverty.

As with paid media planning, each solution can only be considered once the immediately previous lower cost engagement has been discounted, meaning that more expensive partnership options are only deployed where there is no viable alternative providing the required reach, frequency and quality.

More on our marketing partnership strategy has been included in appendix 2.
Smart Energy GB’s public relations strategy contributes to the achievement of PMF metrics via coverage in low-cost and high-trust earned media channels. Because earned channels are by definition not bought or owned, there are limitations to the control we have over the outputs and therefore they must be used as part of a mix with, and to supplement the guaranteed reach we can achieve in, bought channels.

There are four elements of our public relations strategy:

1. Consumer PR activities (including the core campaign and an ongoing broadcast, print and online consumer features programme), which is of sufficient sophistication to generate coverage of enough quality and depth to land detailed and complex messages about a new technology that people are currently unfamiliar with, while enhancing a broadly positive public debate on smart meters.

2. Targeted public relations interventions for specialist and additional barrier audiences, including microbusiness, who by their nature require additional reach than that which we are able to achieve in traditional bought channels. This specialist public relations activity supplements Smart Energy GB’s inclusively upweighted paid campaign, to ensure we can reach our PMF metrics for audiences who are not as engaged with mainstream media channels.

3. Reactive public relations work to enhance the broadly positive public debate around smart meters, including maintaining a match-fit 24/7 press office, to protect the reputation of smart meters against (often ill-informed) critics of the technology and of the policy surrounding them, which might otherwise affect a consumer’s understanding of and enthusiasm for smart meters.

4. Activities which create new trusted advocates across a range of fields. Reflecting the healthy scepticism of some consumer audiences towards individuals and organisations who might in the past have been considered opinion-forming experts, this element of Smart Energy GB’s public relations strategy will bring forward bodies such as Public Health England, whose reputation for peer-reviewed scientific research is unrivalled. It also includes bringing forward authentic voices from other walks of life to endorse the benefits of smart meters as they relate to aspects of consumers’ lives such as cooking and household energy saving. This aspect of the strategy is designed to support and signpost to resources which help answer consumers’ questions about smart meters, and also to signpost to our own owned channels, where consumers’ questions can be answered in a greater level of detail to suit their need.

In 2016 Smart Energy GB has established an unrivalled presence through its public relations work as the most prominent and most favourable voice on smart meters in earned media. In the first half of the year alone, we generated 695 pieces of earned coverage in printed media and features in broadcast channels, and were present in nearly 20 per cent of all media coverage of smart meters.

Our key messages on smart meters have landed strongly: the most prominent positive message in 2016 to date has been “everyone will be offered one by 2020”, with the key benefits of accurate bills and pounds and pence landing as the second and third most prominent messages by volume.

We have monitored and measured the impact of our public relations activities via monthly evaluation of the positive uplift Smart Energy GB has had on the earned media landscape: not only through our presence as the most prominent voice on smart meters by volume, but also through maintaining a sustained positive uplift to media coverage. Earned channel pieces are on average 12 points out of 100 ‘more favourable’ than other press coverage on smart meters, as measured by our independent evaluation agency Ebiquity.
In 2017 we will build on the success of our ‘patriotic’ consumer PR campaign which commenced in November 2015 and ran throughout 2016, and saw the smart meter rollout endorsed by national cultural figures the Royal Philharmonic Orchestra, the Poet Laureate Carol Ann Duffy, and pop artist Sir Peter Blake. We will continue our public relations executions, embedding these across all three nations of Great Britain and targeting pre-pay and 18-34 audiences. This consumer public relations activity will aim to generate large volumes of articles with high favourability for smart meter messaging, and will continue to be vital in landing the ‘smart meters are coming / are here’ messages for target consumer groups.

We will continue and deepen our work with social influencers in their own earned channels, working where appropriate with authentic expert voices to bring the benefits of smart meters to life via credible voices from a range of fields. This will continue the successful collaborations established in 2016’s campaign with voices including baker Ian Cumming, Dr Paul the Energy Doctor, and consumer expert Sue Hayward.

We will build on the good start made in generating earned media coverage reaching more vulnerable consumers and microbusinesses. In particular, we will execute a strand of proactive public relations with non-English and non-Welsh earned channels.

The public relations strategy will remain nimble, allowing us to direct in-house resource to audiences identified by our ongoing campaign tracking as requiring additional key message support in their trusted earned channels.

We will continue evaluating all strands of the public relations programme by volume of coverage, favourability and the landing of key messages throughout the year.

Our reactive public relations work via our press office, all staffed by our in-house team, cuts across all campaigns and has been able to mitigate the impact of potential negative coverage on many occasions. It has thus maximised value for money in other areas of the campaign, by mitigating negative messaging which could have otherwise weakened the reputation of smart meters with consumers. We will continue to ensure the press office is match-fit for the reactive work we anticipate will be required in 2017, and will continue to log all instances where we have been able to minimise or prevent negative coverage.
5.5 Public affairs

Public affairs and stakeholder audiences are high-importance and high-trust earned channels in their own right: they share with earned media channels the quality of being by their nature under their own control for the details of the final output. Our public affairs strategy therefore plays a role in contributing to PMF targets in balance with, and to complement, the mainstream campaign in bought channels.

Smart Energy GB’s public affairs strategy sits upon four pillars.

1. Public affairs activities to raise awareness and understanding of the national smart meter rollout amongst a range of Parliamentary and stakeholder audiences, to enhance the broadly positive public debate around smart meters, and answer the questions of consumers who direct their particular questions about smart meters to Smart Energy GB via our public correspondence function.

2. Targetted engagement designed to bring forward trusted advocates for smart meters, in public life and in influential organisations, and create platforms to amplify their voices.

3. Events and publications which drive ambition and inspire others for what the smart meter rollout can deliver for Britain, using these to build relationships with key opinion-formers and feed their ambition for the potential of this new technology.

4. Activities to anticipate and prevent ill-informed criticism of smart meters by opinion-formers, in particular where this might damage the broadly positive public debate.

Our public affairs strategy in 2016 has established good awareness of the national goals and opportunities of the smart meter rollout amongst key opinion-formers in all three Parliaments of Great Britain, amongst third sector voices, and with key opinion formers in many other fields, from business to academia. Answering their questions, keeping them focused on the long-term aims of smart meters and bringing them forward as active advocates has been key to maintaining an environment in which our campaign messages can be heard by consumers – and thus maximizing the value for money for other areas of the campaign which might otherwise have been affected by a sense of concern amongst opinion formers.

At the centre of this strategy has been our series of Smarter Britain activities as part of our Smart Future campaign, which has engaged public affairs target audiences around Great Britain and generated active advocacy via vox pops, tweets, blogs and articles by key opinion-formers. Influencers from Jonathon Porritt to Sir John Armitt have been activated by these events, which have provided a platform for their endorsement of the smart meters.

In 2017, the Smart Future campaign will deepen the content underpinning our messages about the national importance and future opportunities of the smart meter rollout. We will develop an evidence base on the opportunities of smart across a range of themes, including vulnerable audiences, innovation, and smarter cities. Focussed and tightly targeted activities will inform and amplify this work, and the in-house team will collaborate with expert individuals and organisations to build robust evidence and amplify it in earned channels read by opinion-formers.

This element of the public affairs strategy will keep the consumer and microbusiness rollout in the national context, and will ensure that even as stakeholders and policy-makers have questions about the technology and the policy (as is their duty), they remain positive about the future benefits of digitizing energy.
Underpinning this important strand, our direct public affairs work with political and stakeholder audiences via individual meetings, Parliamentary drop-ins, engagement with Parliamentary committees, and direct communications with Parliamentarians has been well established in 2015 and 2016. The success of this work is evidenced by positive acknowledgement of Smart Energy GB’s campaign approach by committees in all three Parliaments.

This direct public affairs work will remain vital in maintaining political consensus for the benefits of smart meters among Parliamentarians in all three nations and will continue through 2017: it is essential to enable us to answer questions that they have as the rollout progresses, via individual briefings, relevant conferences and speaker opportunities, focused events held where appropriate in partnership with relevant third sector organisations, and a regular e-newsletter. Similarly to our work with policy-makers, this element of the public affairs strategy is designed to keep stakeholder voices fully informed about the longer-term aims of the smart meter rollout even when they have questions about its implications for their particular constituent groups.

Once again as in 2016, our 2017 public affairs activity will be independently evaluated for effectiveness.

The impact of this work is evaluated once a year via a quantitative survey of Parliamentarians in Westminster, Holyrood and Cardiff and that research is currently in the field. We will ensure that our 2017 activity is honed to reflect the results.
Our two largest campaigns (Core and B-strand) have both been performing well and will continue into 2017. When they were flighted in paid media at a similar time during Q2 2016 we also saw indications of a halo effect on the campaign, with responses to the core advertising being even more positive amongst those who had recalled the B-strand ‘Estimation nation’ TV activity.

In the first half of 2017 we will look to flight the campaigns in such a way as to enable the econometric analysis to draw out the individual contribution of each campaign further and this will guide the balance given to each strand moving forwards.

We also carefully consider the messaging each route delivers, with the core strand able to cover a breadth of messaging elements. Thus far the B-strand has focused on a single benefit message angle, and the focus of this B-strand may evolve over time should research highlight that a different emphasis would better contribute towards the necessary outcomes for the roll out.

In addition to the core and B-strand channel mix, we have also selected appropriate channels to deliver against specific audiences who may under-index against mainstream channel consumption. This includes, for example, specialist press for carers and a number of ethnic media, print and TV channels for those lacking proficiency in English or Welsh.

As social norming and education become more of a central focus in 2017, we are increasing investment in appropriate channels for these challenges, such as social media and more information heavy formats such as advertorials (see detail of how EM has enabled this provided earlier in section 5.2). A breakdown of budget per campaign and each campaign’s contribution to 2017’s uplift in understanding is set out in section 6.

**Behaviour change**

Behaviour change theory and practice is inbuilt into all Smart Energy GB activity and campaigns. We are confident that achievement of core objectives set by the PMF supports behaviour change.

For example, our *Smart energy outlook* recontact research found that those who have ‘understanding’ are more likely (19% vs 7%) to proactively seek a smart meter than those who don’t and research conducted in 2015 (Tracking Behaviour Change) showed that those who proactively seek a smart meter and actually get one are more likely (67% vs 52%) to have made changes in their homes to save energy than those who passively received a smart meter from their energy company.

On average, two thirds of people who’ve recalled seeing our advertising in 2016 have taken some sort of action on the journey to a smart meter, or making a change to their energy usage. These include 30% saying they monitor energy usage more closely since seeing the advertising.

Our Tracking Behaviour Change research has shown that this is a key behaviour to facilitate further behaviour change actions, with those who monitor usage on average undertaking double the energy saving actions than those who don’t monitor.
Call to action and creative

Our current call to action is to encourage consumers to seek more information about smart meters online at smartenergygb.org or by picking up a leaflet at the Post Office. At this stage of the rollout, where suppliers are at divergent states of readiness to install smart meters, we believe that this is the most appropriate call to action and this is a view supported by the Committee of Advertising Practice who are concerned that a call to action to contact suppliers may be misleading at the current levels of installation availability. We have asked energy suppliers for information to inform the evolution of the call to action, including exploring interim direct response advertising locally if they are able to tell us where installation capacity is highest.

We undertake creative development/testing research for much of our new pieces of creative. This has typically involves qualitative research at an early stage of design in order to ensure there is sufficient scope in the production process to adjust and revisit the designs as appropriate. Across the course of undertaking the creative development research over the last two years we have continually built our knowledge of how people are responding to the creative, and the key elements that aid comprehension and call to action.

In addition to undertaking research to help us to make the creative as optimal as possible prior to deployment, our continuous ad tracking enables us to monitor how it being received by GB adults, and with the monthly reporting, to flag early should there be signs of wear-out developing.
<table>
<thead>
<tr>
<th>Campaign</th>
<th>Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core</td>
<td>Drive mass awareness and understanding of smart meters and their key benefits in a highly engaging way. Bring to life the core idea that smart meters will help us all bring our gas and electricity under control.</td>
<td>Our core campaign, with Gaz &amp; Leccy at its heart, will continue to compellingly convey the benefits of smart meters offering consumers a new world of control. As is most efficient for a mainstream-targeted campaign, this campaign is truly multi-channel; including an additional element for those lacking basic digital skills and/or with no personal internet access through our partnership with Post Office™ branches across Great Britain.</td>
</tr>
<tr>
<td>B-strand</td>
<td>In a low interest category where people have come to accept the current way of buying and using energy, capture people’s attention and make them see the real need for smart meters. Use every day, real life scenarios to draw people in and make the issue relevant.</td>
<td>The purpose of the B-strand is to support the impact of our core campaign with mainstream audiences by anchoring the transformation provided by smart in everyday real world scenarios. During 2016 this brought to light in a humorous way the absurdity of estimated bills and while the theme of estimation will continue to play some part in 2017, we see through the year this strand moving to a focus on the real experience of people with smart meters as their penetration grows.</td>
</tr>
<tr>
<td>Education</td>
<td>Provide a suite of educational content for consumers who are interested in smart meters but need further information and reassurance in order to say ‘yes’ for distribution via our own digital channels and for further use by partners wishing to provide their own audiences with trusted, independent information.</td>
<td>This strand has been running through 2016 and will continue, but also using a wider range of media partnerships as we extend the excellent work achieved by the partnerships with the Telegraph and Trinity Mirror groups to other media stables. Some executions within this campaign are also specifically designed to work with audiences with low literacy.</td>
</tr>
<tr>
<td>Pre-pay</td>
<td>Ensure that pre-pay customers understand that smart meters are also for them and are able to fully realize the benefits.</td>
<td>A focused campaign for pre-pay audiences, to ensure that they recognise that smart is for them and the unique benefits that it brings for those pre-paying for their energy. This campaign started in 2016, and will continue to use a mixture of targeted advertising, partnership marketing and PR.</td>
</tr>
<tr>
<td>18-34</td>
<td>Reach the 18-34 audience and ensure that this audience does not under index against the generalised GB adult population in PMF metrics.</td>
<td>In 2016 there are some indications that household decision makers in this age group may be falling behind the general population in some key metrics. In late 2016 we are exploring the balance of the extent to which this is an issue of reach or resonance in our campaigns; and (subject to that analysis) we are planning 2017 activity to provide the focused resonance needed to complement paid media optimisation and planning for this group to be properly engaged.</td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
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<td></td>
</tr>
<tr>
<td>Relevance</td>
<td>Ensure that private tenants, social housing tenants, those with district heating and off-gas grid customers understand that smart meters are also for them and are able to fully realise the benefits. This campaign strand supports audiences that research suggests are likely to reject mainstream messages in any public engagement campaign, to instead convey that smart is still for them regardless of their circumstances.</td>
<td></td>
</tr>
<tr>
<td>Carer</td>
<td>Reach carers supporting energy bill payers with learning or memory impairments or those who would rely on their carer for decision making support required to make the transition to smart. A focused campaign reaching those households where the energy bill payer has a learning impairment or memory impairment, and where their adult carer is key to supporting decision making and supporting the householder in the transition to smart.</td>
<td></td>
</tr>
<tr>
<td>Language</td>
<td>Ensure that audiences without English or Welsh language proficiency are still able to understand and engage with the campaign. Building on the language campaign started in 2016, this strand specifically speaks to those who cannot understand written or spoken English or Welsh, in their first languages of Polish, Gujarati, Urdu, Bengali, Punjabi and British Sign Language (BSL).</td>
<td></td>
</tr>
<tr>
<td>DR (“Direct Response”)</td>
<td>Provide a direct response call to action for consumers in areas with high supplier installation capacity and direct activation plans. A strand of localised campaign activity driven by supplier demand for us to optimise the direct response work of individual suppliers in given geographical areas. Delivery of this strand will depend on the provision of data to us by energy suppliers demonstrating any shared intentions to target any geographic areas for installations with a particular intensity.</td>
<td></td>
</tr>
<tr>
<td>Microbusiness</td>
<td>Ensure that small business customers understand that smart meters are also for them and are able to fully realize the benefits. A continuation of our multi-channel microbusiness campaign from 2016, at a scale proportionate with our licence obligations and the scale of the smart meter rollout for microbusiness. We undertake tracking with microbusinesses twice per year. As we recognise that microbusinesses will also come into contact with the domestic campaign, particularly for those who are home-based businesses we track response to the full campaign, both domestic and microbusiness specific. This has generally shown positive response to the campaign, however with a more positive response amongst those home-based rather than in separate premises. We are therefore currently exploring options for a more editorially led campaign strand for microbusiness for both earned and paid channels and have provided an additional £250k beyond that originally proposed in the 2017 budget to ensure that we can deploy such activity at the required reach, frequency and quality to reach our 2017 microbusiness PMF targets. Ofgem has since written to us and stated that they welcome this additional investment in the microbusiness campaign.</td>
<td></td>
</tr>
<tr>
<td>Smart Future</td>
<td>Secure the most influential opinion formers’ support for smart meters in order to add further credibility to the smart meter message as it reaches consumers. A continuation of our 2016 campaign to secure and activate the most influential opinion former public support for smart meters is the focus of this campaign, to add further to the credibility and importance of the smart meter message as it reaches consumers.</td>
<td></td>
</tr>
</tbody>
</table>
The campaigns that are detailed in section 5.6 will be deployed across paid media channels as per the EM analysis explained above. This results in a planned reach (Gross Rating Point) as outlined in the table below.

## 5.7 Campaign flighting by channel

<table>
<thead>
<tr>
<th>Campaign</th>
<th>Channels</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
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<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Media Output</th>
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<tbody>
<tr>
<td>Core</td>
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<td>TV</td>
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<tr>
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<td>6</td>
<td>8</td>
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<td>8</td>
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<td>8</td>
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<tr>
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<td>1</td>
<td>1</td>
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<td>1</td>
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<td>1</td>
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<td>1</td>
<td>1</td>
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<tr>
<td>Social</td>
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<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
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<td>2</td>
<td>3</td>
<td>2</td>
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</tr>
<tr>
<td>National Radio</td>
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<td>411</td>
<td>410</td>
<td>411</td>
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<td>79.7% @ 41.2</td>
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<td>172</td>
<td>172</td>
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<td>172</td>
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<td>61.9% @ 11.1</td>
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<tr>
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</tr>
<tr>
<td>National Press</td>
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<td>51</td>
<td>50</td>
<td>51</td>
<td>50</td>
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<td>50</td>
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<td>49.3% @ 4.1</td>
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<td>62.3% @ 4.8</td>
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<td>983</td>
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<td>652</td>
<td>983</td>
<td>960</td>
<td>1,080</td>
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</table>
5.8 Structures to ensure proper campaign co-operation with energy suppliers

The licences state that energy suppliers must cooperate with Smart Energy GB for the purposes of enabling Smart Energy GB to undertake its activities; and that energy suppliers must take all reasonable steps to ensure that in undertaking their own engagement activities in relation to smart meters they do not act inconsistently with the activities of Smart Energy GB.

In order to support energy suppliers in fulfilling these responsibilities, as well as ensure that Smart Energy GB properly understands supplier views to help shape our activities, Smart Energy GB operates two forums for energy suppliers.

1. The Smart Energy GB Energy Supplier Marketing Forum is used by Smart Energy GB to regularly consult on activities, share advance notice of activities for co-ordination planning purposes and make information requests of energy suppliers relating to marketing activities. This forum is used for the regular sharing electronically of information and communication and also meets every two months to allow regular face-to-face dialogue.

Earlier this year we strengthened the marketing forum with updated terms of reference, more detailed minutes, clear actions agreed from each meeting by Smart Energy GB and suppliers and a structured agenda to help suppliers understand when information is being shared and when their guidance is being sought.

The last four meetings have covered subjects including educational film development, behaviour change research, assets for suppliers, DR campaign plans and a full H1 results presentation.

Every quarter, forum members are provided with:

a. overall approach and goals
b. core roles of each channel
c. creative execution approach and phasing
d. media phasing information by week by channel
e. GRPs by week across all channels
f. AV adstock by week across the quarter
g. weekly TVRs
h. reach and frequency by channel per quarter
i. top line information on targeting and placement
j. including TV programming
k. newspaper title mix
l. recent top lines of ad-tracking performance

Communication via the forum has ensured that, energy suppliers receive advertising phasing information by week by channel; GRPs by week across all channels; AV adstock by week across the quarter; weekly TVRs; reach and frequency by channel per quarter; and top line information on targeting and placement (including TV programming and newspaper title mix). The quarterly media lay down is shared no later than one month in advance of the start of the quarter, the earliest possible that it could be shared.

2. The Smart Energy GB Energy Supplier PR Forum is used by Smart Energy GB to regularly consult on activities, share advance notice of activities for co-ordination planning purposes and make information requests of energy suppliers relating to PR, public affairs and stakeholder relations activities. This forum is used for the regular sharing electronically of information and communication and also meets four times a year to allow regular face-to-face dialogue.
Earlier this year we strengthened the PR forum with updated terms of reference, more detailed minutes, clear actions agreed amongst Smart Energy GB and suppliers and a structured agenda to help suppliers understand when information is being shared and when their guidance is being sought.

The subjects recently covered at the PR forum include updates on the media landscape including performance statistics on coverage and favourability. There have been deep dives into the public affairs strategy (encompassing parliamentarians, third sector and other stakeholders and opinion-formers) and our wider PR plans. The forum has also covered accurate addressing of consumer concerns, myth-busting and FAQs as well as the PR strategy and approach to the DCC progress to ‘go live’.

At each meeting, forum members are provided with:

1. Overall approach and goals to public relations and public affairs in the period ahead.
2. Summary of earned media landscape in the previous period.
3. Smart Energy GB achievements in earned media in the previous period (volume and favourability).
4. In-depth insight into high-profile consumer PR executions in the last period.
5. Reactive media enquiries in the last period.

Outside meetings, forum members are given advance notice of Smart Energy GB press releases and major consumer PR executions.

The board will continue to work with suppliers, taking their feedback on board, to ensure the forums work effectively for all.
6.0 Financial summary
6.1 The view over the lifetime of Smart Energy GB

Smart Energy GB’s articles of association require that our budgets are considered and approved year by year.

In 2014 the Smart Energy GB board looked in detail at the scale of resource that may be needed to achieve the objectives set for Smart Energy GB over the lifetime of the smart meter rollout. That work was informed by a number of independent experts, including in the case of paid media by three rival media planning agencies14, so our board was able to seek out and plan for the most efficient view of paid media need.

That work took into account the unprecedented scale of the smart meter rollout (reaching almost 27 million households, as well as some small businesses, in the country) and thus the scale of public engagement activity that would be needed of the national public engagement campaign. It looked at a range of recent experience of public engagement campaigns, notably that of Digital UK, the campaign that supported the switchover from analogue to digital TV. Digital UK had a budget over its lifetime of £1.19 per household per year for its public engagement activities15.

Our board and expert advisers felt that we could do better, and therefore the Smart Energy GB team and advisers used the best campaign planning techniques (in particular EM) to plan a campaign that would be significantly cheaper in its per household cost than the Digital UK campaign.

As such, since 2014 Smart Energy GB’s budget for our predicted lifetime has been projected to be £0.91 per household per year; amounting to a total budget over our lifetime of just under £224m16.

We have an excellent record of driving in-year efficiency when any budget is “live”. In each year of our existence we have managed to deliver results to (or often ahead of) the PMF targets set for us, and return money to energy suppliers. 2016 looks that it should see us continue this record, as our campaigns are looking strong against our PMF targets for the year. As such, we now predict that our total spend in 2016 will be less than £38.5m, over £5m below the budget approved by energy suppliers for this year – and that saved money will be returned to energy suppliers, after the completion of the external audit of Smart Energy GB’s 2016 accounts.

14 Vizeum, MEC and PHD
15 See breakdowns provided by Digital UK in “End of analogue era as switchover completes.” Digital UK press release Wednesday 24th October 2012. It should be noted that this cost also excludes the cost of Digital UK’s Extra Help Scheme. If its Extra Help Scheme costs are included, then Digital UK’s total budget was £387m and engagement costs per household per year were in fact £3.63. Also excluded as it is difficult to find accurate costings are the value of additional free airtime provided to the Digital UK campaign on the BBC and other TV channels.
16 It should be noted that for maximum transparency these costs are presented in cash terms; the government’s cost benefit analysis (impact assessment) attempts to take into account the impact of inflation and so discounts against cash figures. We also welcome that Professor Christine Liddell of the Faculty of Life & Health Sciences at Ulster University has analysed the costs of the “Power of One” campaign in the Republic of Ireland, and lessons for the Great Britain smart meter rollout engagement.

She noted that Power of One required equivalent funding to that projected for Smart Energy GB.
At the same time, the smart meter rollout over previous years has been subject to some changes, linked in the main to delays in the commissioning of DCC services. While we hope that the latest plans for DCC go-live will be delivered on schedule, it is only realistic in a project of the scale of the smart meter rollout that there is a possibility of some future technical delay as well.

Despite this history of change, at this stage we do not have a firm view of the possibility of future change with which to allow us to model any likely impact in either direction on Smart Energy GB’s budget. We therefore believe that our original lifetime estimate of just under £224m remains a legitimate figure.

Energy suppliers are reminded, again as stated above, that the board is solely making its recommendation for approval for the 2017 annual budget, and no commitment is being asked for subsequent years.

We welcome that the PMF forum agreed with our suggestion that it hold an extended meeting in the February 2017 to review PMF targets in light of energy suppliers’ latest installation projections, DCC progress and the wider context for the smart meter rollout.

In 2015 a process akin to this took place, and as a result, the board was able to make an in-year adjustment to Smart Energy GB’s plans and return funding to suppliers. Were a target adjustment to be made by the PMF forum in 2017 the board would examine and adjust the plan and budget in a similar way.

Figure 8: Smart Energy GB annual funding 2013 - 2021 (£millions) and reminder of PMF targeted growth in consumer understanding of smart meters over the same period

In 2015 a process akin to this took place, and as a result, the board was able to make an in-year adjustment to Smart Energy GB’s plans and return funding to suppliers. Were a target adjustment to be made by the PMF forum in 2017 the board would examine and adjust the plan and budget in a similar way.
6.2 2017 budget

6.2.1 The role of the understanding metric in modelling 2017 activity

Historical data from EM modelling and Smart Energy Outlook has consistently demonstrated the impact of our campaign activity on PMF targets. In late 2015, the validity of assumptions made by energy suppliers in setting the PMF on the required attitudinal shifts needed to support installations was examined via a piece of recontact research with participants in Smart energy outlook. This research reported in late 2015, providing an endorsement of the assumptions made by PMF forum and Smart Energy GB. It showed that ‘understanding’ has a strong relationship with conversion rates. In particular, it showed conversion actions (had/tryed to get a smart meter installed) for those respondents who had ‘understanding’ to be at 24% whereas the comparable figure for those who did not was 12%. It is therefore clear that ‘understanding’ has a strong relationship with conversion (installation rates), and that our campaign directly drives ‘understanding’.

We do not yet have data on consideration as this is a new metric that the PMF forum members have only just instructed us to start to track in 2017. Until such time as we have this data, we will be unable to use consideration as the principal planning metric for either modelling or validation of planning.

Smart Energy GB’s Econometric Modelling (EM) approach allows us to isolate supplier advertising activity in the same way that we can isolate channels within our own mix.

We can therefore conclude an understanding increase from 18% to 30% between January 2015 and May 2016 was driven overwhelmingly by Smart Energy GB activity, accounting for 10% of the 12% uplift.

6.2.2 Minimising long term commitment in case large energy suppliers choose to change PMF targets

In adherence with the NAO model of value for money we practise that we do not commit spend earlier than is necessary in any area of our operations. In particular this is an important quality of our approach in 2017 as we are waiting on the February 2017 meeting of the PMF forum to confirm if large energy suppliers are making any in-year changes to the 2017 PMF targets that they have set us.

Our media buying strategy is to maximise convenience and flexibility without ever sacrificing the cost effectiveness of our media buy. In practice, this means that we book activity as late as we can, but never beyond the point at which any penalties or other cost implications would kick in. This means a varied approach from medium to medium, as each has very different media buying rules and conditions.

For example, with a long lead time medium like television, we adhere to the media owners’ Advance Booking (AB) deadlines, which are two months prior to month of activity. This ensures we get the lowest possible Cost Per Thousand views (CPT) for our investment. However, we will book as close to this deadline as possible to maximise agility.

On occasion, we have used strong agency relationships with media owners to negotiate an extension to our AB deadline in advance, to allow us to benefit from knowing the results of a particular piece of research before we commit more media budget. By agreeing the extension in advance and in a collaborative way with our media partners, we avoid any cost implications from an occasionally later booking.

With other channels, the rules are different, and we flex our approach accordingly. With media buys where a specific positioning is strategically vital (such as the outside back cover of a newspaper, or a homepage takeover of YouTube) we try to book a couple of months in advance to ensure we lock down a highly demanded position. Whereas for more standard inventory, and particularly ‘bidable’ media (such as Facebook advertising), not only do we commit budget relatively late (a few days in advance of activity starting), but we also will commit to the media owner in installments throughout activity rather than in full at the beginning, which allows us to assess how activity is working, and change (or even cancel) if our analysis tells us we should.

In other spend areas, we have less flexibility but the same principle applies; that we only commit...
longer term if it is financially efficient to do so (e.g. the rent, service charge and rates associated with a lease).

6.2.3 Econometric Modelling (EM) allows us to spend efficiently

We continue to use Smart Energy GB’s Econometric Modelling (EM) approach to model the impact of each of our campaign channels on our PMF targets. EM is able to isolate the impact of our campaign from those of any other (external) campaign activity, so we can be confident that impacts on particular PMF targets achieved are the result of our campaign. Smart Energy GB’s EM approach utilises primary consumer data from our independent campaign tracker (conducted by Hall & Partners), as well as other robust consumer sources.

We independently validate the predictions provided by EM twice a year in Smart energy outlook, our biannual 10,000-person study into smart meters and the energy market. Smart energy outlook measures the level of understanding of smart meters among GB adults and relevant PMF audiences. Recontact research conducted in 2015 with previous participants in Smart energy outlook showed that conversion actions (had/tried to get a smart meter installed) for those respondents who had ‘understanding’ to be at 24% whereas the comparable figure for those who did not was 12%. It is therefore clear that ‘understanding’ has a strong relationship with conversion, and that our campaign directly drives ‘understanding’.

Our econometric model identifies the point of diminishing returns in any media channel and therefore allows us to spend no more and no less than is required to meet the objectives as laid down by the PMF forum.

6.2.4 The 2017 budget by campaign and activity

The tables below provide a financial summary of the budget; the first broken down by campaign and the second broken down by activities. Both summarise the cost per media channel and provide detail of the cost of all activities including all support costs. You will see that these costs are also broken down to a level of cost per adult uplifted in understanding in the first table below.

The planned spend on paid media in 2017 (Smart Energy GB’s largest area of spend) is based on lessons learned from 2016. In 2016 Smart Energy GB’s latest projection of full-year paid media spend is £17.8m out of a total projected budget for 2016 of £39.5m. 2017 planned media spend of £23.1m is a similar proportion of Smart Energy GB’s projected total budget for 2017.

We do not envisage any major change to the approach for Smart Energy GB’s underpinning infrastructure overhead costs (e.g. staff costs, IT, governance needs, offices) in 2017. In late 2015 we secured excellent lease terms on our permanent London office and moved into this office in January 2016. There is no need for any change to this office in 2017 (and indeed we currently project its use for the lifetime of Smart Energy GB; towards the end of the smart meter rollout as Smart Energy GB winds down we will seek to sub-let some office space so as to then earn additional revenue to offset against costs). We have modest office accommodation in Cardiff and Edinburgh to accommodate our three/four staff members permanently located in Wales and Scotland respectively, and do not plan any change to the accommodation in those locations in 2017.

In late 2014 independent experts provided an overview of the capacity needed in Smart Energy GB to deliver the campaign. This was used to determine the overall skill and staffing profile. The on-going shape of the campaign has determined when it has been appropriate to create roles; leading to a full capacity organisation from mid-2017.

An annual independent benchmarking of Smart Energy GB’s staff remuneration is carried out (for the last two years by Buzzacott LLP). This has just reported that in their view Smart Energy GB’s staff remuneration is value for money compared to the marketing/communications sector in which we compete for staff. Their report (produced October 2016) stated “our opinion is that Smart Energy GB pays fair but not excessive salaries which demonstrate value for money in comparison to similar roles within competing sectors”).

Throughout the year, as in previous years, the expenditure of Smart Energy GB will be regularly reviewed by the board and its Audit and Risk Committee.
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<th>Direct PR / Public Affairs</th>
<th>Total direct costs</th>
<th>Total indirect costs</th>
<th>Total campaign costs</th>
<th>Share of overhead costs</th>
<th>Total costs</th>
<th>Total understanding uplift as % of GB adult population</th>
<th>Average cost per adult</th>
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<td>All adults</td>
<td>50,000,000</td>
<td>£12,465,177</td>
<td>£79,865</td>
<td>£128,146</td>
<td>£7,250</td>
<td>£6,274,388</td>
<td>£32,026</td>
<td>£9,948,707</td>
<td>£42,073</td>
<td>£2,369,439</td>
<td>£80,000</td>
<td>16%</td>
<td>£2.96</td>
</tr>
<tr>
<td>Pre-pay</td>
<td>National Radio</td>
<td>7,500,000</td>
<td>£108,419</td>
<td>£166,479</td>
<td>£680,548</td>
<td>£0</td>
<td>£217,357</td>
<td>£2,138,952</td>
<td>£32,564</td>
<td>£2,462,116</td>
<td>£331,579</td>
<td>£2,998,044</td>
<td>13%</td>
<td>£4.61</td>
</tr>
<tr>
<td>IB 1.34</td>
<td>Adults aged 18 to 34</td>
<td>14,000,000</td>
<td>£169,998</td>
<td>£244,659</td>
<td>£15,000</td>
<td>£0</td>
<td>£218,175</td>
<td>£2,783,692</td>
<td>£601,008</td>
<td>£3,384,699</td>
<td>2.6%</td>
<td>£130,000</td>
<td>2.6%</td>
<td>£2.60</td>
</tr>
<tr>
<td>Inference</td>
<td>National Press</td>
<td>22,000,000</td>
<td>£108,410</td>
<td>£156,479</td>
<td>£149,455</td>
<td>£0</td>
<td>£137,000</td>
<td>£2,876,085</td>
<td>£300,512</td>
<td>£3,176,597</td>
<td>£665,857</td>
<td>£2,862,434</td>
<td>0.7%</td>
<td>£10.04</td>
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<tr>
<td>Care</td>
<td>Adults caring for others</td>
<td>6,000,000</td>
<td>£20,884</td>
<td>£3,009</td>
<td>£1,361,096</td>
<td>£0</td>
<td>£3,384,954</td>
<td>£5,023</td>
<td>£3,389,978</td>
<td>£3,389,978</td>
<td>0.0%</td>
<td>£6,900,078</td>
<td>0.0%</td>
<td>£0.0%</td>
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<tr>
<td>Language</td>
<td>Ethnic Media</td>
<td>900,000</td>
<td>£30,037</td>
<td>£72,212</td>
<td>£324,256</td>
<td>£0</td>
<td>£70,000</td>
<td>£866,854</td>
<td>£140,639</td>
<td>£1,007,493</td>
<td>£1,25,014</td>
<td>£150,000</td>
<td>0.1%</td>
<td>£8.17</td>
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<tr>
<td>Q2</td>
<td>Customers in geographical areas with high and imminent supplier activation activity taking place</td>
<td>TBC</td>
<td>£145,943</td>
<td>£320,645</td>
<td>£0</td>
<td>£0</td>
<td>£670,078</td>
<td>£351,644</td>
<td>£2,012,712</td>
<td>£436,496</td>
<td>£2,498,217</td>
<td>14%</td>
<td>700,000</td>
<td>£5.11</td>
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<tr>
<td>Metropolitan</td>
<td>Microbusinesses (employing 10 or fewer staff)</td>
<td>2,300,000</td>
<td>£4,98,490</td>
<td>£66,175</td>
<td>£20,000</td>
<td>£0</td>
<td>£84,375</td>
<td>£809,041</td>
<td>£134,670</td>
<td>£94,711</td>
<td>£20,375</td>
<td>£1,474,671</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Business Function</td>
<td>Senior opinion formers and decision makers, GB and national parliaments, stakeholder organisations and local authorities</td>
<td>10,000</td>
<td>£0</td>
<td>£0</td>
<td>£30,005</td>
<td>£850,503</td>
<td>£8,90,593</td>
<td>£277,155</td>
<td>£69,638</td>
<td>£20,092</td>
<td>£1,76,797</td>
<td>£12,450,000</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Total across all campaigns</td>
<td></td>
<td></td>
<td>£23,76,634</td>
<td>£3,33,650</td>
<td>£5,344,030</td>
<td>£814,000</td>
<td>£1,609,503</td>
<td>£14,271,540</td>
<td>£6,196,897</td>
<td>£40,414,437</td>
<td>£87,256,604</td>
<td>£89,140,41</td>
<td>24.9%</td>
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## 2017 budget broken down by activity

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<thead>
<tr>
<th>Category</th>
<th>Activity</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2017</th>
<th>2016</th>
<th>Notes</th>
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<tbody>
<tr>
<td><strong>Digital</strong></td>
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<td></td>
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<tr>
<td>Website maintenance, hosting and support</td>
<td>£196,013</td>
<td>£276,013</td>
<td>£96,013</td>
<td>£238,566</td>
<td>£906,605</td>
<td>£891,818</td>
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<td>Hosting, licences (inc CMS)</td>
<td>£38,780</td>
<td>£38,780</td>
<td>£38,780</td>
<td>£38,780</td>
<td>£169,160</td>
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<tr>
<td>Online assets and collateral</td>
<td>£61,123</td>
<td>£61,123</td>
<td>£61,123</td>
<td>£672,210</td>
<td>£250,579</td>
<td>£250,649</td>
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<td>SEO</td>
<td>£31,850</td>
<td>£31,850</td>
<td>£31,850</td>
<td>£31,850</td>
<td>£127,400</td>
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<td><strong>Marketing partnerships</strong></td>
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<tr>
<td>Bid fund</td>
<td>£194,669</td>
<td>£446,668</td>
<td>£464,668</td>
<td>£464,669</td>
<td>£1,588,674</td>
<td>£695,761</td>
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<tr>
<td>Production of assets</td>
<td>£153,750</td>
<td>£153,750</td>
<td>£153,750</td>
<td>£153,750</td>
<td>£656,900</td>
<td>£650,000</td>
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<tr>
<td>Major and national partner delivery</td>
<td>£587,500</td>
<td>£587,500</td>
<td>£487,500</td>
<td>£478,750</td>
<td>£2,141,250</td>
<td>£1,918,216</td>
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<tr>
<td>Training and partner support</td>
<td>£249,994</td>
<td>£249,995</td>
<td>£249,995</td>
<td>£249,995</td>
<td>£999,979</td>
<td>£3,011,310</td>
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<tr>
<td><strong>Policy and Communications</strong></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Marketing subtotals</td>
<td>£10,892,628</td>
<td>£9,484,615</td>
<td>£8,842,835</td>
<td>£8,823,401</td>
<td>£58,043,479</td>
<td>£29,842,275</td>
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<td>Policy and Public Affairs</td>
<td>£199,250</td>
<td>£197,913</td>
<td>£179,250</td>
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<td>£598,660</td>
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<td>Public Relations</td>
<td>£425,700</td>
<td>£292,300</td>
<td>£342,400</td>
<td>£202,400</td>
<td>£1,262,800</td>
<td>£1,347,625</td>
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<tr>
<td>Policy and Communications in Scotland</td>
<td>£104,500</td>
<td>£66,000</td>
<td>£62,000</td>
<td>£27,000</td>
<td>£259,500</td>
<td>£295,000</td>
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<tr>
<td>Policy and Communications in Wales</td>
<td>£47,748</td>
<td>£119,749</td>
<td>£88,749</td>
<td>£73,749</td>
<td>£329,995</td>
<td>£312,000</td>
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<tr>
<td><strong>Policy and Communications subtotals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total campaign costs ('Capital Costs') subtotals</td>
<td>£11,669,826</td>
<td>£10,160,577</td>
<td>£9,415,234</td>
<td>£9,168,800</td>
<td>£40,414,437</td>
<td>£32,598,625</td>
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<tr>
<td>Staff salaries</td>
<td>£987,970</td>
<td>£996,238</td>
<td>£998,928</td>
<td>£998,928</td>
<td>£3,982,064</td>
<td>£3,098,797</td>
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<tr>
<td>Employers NI and pension contributions</td>
<td>£194,803</td>
<td>£196,404</td>
<td>£196,925</td>
<td>£196,925</td>
<td>£785,057</td>
<td>£440,987</td>
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</tr>
<tr>
<td>Other staff costs</td>
<td>£1,007,577</td>
<td>£587,959</td>
<td>£587,959</td>
<td>£587,959</td>
<td>£276,961</td>
<td>£381,012</td>
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<tr>
<td>Training</td>
<td>£65,763</td>
<td>£65,763</td>
<td>£65,763</td>
<td>£65,763</td>
<td>£263,052</td>
<td>£385,296</td>
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<tr>
<td>Premises: rent, service charge and rates</td>
<td>£306,387</td>
<td>£306,387</td>
<td>£306,387</td>
<td>£306,387</td>
<td>£1,225,548</td>
<td>£1,744,781</td>
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<td></td>
</tr>
<tr>
<td>Premises: other running costs</td>
<td>£166,515</td>
<td>£176,515</td>
<td>£171,515</td>
<td>£171,515</td>
<td>£686,060</td>
<td>£573,908</td>
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<tr>
<td>Travel and subsistence</td>
<td>£45,600</td>
<td>£45,600</td>
<td>£45,600</td>
<td>£45,600</td>
<td>£202,400</td>
<td>£136,001</td>
<td>41</td>
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</tr>
<tr>
<td>Depreciation</td>
<td>£128,147</td>
<td>£128,569</td>
<td>£128,569</td>
<td>£128,544</td>
<td>£513,829</td>
<td>£736,322</td>
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<tr>
<td>ITS</td>
<td>£72,209</td>
<td>£73,758</td>
<td>£75,544</td>
<td>£77,754</td>
<td>£295,267</td>
<td>£299,717</td>
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<tr>
<td>Other running costs</td>
<td>£55,392</td>
<td>£48,392</td>
<td>£48,392</td>
<td>£48,392</td>
<td>£198,566</td>
<td>£335,078</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Compliance/governance</td>
<td>£22,500</td>
<td>£47,500</td>
<td>£32,500</td>
<td>£32,500</td>
<td>£135,000</td>
<td>£131,311</td>
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<tr>
<td>Contingency</td>
<td>£44,679</td>
<td>£39,669</td>
<td>£39,750</td>
<td>£39,750</td>
<td>£163,808</td>
<td>£94,011</td>
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</tr>
<tr>
<td>Total overhead costs ('Fixed Operating Costs') subtotals</td>
<td>£2,188,501</td>
<td>£2,183,589</td>
<td>£2,168,663</td>
<td>£2,184,851</td>
<td>£8,725,604</td>
<td>£6,917,520</td>
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<td></td>
</tr>
</tbody>
</table>

**2017 budget**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>£13,858,327</td>
<td>£12,344,166</td>
</tr>
<tr>
<td>£11,583,897</td>
<td>£11,353,651</td>
</tr>
<tr>
<td>£49,140,041</td>
<td>£49,516,145</td>
</tr>
</tbody>
</table>

* 2016 represents the board’s latest forecast as at 3rd November 2016.*
Notes relating to 2017 budget broken down by activities

1. Our TV budget has increased as we will be on a national footing for the whole year (unlike 2016). Delivered GRPs in 2017 will increase by a bigger percentage (24%) than the year-on-year increase in cost (23%), as the overall plan is getting more efficient as we optimise our media buy.

2. Our press advertising in 2017 is also more efficient with an increase in GRPs of 145% compared to an increase in cost of 95%.

3. The increase in radio GRPs of 50% exceeds the increase in cost of 42%. The efficiency is driven by a greater spend on national stations in 2017 compared to 2016.

4. The econometric modelling we have from 2016 tells us that investment is more efficiently placed in other channels in 2017.

5. Video on demand will generate an increase in GRPs of 67% compared to an increase in cost of only 8%. This is an efficient investment based on learnings from 2016.

6. Overall, we will have an increase of 51% in the delivery of GRPs in 2017 (compared to a cost increase of 87%). In 2017, we will now be focusing on more deep engagement-driving content in 2017 compared to the drive for awareness to support our national launch in 2016. So while the cost per GRP has gone up, this is reflective of a change of format mix rather than any decline in buying performance.

7. The increase in cost of 30% is consistent with our overall increase in media buy and is also consistent with the increase in GRPs of 31% amongst audience with additional barriers.

8. In 2017, we have reduced the budget by 18% as we move from a broad communication model to a more specific, project-based approach.

9. This is new activity for 2017 to support energy suppliers’ activation. The activity is dependent on suppliers providing data to enable us to deliver this regional activity.

10. This is the cost of the fees and commission payable to the media planning agency. The year-on-year increase of 35% is less than the increase in output (total increase of GRPs of 37%). It should be noted that these fees were benchmarked at the time of making the contractual commitment to demonstrate value for money against the market.

11. In 2017 we anticipate producing 21 new creative assets versus 12 produced in 2016, to reflect the demand of having a national campaign running for the full 12 months. This reflects a 75% increase in assets we will producing. In addition, we will be also be reflighting assets from 2016, as ten education films, five estimation films, three radio executions, two print ads and a cut down of an existing TV execution will all be flighted in 2017. The expenditure is weighted towards Q1 which reflects accounting practice on the point when we need to make the commitment even though the work would not be completed, and used, until later in the year.


13. This is an allocation for production costs relating to merchandise in 2017.

14. This covers the costs of central support to our creative strategic, production requirements, brand and corporate design. The agency fees were benchmarked as part of the competitive tender exercise conducted in 2014.

15. This includes amounts for PPC, amplification, ethnic and microbusiness specific costs. The increase on 2016 is due to an increase in the microbusiness campaign.

16. 2017 will see the production and rollout of our experiential activity building on strategic work and toolkits prepared in 2016.

17. As a proportion of total campaign spend (£49.1m), our total Insight budget of £1.9m represents just 3.9% of our overall budget. Relevant comparisons among similar public engagement bodies:

Between 2006 and 2010, COI spent 5.6% of overall budget on insight and evaluation. Public Health England (PHE) marketing strategy for 2014-15 devotes 5% of total budget to insight and evaluation. We believe we can be as thorough as required in our insight needs to a more efficient level than either of these bodies.

18. Econometrics, ad tracking and testing includes the costs of providing the intelligent analysis of our campaigns to ensure we can test and learn and ensure we maximise efficiency and effectiveness of our campaigns. The increase on 2016 is due to new analysis on supplier provided data on installation plans.
19. Consumer insight includes the costs of consumer research which informs our campaigns and, in the case of Understanding and Consideration, allows us to measure our impact. This includes the costs of performing two waves of Smart energy outlook in 2017. The increase on 2016 is for event and experiential evaluations in line with activity plans, we will also be undertaking the usage tracker twice a year instead of once.

20. Evaluation is an investment to ensure that core aspects of our work continue to demonstrate effectiveness, most notably, including the audit of our media buying agency and the evaluation of our marketing partnerships activity. This work contributes to the reporting we perform to energy suppliers responsible for the PMF. The increase on 2016 is in part due to the increase in media spend and in part due to the increase in partnership activity.

21. Customer experience and behaviour change covers the costs of conducting research into the customers installation experience and understanding what impact that has on our work and messaging.

22. Other insight is a modest contingency in case there is a currently unforeseen need to perform further research.

23. This is to support the core infrastructure of the website, ensuring that it is stable, functional and secure. The addition of the functionally-complex resource centre has meant additional development support is required to maintain the website.

24. This meets the hosting costs and licences of the website including the content management system. The year-on-year reduction is as a result of negotiating lower hosting costs in 2017.

25. This meets the costs of producing assets and collateral that is available online. The 2017 amount is consistent with 2016

26. Search engine optimisation enables us to increase the exposure and reach of our digital content. Following the website being established. We have already built significant offsite links and authority which means we can reduce costs in this area in 2017.

27. The bid fund is an opportunity for local and regional partners to bid for funding to deliver campaign messages on our behalf. It was launched in the second half of 2016. In 2017, it will ramp up and run for a full 12 months. 83 grants were awarded in 2016 (18 small and 65 large) and we plan to award c280 in 2017.

28. The resource centre was launched in May 2016. In 2017 it will run for the full year and provide more assets to an increased number of partners. Functionality will also be developed in 2017. In 2016 partner orders have reached an average of 64 per month. In 2017, we anticipate this reaching an average of 250 per month.

29. We expect to be increasing the number of national partners from 10 to c20 over the course of 2017. Also, we expect to extend the Post Office partnership with additional and more in depth activity.

30. In 2017 there will be a ramp up of partner activity to increase reach and engagement from 65k consumers in 2016 to c400k in 2017. Commensurate training and partner support will be provided as a result. In 2016, we delivered 26 smart training courses and 50 are planned for 2017. 250 community briefings were conducted in 2016 with 110 planned for 2017; marketing and communications training sessions, online marketing and communications webinars will continue at similar levels in 2017 compared to 2016.

31. This includes the costs of our programme of stakeholder engagement including our Smart Britain series, attendance at stakeholder events, our business advocates programme with a £60k contingency to be able to adjust and be flexible to meet needs as they arise. The main reduction in cost is the reduction of external consultancy required now the programme of policy and public affairs is well established.

32. The small reduction in this budget is due to continuing to deliver the bulk of our engagement with consumer media (both traditional and digital) in-house.

33. The budget will be maintained at very slightly below its current level, which has delivered excellent engagement with public affairs and stakeholder audiences, supplementing this with an additional boost to public relations activity in Scotland.

34. This budget will be maintained at slightly above its current level to reflect an increasing demand for engagement from Welsh stakeholder groups.
35. Our headcount at 1 January 2016 was 48, at 31 December 2016 it will be 74 (therefore an average headcount over 2016 of 62). In 2017, we will reach our full headcount of 87 (an average headcount of 85 over 2017). This represents an increase of 37% but the staff salary budget is only increasing by 29%. All salaries for every post are benchmarked at the point of advertisement and appointment. In addition, we commission an annual independent benchmarking exercise that compares salaries to comparable sectors. In the last two years, this has been conducted by the independent specialists, Buzzacott LLP. This year, they concluded (in a report presented in October 2016) that “our opinion is that Smart Energy GB pays fair but not excessive salaries which demonstrate value for money in comparison with similar roles within competing sectors.”

36. Both employers’ NI and pension contributions are determined by legal requirements set by national public policy. The bulk of the increase from 2016 is driven by the introduction of pensions auto-enrolment that takes effect in 2017 and for which we have had a make a prudent assumption of take up.

37. There is a small allocation for interim contractors, if needed, and a general contingency, alongside the introduction of the apprenticeship levy. The decrease compared to 2016 is because we have predicted efficiencies on contractor costs during a period when we are now at a fuller complement of staff.

38. The increase from 2016 is in part due to the increase in the number of staff. It is also due to an increased allocation ‘per person’ which best practice states is a particularly significant element of any retention approach for a fixed life company, such as Smart Energy GB.

39. There is no change in our premises in 2017. There is, therefore, no material change in this cost area, and with what increase there is driven by costs that are outside of the company’s control such as rates and service charges.

40. This covers all office support costs such as cleaning, telephony, printing and postage. This cost increases in proportion to the increase in the number of staff. There is also an allocation for general maintenance that increases from £10k to £45k; this allocation was lower in 2016 as we had only just completed the London office fit out and so did not require such a maintenance budget.

41. This relates to an increase in the number of activities taking place across Great Britain as our campaigns increase in 2017. Our travel and subsistence policy, which is consistent with our overall application of the NAO value for money model, has also been scrutinised by our board’s independently chaired Audit and Risk Committee.

42. Depreciation is an accounting requirement that is charged each year. There is no material year-on-year change.

43. The year-on-year increase is primarily driven by the increase in staff as this drives the increase in our support costs, and required numbers of software licences and hardware. There is also a year-on-year increase of £51k for replacement IT equipment. This is because much of our hardware is due to come to the end of its useful life (as the organisation first procured IT in 2014).

44. This covers the costs of our outsourced book-keeping support, budget for independent expert advisers (e.g. Buzzacott LLP), insurance, taxation, bank charges and translation of corporate documents into Welsh (consistent with Welsh language standards. The increase from 2016 is due to an increased allocation for independent expert advisers (of £40k) which may be required to support our board or Audit and Risk Committee’s activities. There is also an increase of £7.5k to the forecast taxation cost (this is the forecast corporation tax due on our bank interest which is forecast to increase in 2017).

45. This covers the cost of producing the annual report and accounts, the AGM, legal fees and the annual audit fee. All these costs are consistent with 2016.

46. The fixed operating cost contingency (that equates to 1.8% of the fixed operating costs budget) exists to cover the risk of the organisation being exposed to unforeseen costs. This cost is consistent proportionate with the size of the organisation with that originally budgeted at the beginning of 2016 for this year (as the year has gone on, we have released part of this allocation as not required.)
Appendix 1

*Smart energy for all*
Smart energy for all
Identifying audience characteristics that may act as additional barriers to realising the benefits of a smart meter
It is part of our culture to work with others – a commitment that is even more important when making plans to ensure that everyone in Great Britain feels confident and enthused to say yes to a smart meter.

In spring 2015 we published *Smart energy for all*, a consultation paper on identifying audience characteristics that may act as additional barriers to realising the benefits of a smart meter. We were fortunate to draw on a wealth of published information and insight gleaned through discussion with organisations that work with those audiences with the characteristics we discussed. This revised edition reflects the invaluable contributions made through this open consultation, which have helped refine the detail of our approach.

We are heartened that the organisations and individuals who work with our shared audiences have been generous with their views and knowledge. We would like to thank everyone who contributed to both the original *Smart energy for all* consultation and this updated edition.
Introduction

The purpose of this consultation

The national programme to modernise Great Britain’s energy industry is long overdue. When it is completed, we will all have more control over the gas and electricity we use. It starts with the installation of new gas and electricity smart meters in our homes. Between now and 2020, every household in England, Scotland and Wales will be offered a smart meter.

Smart Energy GB is the national campaign for the smart meter rollout. It is our task to help everyone in Great Britain understand smart meters, the national rollout and how to use their new meters to get their gas and electricity under control.

Everyone can benefit from smart meter technology, so it is essential that no one gets left behind, regardless of who they are, where they live or what their personal circumstances are.

Inclusivity is vital to the success of the programme; this is reflected in the law that established Smart Energy GB and our responsibility to:

‘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.’

As the smart meter rollout accelerates, we must identify what these barriers might be. We need to know how they range in complexity and severity, and whether they are from an engagement or technical perspective. Some of the barriers will not be in our remit to overcome, but by recording them we can identify where further solutions are needed and play an active role where it is in our power to do so.

Great Britain is a diverse place, as can be seen in just a few examples: over one in ten of the population is over 65 (Office for National Statistics, September 2013; National Records of Scotland, March 2013); 900,000 speak little or no English (Office for National Statistics, August 2013; National Records of Scotland, September 2013); 17% of adults in England have literacy levels at or below those expected of an 11-year-old (Department for Business Innovation & Skills, October 2013); more than half of Londoners live in flats (Office for National Statistics, April 2013); and 36% of people rent their homes (Office for National Statistics, April 2013; National Records of Scotland, October 2014).
We need a robust and comprehensive approach that helps us to identify and understand the characteristics that may act as barriers to experiencing the benefits of smart meters. This will allow us to create the range of communications activities that mean we effectively engage with all of Great Britain.

To do this we use a four-stage process:

1. Identify a broad range of characteristics that can often cause barriers or challenges for people with those characteristics

2. Within that list of characteristics, identify those that may cause additional barriers to the adoption and use of smart meters

3. Determine which characteristics present the most definitive barriers to many or most people with that characteristic and which of those present barriers only when experienced in combination with others

4. Where possible, build specific engagement plans to overcome barriers caused by that characteristic.

*Smart energy for all* shares our understanding on points one to three specifically, and in this updated edition, we have incorporated our conclusions from the consultation held in spring 2015.
Chapter 1
Smart meter implementation, and parties involved in its delivery

The Government’s vision is for every home to have smart gas and electricity meters by 2020. This illustrates our need to change our behaviour towards energy in Great Britain to secure an affordable and reliable energy supply and move towards a low carbon economy in the future. The scheme is projected to achieve a saving of £6.2 billion, which will be passed back to the consumer.

The new smart meter system is made up of a number of elements as shown here:

Figure 1
The new smart meter system
In each household, the smart meter will replace the traditional meter. There is a smart comms hub alongside it, which (via the secure communications network) sends information to the gas and electricity supplier about usage. This means that when an energy bill is received, it is based on the same accurate information that consumers are able to monitor via their own in-home smart meter display.

There are a number of organisations involved in the smart meter rollout. First, to explain our own role, Smart Energy GB (previously known as the Smart Meter Central Delivery Body) was set up in March 2013 as recommended in the Department of Energy & Climate Change in its Consumer engagement strategy. Our funding comes from contributions by the energy suppliers in line with their market share, and we are governed by a Board made up of directors nominated by the National Consumer Council (Citizens Advice), representatives of groups of consumers, and representatives of the small and large (domestic and non-domestic) gas and electricity suppliers.¹

Smart Energy GB is the national campaign for the smart meter rollout. It is our task to help everyone in Great Britain understand smart meters, the national rollout and how to use their new meters to get their gas and electricity under control. Our specific licence objectives are:

1. Building consumer confidence in the installation of a Smart Metering System by gas and electricity suppliers.
2. Building consumer awareness and understanding of the use of Smart Metering Systems (and the information obtained through them).
3. Increasing 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, as mentioned in the introduction:
4. Assisting 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.

We are delivering a consumer engagement campaign across mass media channels including TV, radio, out of home (OOH), press and digital. The campaign will build across the rollout timeline – messaging content, format, and media mix are planned to reach and engage households across Great Britain. The consumer engagement campaign may include channels or messages to specifically address the barriers related to characteristics identified in this paper.

Our role does not include having one-on-one relationships with consumers and as such we do not envisage using individually identifiable data.

¹ Visit smartenergyGB.org for further information about Smart Energy GB and our role in the rollout.
Energy suppliers are a key part of the rollout – they are responsible for the installation of smart meters in the homes of their customers. Households will be offered a smart meter by their electricity and gas suppliers and contacted by them to arrange an appointment for installation. Suppliers and installers are bound by the Smart Metering Installation Code of Practice (SMICoP), which sets out standards and provisions covering all aspects of the smart meter installation. The purpose of the code is described as:

“The Smart Metering Installation Code of Practice specifies the minimum standards for Members to follow in relation to the Customer facing aspects of the installation of Smart Metering Systems. The aim of the Code is for the Customer experience of the installation process to be positive, to protect Customers during the process, for Customers to be given appropriate assurances over what will take place during the installation process, and to deliver Programme benefits, including long term behavioural changes.”
(Smart Metering Installation Code of Practice, February 2015)

We are working with gas and electricity suppliers to make sure that consumers can successfully engage with, and progress through, the smart meter journey (the process from hearing about smart meters through to using them, which all consumers will experience). Importantly, there is a joint responsibility between ourselves and energy suppliers for ensuring that consumers can use the smart meter and realise its benefits. The smart meter journey and the roles of the individual organisations involved are shown below:

Figure 2
The smart meter journey
Chapter 2
The benefits of smart meters

As well as the huge benefits to society, smart meters deliver important benefits to individuals. The overriding benefit is that we will all have greater control of our energy through very real changes to the way we buy and use gas and electricity.

The tangible benefits are:

• Consumers can see the cost of their gas and electricity usage in pounds and pence, and in near real-time. This gives them a completely new level of control over their energy usage.

• Energy suppliers receive regular and accurate meter readings, putting an end to estimated bills and enabling them to see when the power is cut off.

• Prepay top-up will be as easy as pay-as-you-go and there will be a number of different payment options, including via mobile phone.

• Consumers can confidently switch between suppliers and tariffs (including prepay and pay-as-you-go). They can use their accurate energy consumption data to find the best deal for their circumstances.

Additionally, smart meters lay the foundations for energy innovation in the future – including the technology to enable the mass adoption of electric cars, and smart-enabled appliances that are designed to use energy more efficiently.
Chapter 3
The smart meter journey

As shown in Figure 2 and below, there are five stages involved in the smart meter journey.

Stage 1: hearing about smart meters
Consumers will need to have heard, seen or read about the smart meter rollout through one of the engagement channels (as mentioned in Chapter 1). The first stage is knowing that the smart meter rollout is here and having a general awareness of what that means.

Potential obstacle: the message doesn’t reach them.
Some audience characteristics mean that they are less likely to see, hear, read or engage with mass engagement channels.

Stage 2: making the decision to say yes to a smart meter
For consumers to say yes to a smart meter they will need to understand what a smart meter is and recognise the benefits it can bring to their life.

Potential obstacles: the message isn’t adequately understood; the message doesn’t resonate with them.
Some audiences may not immediately understand what smart meters are or why they should have one. They may think that smart meters do not apply to them or that they are less useful in their own domestic situation. Or they might believe that they will not know how to use one after installation.
Stage 3: being contacted about installation and setting it up

All consumers will be contacted by their energy supplier and offered a smart meter installation. Consumers can also call to request one from their supplier. It is then up to the supplier and the consumer together to arrange a convenient time to have the smart meter fitted. (Gas and electricity meters are fitted separately unless the consumer is a dual fuel customer with one supplier.) The installer will need to ensure that the consumer knows what will happen at installation and what they will need to do to prepare, e.g. clearing access to the meters, being in, and being able to give the installer access when they arrive.

Potential obstacles: difficulty arranging the appointment with their supplier; difficulty preparing for installation.

Some consumers may find it difficult to arrange an appointment because they lack access to the internet or a phone; they are extremely time poor or cannot take time off work; or because a language barrier, disability or impairment challenges their ability to make an appointment. They may also find preparing for installation day a challenge, either practically or emotionally.

Stage 4: having the smart meter installed

The installer will remove the traditional meter and fit the new smart meter; this means briefly interrupting the energy supply. The installer will talk the consumer through what they have done, explain how the smart meter works, how to use the smart meter display, how their own behaviour will affect their usage, and that money spent on energy is shown on the meter.

Potential obstacle: difficulty on installation day.

Some customers may have characteristics that make them less comfortable having the installer in their home, or characteristics that mean they less readily understand what has been installed. The installation may need to be adapted to meet their specific needs or they may need a specialist smart meter display. This could change or prolong the installation journey for them.

Stage 5: using and benefiting from the smart meter

Once installed, consumers will need to keep the smart meter display somewhere visible. The display allows them to see how using appliances affects their energy consumption and how much it costs. They will be able to control their energy usage and use the data to switch their tariff or supplier for a better deal. Consumers will also be able to choose prepay to suit their circumstances.

Potential obstacles: difficulty using the smart meter display; difficulty understanding the information provided on the smart meter display; difficulty using the information to take active control of their energy use; difficulty choosing the right deal or supplier for them.

Some consumers may have difficulty using the smart meter display. They may struggle with the buttons, seeing the data, or understanding it. Some may not be able to make changes to their energy because their property is cold and inefficient, or because they are already unable to maintain an adequate level of warmth in their homes whilst meeting their other energy needs. Also, they may be less able to use the data to help them switch supplier because they have difficulty speaking to suppliers, or find comparing tariffs and charges challenging or overwhelming.
Chapter 4
Starting with a universal range of characteristics likely to present barriers

The smart meter rollout is unlike any other major infrastructure change we’ve seen in Great Britain. Rather than being delivered universally region by region, the type of property will be the main influence on when and where a smart meter will be installed. We can learn from previous mass engagement campaigns and other large-scale infrastructure changes, but we should not rely on their definition of audience characteristics that are likely to present barriers.

We have gathered information from a wide range of sources that relate to the audience characteristics that are likely to cause barriers to the realisation of the benefits of smart meters. (A full bibliography and list of sources begins on page 25.) To make sure that we have up-to-date information, most of these sources are from 2010 or more recent. They are also mostly Great Britain or nation-specific but where this is not possible we have used a UK-specific source.

Our sources include (but are not limited to):

- Government reports and consultations.
- Regulators and codes of conduct.
- Expert organisations (representing audiences and issues related to the task).
- Previous campaigns working with harder to reach or vulnerable audiences.

The Priority Services Register requirements for energy providers, as regulated by Ofgem, has also been reviewed. It states that:

‘The current Priority Service arrangements require suppliers and electricity Distribution Network Operators (DNOs) but not Gas Distribution Networks (GDNs) to keep registers of disabled and chronically sick customers and customers of pensionable age. Suppliers must share information about customers on their register with GDNs and information about customers who need advance notice of interruptions with DNOs.

Companies have to provide specified non-financial services to customers who are: of pensionable age, disabled, chronically sick, deaf, hearing impaired, blind or partially sighted (Ofgem, June 2014).’

And Ofgem’s own definition, as taken from their Consumer Vulnerability Strategy, is:

‘We have defined vulnerability as when a consumer’s personal circumstances and characteristics combine with aspects of the market to create situations where he or she is:

- Significantly less able than a typical consumer to protect or represent his or her interests in the energy market; and/or
- Significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial.’

We will be keeping abreast of the work that Ofgem and the Energy Networks Association (ENA) are doing in relation to the PSR and will incorporate their thinking on needs based vulnerabilities where appropriate.
SMICoP makes reference to customers in need of extra engagement support. It categorises them as: ‘for reasons of age, health, disability or severe financial insecurity they are unable to safeguard their personal welfare or the personal welfare of other members of their household’ and makes specific mention of ‘groups with specific needs – such as the visually impaired, hearing impaired, and those with low levels of literacy; vulnerable customers’ and those with ‘specific cultural traditions or religious beliefs’. SMICoP also emphasises the requirement for all installers to use and add appropriate customers to the Priority Services Register.

Although these are useful definitions, the smart meter rollout, and our role within it, is distinct from that which the Priority Services Register is designed for. Therefore we need a framework that better matches the requirements set out in our licence objectives.

We have defined a long-list of characteristics based on all of our sources and we have broadened the characteristics to include more information about the audiences that display them. Sources for this include Target Group Index™, TouchPoints 2014 and the 2011 Census. The definitions we have created include:

- Demographic (socio-economic factors) – age, location, household income, type of employment.
- Prevalence of characteristics in GB’s population – how many people there are with this characteristic.
- Media consumption – what paid media channels they read, watch or listen to.
- Who or what that audience is supported or influenced by – what is going on in the wider world of this audience with these characteristics.

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2 Target Group Index is the largest single source of marketing and media surveys in Great Britain and was established by BMRB in 1969. The TGI survey has a sample of 25,000 and is conducted quarterly.

3 TouchPoints from the Institute of Practitioners in Advertising provides context and perspective into people’s lives and insights on their media usage.
We interrogated these definitions through a series of stakeholder consultation events, undertaken as part of our ongoing consultation with organisations and experts. These workshops were facilitated by research and engagement agency, BritainThinks. They took place at five locations (Glasgow, Newcastle, Cardiff, Exeter and London) and included 100 contributors from a wide range of organisations.

We asked participants at these events to consider the long-list of characteristics identified; to suggest other characteristics for consideration; and highlight characteristics that should be sub-divided or discounted. They were also asked to consider the smart meter journey and give feedback on where they thought those characteristics could present barriers.

The stakeholder consultation events identified a small number of new characteristics, as did the Smart energy for all consultation in spring 2015. These have been added to those originally identified in the long-list of characteristics below.

It is important to say that many characteristics are interlinked (through causality or multiple deprivation). However, for the purpose of this exercise all characteristics have been kept distinct. The characteristics are represented against Ofgem’s framework of characteristics, capacity and circumstances.

---

### Characteristics and/or capacity

<table>
<thead>
<tr>
<th>Socio-demographic</th>
<th>Disability/ impairment</th>
<th>Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of pensionable age/age 75 and over</td>
<td>Blind/partially sighted</td>
<td>Bedridden</td>
</tr>
<tr>
<td>Cannot speak English well</td>
<td>Dexterity impairment</td>
<td>Dependent on medical equipment powered by electricity</td>
</tr>
<tr>
<td>Religious/cultural belief</td>
<td>Dyslexia</td>
<td>Drug/alcohol issues</td>
</tr>
<tr>
<td></td>
<td>Learning impairment</td>
<td>Long-term health condition</td>
</tr>
<tr>
<td></td>
<td>Low literacy</td>
<td>Mental health impairment</td>
</tr>
<tr>
<td></td>
<td>Low numeracy</td>
<td>Mobility impairment</td>
</tr>
<tr>
<td></td>
<td>Memory impairment</td>
<td>Severe/profound deafness</td>
</tr>
<tr>
<td></td>
<td>Mobility impairment</td>
<td>Speech impairment</td>
</tr>
<tr>
<td></td>
<td>Severe/profound deafness</td>
<td>Social/behavioural impairment</td>
</tr>
<tr>
<td></td>
<td>Speech impairment</td>
<td>Stamina/breathing/ fatigue impairment</td>
</tr>
<tr>
<td></td>
<td>Social/behavioural impairment</td>
<td></td>
</tr>
</tbody>
</table>

Figure 3

Universe of characteristics with potential to present barriers

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*Full list of contributors can be found in the BritainThinks report, a link to which is in the further reading section of this paper*
### Circumstances

#### Personal
- Armed forces regular personnel
- At risk of not maintaining an adequate level of warmth
- Disinterested customers
  - Energy debt
  - Energy illiteracy
  - Financial illiteracy
  - Fuel poverty
  - Gypsy/traveller
- In household with children under five/16
- Lack qualifications
- Experiencing life changes e.g. bereavement, pregnancy
- Low income
- Lone parent family
- Receive means tested benefits
- Not in Education, Employment or Training (NEET)
- Newly independent e.g. ex-offender, leaving care for the first time, student, young people
- Refugee/asylum seeker
- Shift worker
- Socially isolated
- Sporadic working hours
- Unemployed
- Full time carer/unpaid carer
- Stretched employed e.g. zero hours contractors
- Without a bank account

#### The property
- Appliances in danger of being condemned/disconnected
- Assisted/supported housing resident (separate meter)
- Care home resident
- Dynamically teleswitched meter
- Electric heating
- Electricity and gas supply with different suppliers
- Have district heating (separate electricity meter)
- High rise buildings
- Living in a cold, damp, inefficient home
- Group renter
- Hostel resident
- Lack of appliance/heating controls
- Landed estate tenant
- Multiple dwelling unit affected by Home Area Network connectivity issues
- Multiple occupancy dwelling
- New-build resident
- Off-gas grid (separate electricity meter)
- Park home resident
- Properties with solar panels
- Prepay customer
- Private tenant
- Rural resident
- Second home owner
- Have secondary meter
- Social housing tenant
- Time of use tariffs

#### Access to channels
- Colour blind
- Lacking basic digital skills
- No personal internet access
- No telephone access
- No radio access
- No television access

---

**Figure 3**

Universe of characteristics with potential to present barriers
Chapter 5

Determining which characteristics are particularly relevant to the smart meter journey

Next, we reviewed the long list of characteristics for relevance and duplication. To do this we gained insight from the stakeholder consultation events, from desk research and audience insight subscription sources.

**Relevance:** Is there at least one stage in the smart meter journey where this specific characteristic could cause an obstacle?

**Duplication:** Is this characteristic unique, or is it a subset of, or the same as another characteristic?

This table shows how the duplication and relevance reappraisal works against a selection of the long list of characteristics and the judgements that were made as a result. Please note that the duplication and relevance process provides a framework for inclusion rather than excluding certain characteristics. Plus it identifies where characteristics are already being catered for in the engagement plan.
<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Definition</th>
<th>Relevance</th>
<th>Duplication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift worker</td>
<td>No legal definition. A work activity scheduled outside standard daytime hours, where there may be a handover of duty from one individual or work group to another; a pattern of work where one employee replaces another on the same job within 24 hours (Health and Safety Executive) E.g. Essential public services - hospitals, police, fire brigade, utilities Routine and manual workers - supermarkets, petrol stations and call centres</td>
<td>No - same mainstream message delivered regarding time off for installation</td>
<td>Potential duplication with low income characteristics in the case of manual workers</td>
</tr>
<tr>
<td>Second home owner</td>
<td>A privately owned, habitable accommodation that is not being occupied by anyone as their main residence. It may be occupied occasionally, for example as a holiday home, or when working away from the householder's main home (DCLG)</td>
<td>No - the journey would be the same as for the main property</td>
<td>No</td>
</tr>
<tr>
<td>Without a bank account</td>
<td>No accounts (including Post Office card account) The Post Office card account is specifically for receiving pensions and other benefits</td>
<td>No - this in itself does not present immediate obstacles to the journey</td>
<td>Yes - high degrees of duplication with prepay meter as a characteristic</td>
</tr>
<tr>
<td>Of pensionable age</td>
<td>State Pension age which can be between 61 and 68, depending when someone was born and if they’re male or female (Gov.uk)</td>
<td>Yes - relevance and usage at all stages of the journey for some and likely to be more so with older end of the age group</td>
<td>Yes - age 75 and above characteristic</td>
</tr>
<tr>
<td>Lack qualifications</td>
<td>No academic or professional qualifications (Census)</td>
<td>Yes - may affect ability to understand smart meter messages if lack of qualifications is a result of/has led to low literacy and/or numeracy</td>
<td>Yes - duplication with low literacy/low numeracy</td>
</tr>
</tbody>
</table>

Figure 4
Examples of characteristics within the relevance and duplication process
This process resulted in 23 particularly relevant characteristics that are a truer reflection of the characteristics that are likely to result in obstacles along the smart meter journey. They are highlighted in the chart below.

<table>
<thead>
<tr>
<th>Characteristics and/or capacity</th>
<th>Circumstances</th>
<th>Access to channels</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Socio-demographic</strong></td>
<td><strong>Health</strong></td>
<td><strong>The property</strong></td>
</tr>
<tr>
<td>Of pensionable age/age 75 and over</td>
<td>Blind/partially sighted</td>
<td>Appliances in danger of being condemned/disconnected</td>
</tr>
<tr>
<td>Cannot speak English or Welsh proficiently</td>
<td>Dyslexia</td>
<td>Assistance/Supported housing resident (separate meter)</td>
</tr>
<tr>
<td>Religious/cultural belief</td>
<td>Dexterity impairment</td>
<td>Care home resident</td>
</tr>
<tr>
<td><strong>Disability/impairment</strong></td>
<td>Learning impairment</td>
<td>Dynamically teleswitched meter</td>
</tr>
<tr>
<td>Low literacy</td>
<td>Low numeracy</td>
<td>Electric heating</td>
</tr>
<tr>
<td>Low memory impairment</td>
<td>Mobility impairment</td>
<td>Electricity and gas supply with different suppliers</td>
</tr>
<tr>
<td>Severe/profound deafness</td>
<td>Special needs impairment</td>
<td>Have district heating (separate electricity meter)</td>
</tr>
<tr>
<td>Speech impairment</td>
<td>Stamina/breathing/fatigue impairment</td>
<td>High rise buildings</td>
</tr>
<tr>
<td>Social/behavioural impairment</td>
<td>Bedridden</td>
<td>Living in a cold, damp, inefficient home</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>Dependent on medical equipment powered by electricity</td>
<td>Group renter</td>
</tr>
<tr>
<td>Drug/alcohol dependency</td>
<td>Long-term health condition</td>
<td>Hostel resident</td>
</tr>
<tr>
<td>Long-term health condition</td>
<td>Mental health impairment</td>
<td>Lack of appliance/heating controls</td>
</tr>
<tr>
<td><strong>Personal</strong></td>
<td><strong>The property</strong></td>
<td>Landed estate tenant</td>
</tr>
<tr>
<td>Armed forces regular personnel</td>
<td>Appliances in danger of being condemned/disconnected</td>
<td>Multiple dwelling unit affected by Home Area Network connectivity issues</td>
</tr>
<tr>
<td>At risk of not maintaining an adequate level of warmth</td>
<td>Assistance/Supported housing resident (separate meter)</td>
<td>Multiple occupancy dwelling</td>
</tr>
<tr>
<td>Disinterested customers</td>
<td>Care home resident</td>
<td>New-build resident</td>
</tr>
<tr>
<td>Energy debt</td>
<td>Dynamically teleswitched meter</td>
<td>Off-grid (separate electricity meter)</td>
</tr>
<tr>
<td>Energy illiteracy</td>
<td>Electric heating</td>
<td>Park home resident</td>
</tr>
<tr>
<td>Financial illiteracy</td>
<td>Electricity and gas supply with different suppliers</td>
<td>Properties with solar panels</td>
</tr>
<tr>
<td>Fuel poverty</td>
<td>Have district heating (separate electricity meter)</td>
<td>Prepay customer</td>
</tr>
<tr>
<td>Gypsy/traveller</td>
<td>High rise buildings</td>
<td>Private tenant</td>
</tr>
<tr>
<td>In household with children under five/16</td>
<td>Living in a cold, damp, inefficient home</td>
<td>Rural resident</td>
</tr>
<tr>
<td>Lack qualifications</td>
<td>Group renter</td>
<td>Second home owner</td>
</tr>
<tr>
<td>Experiencing life changes e.g. bereavement, pregnancy</td>
<td>Hostel resident</td>
<td>Have secondary meter</td>
</tr>
<tr>
<td>Low income</td>
<td>Lack of appliance/heating controls</td>
<td>Social housing tenant</td>
</tr>
<tr>
<td>Lone parent family</td>
<td>Landed estate tenant</td>
<td>Time of use tariffs</td>
</tr>
<tr>
<td>Receive means tested benefits</td>
<td>Multiple dwelling unit affected by Home Area Network connectivity issues</td>
<td></td>
</tr>
<tr>
<td>Not in Education, Employment or Training (NEET)</td>
<td>Multiple occupancy dwelling</td>
<td></td>
</tr>
<tr>
<td>Newly independent e.g. ex-offender, leaving care for the first time, student, young people</td>
<td>Off-grid (separate electricity meter)</td>
<td></td>
</tr>
<tr>
<td>Refugee/asylum seeker</td>
<td>Park home resident</td>
<td></td>
</tr>
<tr>
<td>Shift worker</td>
<td>Properties with solar panels</td>
<td></td>
</tr>
<tr>
<td>Socially isolated</td>
<td>Prepay customer</td>
<td></td>
</tr>
<tr>
<td>Sporadic working hours</td>
<td>Private tenant</td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>Rural resident</td>
<td></td>
</tr>
<tr>
<td>Full time carer/unpaid carer</td>
<td>Second home owner</td>
<td></td>
</tr>
<tr>
<td>Stretched employed e.g. zero hours contractors</td>
<td>Have secondary meter</td>
<td></td>
</tr>
<tr>
<td>Without a bank account</td>
<td>Social housing tenant</td>
<td></td>
</tr>
</tbody>
</table>

Figure 5
Refined list of characteristics relevant to the smart meter journey

Here the 23 particularly relevant characteristics are listed with their definitions. The appendix includes an outline for each characteristic and how it could present a barrier(s) at the various stages along the smart meter journey.
<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 75 and above</td>
<td>Age 75 and over.</td>
</tr>
<tr>
<td>Blind or partially sighted</td>
<td>This includes people registered blind or partially sighted who have severe and irreversible sight loss (RNIB).</td>
</tr>
<tr>
<td>Cannot speak English or Welsh proficiently</td>
<td>Non-proficient; cannot speak English or cannot speak English well (or Welsh in Wales) (Census).</td>
</tr>
<tr>
<td>Dependent on medical equipment powered by electricity</td>
<td>Dependent on medical equipment powered by electricity, e.g. stair lift, electric wheelchair, defibrillator or dialysis machine. (No formal definition found. Examples provided by Energy UK).</td>
</tr>
<tr>
<td>Dexterity impairment</td>
<td>Severe impact on ability to carry out everyday activities such as gripping, holding and writing or limits movement in the shoulders (ONS).</td>
</tr>
<tr>
<td>District heating (separate electricity meter)</td>
<td>No universally agreed definition for district heating. Either:</td>
</tr>
<tr>
<td></td>
<td>- Two or more distinct buildings connected to a single heat source or</td>
</tr>
<tr>
<td></td>
<td>- One building in which there are more than 10 individual customers connected to a single heat source (DECC).</td>
</tr>
<tr>
<td>Lacking basic digital skills</td>
<td>Lacking the skills to:</td>
</tr>
<tr>
<td></td>
<td>- Manage information, i.e. find, manage and store digital information and content.</td>
</tr>
<tr>
<td></td>
<td>- Communicate, i.e. interact, collaborate, share and connect with others.</td>
</tr>
<tr>
<td></td>
<td>- Transact, i.e. purchase and sell goods and services; organise finances and use digital government services.</td>
</tr>
<tr>
<td></td>
<td>- Problem solve, i.e. increased independence and confidence by solving problems using digital tools and finding solutions using digital tools.</td>
</tr>
<tr>
<td></td>
<td>- Create, i.e. engage with communities and create basic digital content in order to engage with digital communities and organisations (Go ON UK).</td>
</tr>
<tr>
<td>Learning impairment</td>
<td>Moderate to severe learning disability (IQ of 50 or below). Likely to have some language skills that mean they can communicate about day-to-day needs and wishes. Some people may need more support caring for themselves, but many will be able to carry out day-to-day tasks (BILD).</td>
</tr>
<tr>
<td>Living in a cold inefficient home</td>
<td>EPC rating F or below. This characteristic was identified by Ofgem, but no definition offered. DECC has proposed a minimum energy efficiency standard across the domestic private sector of EPC rating E or above, which we are using to define this characteristic. This means needing to spend on average £1,000 a year more on energy to heat their home compared to a typical home (Secretary of State).</td>
</tr>
<tr>
<td>Low income</td>
<td>Relative low income: individuals are defined as in low income, when the household in which they live has income less than 60% of the national median (Before Housing Costs, including rent, water rates, mortgage interest payments, buildings insurance payments and ground rent and service charges) (DWP).</td>
</tr>
<tr>
<td>Low literacy</td>
<td>Literacy levels at level 1 or below, e.g. may not be able to identify the location of a named place in a short descriptive paragraph (BIS).</td>
</tr>
<tr>
<td>Low numeracy</td>
<td>Numeracy skills at level 1 or below, e.g. may not be able to find the most popular holiday destination on a simple bar graph (BIS).</td>
</tr>
<tr>
<td>Memory impairment</td>
<td>This includes dementia and associated symptoms, including mild cognitive impairment; problems with day-to-day memory, planning, language, attention and visuo-spatial skills, e.g. interpreting objects and shapes. (Alzheimer’s Society).</td>
</tr>
<tr>
<td>Characteristic</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Mental health impairment</td>
<td>Mental health issues that have a long-term effect on normal day-to-day activity. For example, using a computer, working set times or interacting with people (defined under the Equality Act 2010).</td>
</tr>
<tr>
<td>Mobility impairment</td>
<td>Severe impact on ability to carry out day-to-day activities such as sitting, standing or walking or climbing stairs (ONS).</td>
</tr>
<tr>
<td>No personal internet access</td>
<td>No personal access to the internet anywhere, both inside and out of the home. Including use via mobile devices (Ofcom).</td>
</tr>
<tr>
<td>Off-gas grid</td>
<td>Household not connected to the gas grid (DECC).</td>
</tr>
<tr>
<td>Prepay customer</td>
<td>Prepay gas or electricity meter, or both installed at the property.</td>
</tr>
<tr>
<td>Private tenant</td>
<td>Accommodation that is rented from a private landlord or letting agency, employer of a household member, relative or friend of a household member, or other non-social rented accommodation (Census).</td>
</tr>
<tr>
<td>Severe or profound deafness</td>
<td>Severe or profound deafness, e.g. the quietest sounds people with severe deafness can hear are 70 decibels, i.e. cannot hear normal conversation. May lip-read, have a hearing aid, or use sign language (Action on Hearing Loss).</td>
</tr>
<tr>
<td>Social housing tenant</td>
<td>Accommodation that is rented from a council or local authority, or from a registered social landlord, housing association, housing co-operative or charitable trust (Census).</td>
</tr>
<tr>
<td>Social/behavioural impairment</td>
<td>Referenced in DWP’s Family Resources Survey, but without a definition. Examples include autism or other autistic spectrum conditions, attention deficit disorder, or Asperger’s syndrome.</td>
</tr>
<tr>
<td>Speech impairment</td>
<td>The inability of a person to speak clearly at a normal pace and rhythm and to understand someone else speaking normally in their own language (Equality and Human Rights Commission).</td>
</tr>
</tbody>
</table>
Chapter 6
Identifying the characteristics most likely to present barriers

All the characteristics in Figure 5 are relevant to the smart meter journey, but it is clear from our complete journey mapping that there are different levels of relevance – some characteristics will cause obstacles at multiple parts of the journey, some will cause obstacles to only a few of the people that have that characteristic, and others will cause obstacles to many.

To identify which characteristics are most likely to present barriers, we have assessed whether ‘many or most’ people with each characteristic will encounter an obstacle because of that characteristic alone; or whether it is only when that characteristic is paired with another characteristic that difficulties are exacerbated and make encountering barriers more likely.

This is important to draw out so that we clearly understand the people that may encounter obstacles, and the specific reasons for that (we accept that individuals will often have a number of characteristics together). This has resulted in the characteristics being grouped like this:

**Group A:** characteristics that directly and solely cause an obstacle for many or most people with that characteristic.

**Group B:** characteristics that, when combined with any other characteristic in Group B or any in Group C, cause an obstacle for many or most people, but when experienced alone they do not.

**Group C:** characteristics that cause an obstacle for many or most only when combined with one or more characteristics in group B, but not when combined with another in Group C or when experienced alone.
If a characteristic from Group B or Group C is likely to present a barrier when grouped with one or more characteristics from Group A, then it has already been identified as such because Group A is definitive.

This grouping will help us to develop efficient solutions to overcome the obstacles created by the characteristics. We will use the process shown here:

![Diagram of characteristic grouping]

**Figure 7**
Characteristic grouping to identify need for specific engagement

<table>
<thead>
<tr>
<th>The characteristics in Figure 6 are grouped as follows:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group A</strong></td>
</tr>
<tr>
<td>• Blind or partially sighted.</td>
</tr>
<tr>
<td>• Cannot speak English proficiently (English or Welsh in Wales).</td>
</tr>
<tr>
<td>• Dependent on medical equipment powered by electricity.</td>
</tr>
<tr>
<td>• Low literacy.</td>
</tr>
<tr>
<td>• Memory Impairment.</td>
</tr>
<tr>
<td>• Mental health impairment.</td>
</tr>
<tr>
<td><strong>Group B</strong></td>
</tr>
<tr>
<td>• Separate electricity supply, including:</td>
</tr>
<tr>
<td>- District heating.</td>
</tr>
<tr>
<td>- Off-gas grid.</td>
</tr>
<tr>
<td>• Tenants, including:</td>
</tr>
<tr>
<td>- Private tenant.</td>
</tr>
<tr>
<td>- Social housing tenant.</td>
</tr>
<tr>
<td><strong>Group C</strong></td>
</tr>
<tr>
<td>• Dexterity impairment.</td>
</tr>
<tr>
<td>• Learning impairment.</td>
</tr>
<tr>
<td>• Living in a cold, inefficient home.</td>
</tr>
<tr>
<td>• Low numeracy.</td>
</tr>
<tr>
<td>• Mobility impairment.</td>
</tr>
<tr>
<td>• No personal internet access.</td>
</tr>
<tr>
<td>• Prepay customer.</td>
</tr>
<tr>
<td>• Severe/profound deafness.</td>
</tr>
<tr>
<td>• Social/behavioural impairment.</td>
</tr>
<tr>
<td>• Speech impairment.</td>
</tr>
</tbody>
</table>
Here are three examples to illustrate our thinking:

**Example 1**
Memory impairment is in Group A. This means that many or most of the audience will need specific engagement to realise the benefits of smart meters, and solutions will be designed for that audience.

**Example 2**
Aged 75 and above is in Group B. This means that the characteristic alone is not thought to present many or most people with a barrier. However, when this is coupled with low income (also Group B) or low numeracy (Group C), many or most people would start to encounter difficulties. So specific engagements would be designed for them.

**Example 3**
Speech impairment and no personal internet access are both in Group C. These may present significant challenges to some people with both characteristics. But the combination does not present a barrier to many or most people on the smart meter journey specifically unless combined with a characteristic from Group B, e.g. aged 75 and above.
Chapter 7
Supporting documents and further reading

The following resources and documents give some useful background to this paper. They provide more information about: us (our role and progress); the Stakeholder Consultation Events facilitated by BritainThinks; and the latest consumer research about smart meter awareness, adoption and perception.

Smart Energy GB
smartenergyGB.org

Annual report 2014
Consumer engagement plan
Stakeholder consultation events 2014
Smart energy outlook, March 2015

These can be found at: smartenergyGB.org

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<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account holder</td>
<td>The person who holds the account with an energy supplier. The account holder will be the person responsible for confirming with the energy supplier the appointment to have a smart meter fitted to replace their traditional meter. The account holder is the person who pays the bill for any energy used.</td>
</tr>
<tr>
<td>Characteristic</td>
<td>Distinguishing qualities, attributes, or traits.</td>
</tr>
<tr>
<td>Consumer</td>
<td>The person(s) occupying the premises where the smart meter system is to be installed, or who is a responsible adult with suitable authority to allow access to the premises.</td>
</tr>
<tr>
<td>Data Communications Company</td>
<td>The communications infrastructure that underpins the entire smart meter system. This system enables delivery of data between all customers and all energy suppliers.</td>
</tr>
<tr>
<td>Department of Energy &amp; Climate Change</td>
<td>The UK government department which is in charge of energy matters in the UK, as well as international climate change matters.</td>
</tr>
<tr>
<td>Distribution Network Operator</td>
<td>Distribution Network Operator (DNO) is the operator of an electricity distribution network. They are responsible for the delivery of electricity to the point of entry to a consumer premises.</td>
</tr>
<tr>
<td>Dual fuel</td>
<td>Gas and electricity are provided by the same supplier.</td>
</tr>
<tr>
<td>Energy</td>
<td>In the context of smart meters, this refers to gas and electricity only.</td>
</tr>
<tr>
<td>Energy consumption</td>
<td>Energy consumption is the use of energy as a source of heat or power. Energy consumption is measured by a meter and account holders are billed for their usage.</td>
</tr>
<tr>
<td>Energy supplier</td>
<td>Supplier(s) licensed to supply gas and/or electricity.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Consumer engagement plan</td>
<td>Under its licence conditions, Smart Energy GB must produce and maintain a plan for achieving its objectives (the Consumer engagement plan), which describes the activities that it proposes to carry out to achieve them and how it’s taken into account the need to coordinate its activities with those of other parties. The Consumer engagement plan is kept under review and appropriate amendments must be made so that it continues to be accurate, up to date and fit for purpose.</td>
</tr>
</tbody>
</table>
| Fuel poverty                     | In England, the definition of those who are classed as in Fuel poverty is calculated using the criteria of Low Income High Costs and a household is considered to be fuel poor if:  
• they have required fuel costs that are above average (the national median level).  
• were they to spend that amount, they would be left with a residual income below the official poverty line.  
In Scotland and Wales:  
A household is considered to be fuel poor if they spend more than 10% of their income on fuel to maintain an adequate standard of warmth (usually defined as 21°C for the main living area, and 18°C for other occupied rooms). |
<p>| Gas Distribution Network        | Companies licensed to distribute gas in Great Britain by the Office of Gas and Electricity Markets.                                                                                                                                                                    |
| Home Area Network               | The elements of the smart meter system found in your home. These are the smart meter(s), smart comms hub and the smart meter display.                                                                                                                                 |
| Home reference person           | The oldest full-time worker in most households, or a person chosen from the household based on their age and economic activity.                                                                                                                                         |
| Install                         | The fitting of a smart meter and smart comms hub into a home and the offer of a smart meter display.                                                                                                                                                                      |
| Installer(s)                    | The energy supplier representative who will come to your home and replace the traditional meters with smart meters, then check that they work properly. They will also make sure that you understand how to use your new smart meter(s) and smart meter display.                       |</p>
<table>
<thead>
<tr>
<th>Term</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Licence condition(s)</td>
<td>Under the Gas Act 1986 and the Electricity Act 1989, certain activities, i.e. generation, transmission, distribution and supply for both gas and electricity, may only be carried out with a licence (or under a relevant exemption or exception). All energy suppliers in Great Britain operate under Supply Licence Conditions (domestic and non-domestic consumers).</td>
</tr>
<tr>
<td>Microbusiness(es)</td>
<td>Part of Smart Energy GB’s remit is to extend our consumer engagement activity to microbusinesses where it is deemed cost effective to do so. Microbusinesses are defined by gas and electricity supplier licences as using less than 100,000 kWh electricity / 293,000 kWh gas per year, or who employ fewer than 10 people with a turnover of no more than €2 million.</td>
</tr>
<tr>
<td>National rollout</td>
<td>The installation of 53 million smart meters in 30 million properties across Great Britain by 2020.</td>
</tr>
<tr>
<td>Ofgem</td>
<td>Ofgem is the body responsible for protecting consumers who use energy in Great Britain. Ofgem regulates energy suppliers.</td>
</tr>
<tr>
<td>Prepay</td>
<td>A payment system whereby the consumer pre-purchases gas and/or electricity from a licensed retailer, then uses it as required. Under this tariff there are no monthly bills.</td>
</tr>
<tr>
<td>Priority Services Register</td>
<td>The standard licence conditions of the gas and electricity supply licences require suppliers to establish a list (the Priority Services Register) of domestic customers that are of pensionable age, disabled or chronically sick. Eligible customers can ask to be added to their supplier’s list. These customers are then eligible for certain free services specified in the supply licences.</td>
</tr>
<tr>
<td>Secure communications network</td>
<td>The secure communications network is the infrastructure that will comprise a number of secure systems that ensure the overall security of data from a consumer’s premises through to the service users (energy suppliers, network operators and other authorised third parties). Security consists of both technical controls, such as strong cryptographic protection of data and physical protection, and access controls.</td>
</tr>
<tr>
<td>Secure Home Area Network</td>
<td>The elements of the smart meter system found in your home. These are the smart meter(s), smart comms hub and the smart meter display.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
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<td>-------------------------------------------</td>
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</tr>
<tr>
<td>Smart comms hub</td>
<td>A small piece of equipment installed in the home, which holds all information centrally and transmits this information wirelessly from your smart meter to your energy supplier, bringing benefits such as faster switching between suppliers.</td>
</tr>
<tr>
<td>Smart meter(s)</td>
<td>The next generation of energy meters with real-time data to help us control the way in which we all buy and use gas and electricity.</td>
</tr>
<tr>
<td>Smart meter display(s)</td>
<td>A digital device that sits in your home and allows you to see how much energy you are using as well as how much it’s costing you in near real-time.</td>
</tr>
<tr>
<td>Smart meter equipment</td>
<td>Refers to any of the equipment necessary to provide smart meter functionality to a consumer in their home.</td>
</tr>
<tr>
<td>Smart meter journey</td>
<td>The process from hearing about smart meters through to using them, which all consumers will experience.</td>
</tr>
<tr>
<td>Smart meter system</td>
<td>Describes as a whole, all the active system elements necessary to provide smart meter functionality from a person’s property, to the energy supplier’s systems.</td>
</tr>
<tr>
<td>Smart Metering Installation Code of Practice</td>
<td>The Smart Metering Installation Code of Practice (SMICoP) specifies the minimum standards of behaviour for suppliers to follow throughout the smart meter journey. The Code is mandated and is applicable to all domestic and microbusiness suppliers, except where the Code is explicit that the conditions apply to one or other. The Code describes specific activities in the period from being contacted about installation and setting it up, and the period from having the smart meter installed, to the customer receiving the first bill using smart meter data for meters in credit mode, or the first vend for meters in Prepay mode.</td>
</tr>
<tr>
<td>Switch</td>
<td>To describe switching from one supplier to another, or between tariffs with one supplier.</td>
</tr>
<tr>
<td>Tariff</td>
<td>Charges for energy supply.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>The energy market</td>
<td>Refers to the resale of gas and/or electricity.</td>
</tr>
<tr>
<td>Traditional meter(s)</td>
<td>Traditional meters are currently found in most homes. They are not able to communicate and therefore must be manually read. They will be replaced by smart meters during the national rollout.</td>
</tr>
<tr>
<td>Upgrade</td>
<td>The process of moving from a traditional meter to a smart meter.</td>
</tr>
</tbody>
</table>
| Vulnerability             | Ofgem’s definition of vulnerability is when a consumer's personal circumstances and characteristics combine with aspects of the market to create situations where he or she is:  
- Significantly less able than a typical consumer to protect or represent his or her interests in the energy market; and/or  
- Significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial. |
| Wide Area Network         | Communication between the smart comms hub and the Data Communications Company, via the appropriate Communications Service Supplier (Telefonica or Arqiva) is known as the Wide Area Network (WAN). |
## Appendix

### Audience characteristics mapped across stages of the smart meter journey

<table>
<thead>
<tr>
<th>Age 75 and over</th>
<th>Definition: Age 75 and over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hearing about smart meters</td>
<td>The message doesn’t reach them</td>
</tr>
<tr>
<td>Less likely to be reached via outdoor media channels (TGI) and more likely to leave their home infrequently – 6% of older people, nearly 600,000, leave their house once a week or less (Victor et al., 2003) and over 65s are estimated to spend 80% of their time in the home (Help the Aged, 2006).</td>
<td></td>
</tr>
<tr>
<td>Less likely to consume online communications (TGI) – over 75s are less likely to have internet access (Office for National Statistics, May 2014) and over 65s are less likely to be confident/competent online (BBC, November 2014) and technological take-up of most services and devices drops significantly for the 65+ age group (Ofcom, August 2014).</td>
<td></td>
</tr>
<tr>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Making a decision to say yes to a smart meter</th>
<th>The message doesn’t resonate in the context of their specific circumstances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Although those aged 75 and over watch more TV per day than any other age group, and so tend to be exposed to more TV advertising, some sources suggest that they are less likely to buy products where the marketing does not relate to and engage them (ILC-UK for Age UK, October 2010).</td>
<td></td>
</tr>
<tr>
<td>DECC research found people aged 65 and above were more likely to be generally not interested in having a smart meter. Reasons relating to inconvenience were more likely to be mentioned by the aged 75 and above age group (Department of Energy &amp; Climate Change, September 2013). More likely to think a smart meter is more hassle than it’s worth (Populus, March 2015) and/or be complicated and difficult to understand, so messaging will need to challenge this. Digital switchover showed that when communicating a technical or complex change, one, simple solution is required to provide reassurance to this age group (Digital UK, Communicating with older audiences, 2012).</td>
<td></td>
</tr>
<tr>
<td>DECC research found those aged 75 or over were more likely to mention sourcing advice about smart meters from friends and relatives (Department of Energy &amp; Climate Change, September 2013). More likely to live alone – nearly 2.5 million people aged over 75 live alone (Office for National Statistics, March 2013) – 17% of older people have less than weekly contact with family, friends and neighbours, 11% monthly (Victor et al., 2003). However, 48% of over-65s are active in social activities in their local area, although this is less than other age groups (Department for Environment, Food and Rural Affairs, 2011).</td>
<td></td>
</tr>
<tr>
<td>47% of those aged 75+ have a limiting longstanding illness (Office for National Statistics, March 2013, 193) and the majority of people over 75 have three or more long term health conditions (Barnett K et al, July 2012).</td>
<td></td>
</tr>
<tr>
<td>Technological take-up of most services and devices drops significantly for the 65+ age group (Ofcom, August 2014).</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Being contacted about installation and setting it up</th>
<th>Difficulty arranging an appointment with their supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>May fear change/installers they don’t know coming into their home.</td>
<td></td>
</tr>
<tr>
<td>Telephone systems: older people are more likely to find these systems difficult and have expressed a preference for speaking directly to a real person (George M, Graham, 2011).</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Difficulty preparing for installation</th>
</tr>
</thead>
<tbody>
<tr>
<td>May require help preparing for installation, e.g. moving items due to mobility or dexterity issues (in Ofcom, September 2013 research, 32% of respondents with a mobility impairment were aged 75 or over).</td>
</tr>
<tr>
<td>Age 75 and over</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
</tbody>
</table>

### Having the smart meter installed
- **Difficulty on installation day**
  - We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.

### Using and benefiting from smart meters
- **Difficulty using the smart meter display**
  - DECC research found lower smart meter display ownership among people aged 75 and above. Of those who have a smart meter, just 8% of those aged 75 and over have a smart meter display, compared with 17% of those aged 35–74 (Department of Energy & Climate Change, September 2013).
  - May have difficulty engaging with the smart meter display – technological take-up of most services and devices drops significantly for the 65+ age group (Ofcom, August 2014). However, in a study on the role of technical self confidence in the usability of an inclusive heating controls, older people reported high levels of technical self confidence and were found to be willing to engage with the technical prototype. This highlights the high expectations of older users to be able to effectively engage with new technological systems (Combe N, Harrison D and Dong H, 2011).

- **Difficulty understanding the information provided on the smart meter display**
  - We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.

- **Difficulty using the information to take control of their energy usage**
  - DECC research found that those aged 75 and over who had a smart meter display were less likely to use them – 18% compared with 51% of all respondents who claimed to look at least occasionally (Department of Energy & Climate Change, September 2013).
  - May have additional income challenges and/or under occupy their home, 1.6 million pensioners are experiencing relative low income (Department for Work & Pensions, July 2014) and over 3 million older people in the UK were concerned about staying warm in their own home in winter 2012 (TNS Winter Omnibus Survey for Age UK, referenced by Age UK, April 2015). Over a third of older people live in one room to reduce their heating bill (ONS, referenced by Age UK, April 2015). Additional information/advice may be required to ensure that they don’t go to extremes to save energy, e.g. not maintaining an adequate level of warmth.
  - Households where the oldest person is aged 75 or over are more likely to be in homes with poor energy efficiency compared with other households (Department for Communities and Local Government, July 2014). Older people may also be particularly vulnerable to the impacts of cold homes, e.g. cold temperatures increase health risks such as strokes, circulatory problems and hospital admission (Woodhouse PR, Khaw KT, Plummer M and Rudge J, Gilchrist R, referenced by Public Health England, September 2014). Estimates suggest that 10% of excess deaths are attributable to the coldest quarter of homes (Hills J, March 2012).

- **Difficulty choosing the right deal or supplier for them**
  - Consumers aged 65 and over are less likely to have switched (Ipsos MORI, June 2014). Just 10% of those aged 65+ have, compared with 19% of those aged 25 to 34 (Consumer Focus, January 2013).
  - Older households explain their reluctance to change energy suppliers in terms of loyalty. They wrongly perceive switching to be difficult, and the belief that there is little point in switching (Ipsos MORI, June 2014). However, those aged over 65 are much more likely to switch after being contacted directly by an energy supplier (47%) and much less likely to switch using a telephone or online price comparison service (14%). Therefore, they may not have the information to make an informed decision (Consumer Focus, January 2013).
### Blind or partially sighted

**Definition:** This includes people registered blind or partially sighted who have severe and irreversible sight loss (RNIB)

<table>
<thead>
<tr>
<th>Hearing about smart meters</th>
<th>The message doesn’t reach them</th>
<th>Radio is our only purely audio channel. TV, out of home and digital are a big part of our reach, where there may be reduced consumption among this group (TGI). However, Ofcom (Ofcom, August 2014, Ofcom, May 2010) found that 75% of those with a visual impairment have internet access. May not be reached by some mainstream media channels: almost half of blind and partially sighted people feel ‘moderately’ or ‘completely’ cut off from people and things around them (RNIB, February 2014).</th>
</tr>
</thead>
<tbody>
<tr>
<td>The message isn’t adequately understood</td>
<td>Large and giant print, audio and electronic (via screen-reading technology/zoom text are the main ways in which blind and partially sighted people access information (confidential Smart energy for all response). Braille is the preferred reading medium of approximately 18,000 blind and partially sighted adults in the UK (RNIB, August 2014).</td>
<td></td>
</tr>
<tr>
<td>Making a decision to say yes to a smart meter</td>
<td>The decision doesn’t resonate in the context of their specific circumstances</td>
<td>The decision to say yes to a smart meter is at least in part linked to whether the meter, smart meter display and associated information about the national smart meter rollout are accessible (confidential Smart energy for all response). Social relevance: reduced self-confidence, particularly in new environments, can prevent people with sight loss going out and about. Older people with sight loss also have greater difficulty getting out and about and are at greater risk of social isolation than the general population (RNIB, July 2012).</td>
</tr>
<tr>
<td>Being contacted about installation and setting it up</td>
<td>Difficulty arranging an appointment with their supplier</td>
<td>Telephone systems: more likely to find these systems difficult. Have expressed a preference for speaking directly to a real person (George M, Graham C and Lennard L., 2011). Blind people have reported that call centre workers assume that callers can see, and are unable to divert from the script – even when they know that the customer cannot do what they are asking, e.g. read a serial number (Ofcom, May 2010).</td>
</tr>
<tr>
<td>Difficulty preparing for installation</td>
<td>May require support physically preparing for installation.</td>
<td></td>
</tr>
<tr>
<td>Having the smart meter installed</td>
<td>Difficulty on installation day</td>
<td>The installer should tailor the installation appropriately, e.g. demonstrations and literature provided (SMICoP, February 2015).</td>
</tr>
<tr>
<td>Using and benefiting from smart meters</td>
<td>Difficulty using the smart meter display</td>
<td>The smart meter display should be designed to enable information to be displayed and accessed easily by someone with a visual impairment. However, additional information/support may be required to communicate this.</td>
</tr>
<tr>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>If the information provided is accessible, understanding is not an issue (confidential Smart energy for all response).</td>
<td></td>
</tr>
<tr>
<td>Difficulty using the information to take control of their energy usage</td>
<td>DECC research shows that using smart metering to understand and reduce energy consumption is a benefit welcomed by many households with blind and partially sighted people. As a result of their impairment, some blind and partially sighted consumers are relatively intensive users of energy. This may be due to a variety of factors, such as being at home for much of the day and being retired. They may also have difficulty seeing/adjusting heating controls. Blind and partially sighted people also tend to be amongst the less well-off groups in society, and therefore particularly vulnerable to fuel poverty (Department of Energy &amp; Climate Change, March 2013).</td>
<td></td>
</tr>
<tr>
<td>Difficulty choosing the right deal or supplier for them</td>
<td>Accessibility may present a barrier in terms of understanding energy use in order to make an informed decision (confidential Smart energy for all response). DECC research shows that switching energy supplier is seen by many blind and partially sighted consumers as being more hassle than it’s worth (Department of Energy &amp; Climate Change, March 2013).</td>
<td></td>
</tr>
</tbody>
</table>
**Cannot speak English or Welsh proficiently**

**Definition:** Non-proficient – cannot speak English or cannot speak English well (English or Welsh in Wales) (Census)

<table>
<thead>
<tr>
<th>Hearing about smart meters</th>
<th>The message doesn’t reach them</th>
<th>Message may not reach them via some mainstream media channels. Many people from minority ethnic backgrounds tend to ignore mainstream communications and only tune in to communications specifically designed for them, e.g. events in their area or leaflets in their language (Digital UK, April 2012).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The message isn’t adequately understood</td>
<td>Take-out from English ads may be substantially lower than translated TV ads (Digital UK, April 2012). May not know English well enough to understand a technical topic (Digital UK, April 2012).</td>
</tr>
<tr>
<td>Making a decision to say yes to a smart meter</td>
<td>The message doesn’t resonate in the context of their specific circumstances</td>
<td>Switchover’s ‘Digit Al’ was seen as a cartoon character to entertain children, or was considered distracting by some minority ethnic audiences. In response, creative was amended so that it used characters and costumes reflecting key minority ethnic groups. Digit Al was used as a way of linking this to the mainstream campaign, so when minority ethnic groups saw him in English advertising, they’d notice it and recognise what it was about (Digital UK, April 2012). May encounter additional cultural barriers, which lead to the message failing to resonate. People with a main language other than English who cannot speak English well or at all have a lower proportion of ‘good’ general health (Office for National Statistics, August 2013).</td>
</tr>
<tr>
<td>Being contacted about installation and setting it up</td>
<td>Difficulty arranging an appointment with their supplier</td>
<td>Telephone systems: those without English as a first language are more likely to find these systems difficult. May have a preference for speaking directly to a real person (George M, Graham C and Lennard L., 2011).</td>
</tr>
<tr>
<td></td>
<td>Difficulty preparing for installation</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td>Having the smart meter installed</td>
<td>Difficulty on installation day</td>
<td>Installers will need to tailor the installation appropriately.</td>
</tr>
<tr>
<td>Using and benefiting from smart meters</td>
<td>Difficulty using the smart meter display</td>
<td>Plain and intelligible language is a requirement for smart meter display design. However, support for Welsh/multi-lingual capability is not. Nevertheless, DECC research found that of those who do not speak English as a first language, ownership of a smart meter display does not vary significantly among those who have a smart meter installed, nor did interest in having one installed (Department of Energy &amp; Climate Change, September 2013).</td>
</tr>
<tr>
<td></td>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>Smart meter displays do not currently have multi-lingual capability (including Welsh), so audience may not be able to understand information provided.</td>
</tr>
<tr>
<td></td>
<td>Difficulty using the information to take control of their energy usage</td>
<td>Lower rate of employment for those who are non-proficient in English and those in work are more likely to work in elementary, machine operative and skilled trades occupations (Office for National Statistics, Detailed analysis - English language proficiency in the labour market, January 2014), so likely to be on a lower income. Therefore, there may be limits in the degree to which they can take control of their energy use.</td>
</tr>
<tr>
<td></td>
<td>Difficulty choosing the right deal or supplier for them</td>
<td>Lack of language proficiency may hamper ability/perceived ability to switch. May make them more susceptible to switching without being adequately informed about the choices available.</td>
</tr>
</tbody>
</table>
### Dependent on medical equipment powered by electricity

**Definition:** Dependent on medical equipment powered by electricity, e.g. stair lift, electric wheelchair, defibrillator or dialysis machine. (No formal definition found. Examples provided by Energy UK)

<table>
<thead>
<tr>
<th>Hearing about smart meters</th>
<th>The message doesn’t reach them</th>
<th>In some instances, may leave their home less frequently, so there may be less consumption of outdoor channels, although TV and radio are still likely to be consumed highly.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The message isn’t adequately understood</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td>Making a decision to say yes to a smart meter</td>
<td>The message doesn’t resonate in the context of their specific circumstances</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td>Being contacted about installation and setting it up</td>
<td>Difficulty arranging an appointment with their supplier</td>
<td>Will require advance notice of planned electricity interruption during installation.</td>
</tr>
<tr>
<td></td>
<td>Difficulty preparing for installation</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td>Having the smart meter installed</td>
<td>Difficulty on installation day</td>
<td>Alternative power supply/back-up systems should be in place. The smart meter installer will need to check that suitable arrangements exist before commencing installation (confidential Smart energy for all response).</td>
</tr>
<tr>
<td>Using and benefiting from smart meters</td>
<td>Difficulty using the smart meter display</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td></td>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td></td>
<td>Difficulty using the information to take control of their energy usage</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td></td>
<td>Difficulty choosing the right deal or supplier for them</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>
# Dexterity impairment

**Definition:** Severe impact on ability to carry out everyday activities such as gripping, holding and writing or limits movement in the shoulders (ONS)

<table>
<thead>
<tr>
<th>Hearing about smart meters</th>
<th>The message doesn't reach them</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than average out of home media consumption (TGI proxy). Although there's higher than average consumption of both BBC and commercial TV and radio, this audience has a reduced online media consumption (TGI proxy), so may not be reached by online media channels. Difficulties using a keyboard and mouse can limit the time spent online. However, due to the often fluctuating nature of dexterity impairments, communications technologies will be much easier to use on certain days than on others (Ofcom, September 2009).</td>
</tr>
</tbody>
</table>

| The message isn't adequately understood | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |

<table>
<thead>
<tr>
<th>Making a decision to say yes to a smart meter</th>
<th>The message doesn't resonate in the context of their specific circumstances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Additional support may be required to ensure social resonance: more likely to live alone (a third of this group do), or be divorced/widowed (26% vs. national average of 12%) (TGI). More likely to be older – over 50% of this group are aged 65+ (TGI), so other age-related barriers may apply.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Being contacted about installation and setting it up</th>
<th>Difficulty arranging an appointment with their supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May have more difficulty arranging installation via the telephone, due to difficulties holding a handset. However, alternative solutions are likely to be in place (confidential Smart energy for all response).</td>
</tr>
</tbody>
</table>

| Difficulty preparing for installation | May have difficulty preparing for installation where furniture/belongings need to be moved to clear the way. |

<table>
<thead>
<tr>
<th>Having the smart meter installed</th>
<th>Difficulty on installation day</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As they are more likely to rent from the council (Populus, March 2015), landlord/tenant will need to be present on day of installation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Using and benefiting from smart meters</th>
<th>Difficulty using the smart meter display</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dexterity issues may impact ability to use/perceived ability to use the smart meter display. However, the smart meter display should be designed to enable information to be displayed and accessed easily by someone with a dexterity impairment (SMiCoP, February 2015).</td>
</tr>
</tbody>
</table>

| Difficulty understanding the information provided on the smart meter display | As they’re more likely to be older, technological fears often associated with increased age (Ofcom, August 2014) may apply. |

| Difficulty using the information to take control of their energy usage | Will have specific requirements around the design/format of information materials, e.g. avoid gate-folds and roll-folds and landscape paper as these are harder to turn for those with dexterity issues. Textured paper is also easier to handle (Digital UK, Approach to accessibility, online, last accessed March 2015). |

| Difficulty choosing the right deal or supplier for them | Those with a physical impairment now show an annual switching rate that is not notably different to the wider population. However, customers with a physical impairment find comparison significantly more difficult than those without one (Ipsos MORI, June 2014). |
## Have a district heating requirement (separate electricity meter)

**Definition:** No universally agreed definition for district heating. Either:
- two or more distinct buildings connected to a single heat source or
- one building in which there are more than ten individual customers connected to a single heat source (DECC)

<table>
<thead>
<tr>
<th>Have a district heating requirement (separate electricity meter)</th>
<th>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hearing about smart meters</strong></td>
<td>The message doesn’t reach them</td>
</tr>
<tr>
<td><strong>Making a decision to say yes to a smart meter</strong></td>
<td>The message isn’t adequately understood</td>
</tr>
<tr>
<td><strong>Being contacted about installation and setting it up</strong></td>
<td>The message doesn’t resonate in the context of their specific circumstances</td>
</tr>
<tr>
<td><strong>Having the smart meter installed</strong></td>
<td>Difficulty on installation day</td>
</tr>
<tr>
<td><strong>Using and benefiting from smart meters</strong></td>
<td>Difficulty using the smart meter display</td>
</tr>
</tbody>
</table>

- May not realise that smart meter communications are relevant, i.e. that they can still have a smart electricity meter.
- Difficulty using the information provided on the smart meter display
- Difficulty using the information to take control of their energy usage
- Difficulty choosing the right deal or supplier for them

- District heat consumers are unable to switch their heating supplier (Which?, March 2015), but we have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey regarding switching their electricity meter.
### Lacking basic digital skills

**Definition:** Defined as lacking the skills to:
- manage information, i.e. find, manage and store digital information and content
- communicate, i.e. interact, collaborate, share and connect with others
- transact, i.e. purchase and sell goods and services; organise their finances
- problem solve, i.e. increase independence and confidence by solving problems using digital tools and finding solutions
- create, i.e. engage with communities and create basic digital content (Go ON UK)

#### Hearing about smart meters

<table>
<thead>
<tr>
<th>Description</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>The message doesn’t reach them</td>
<td>Significantly lower online consumption—although they may have personal internet access they may have more difficulty taking advantage of online communications as they don’t have the Basic Digital Skills to benefit. However, higher consumption of BBC and commercial TV and radio. Higher press consumption (apart from quality print) and slightly higher consumption of OOH (TGI proxy).</td>
</tr>
<tr>
<td>The message isn’t adequately understood</td>
<td>Some people may be hiding the real reasons they’re not online, like low literacy skills (Government Digital Service, December 2014).</td>
</tr>
</tbody>
</table>

#### Making a decision to say yes to a smart meter

<table>
<thead>
<tr>
<th>Description</th>
<th>Information</th>
</tr>
</thead>
</table>
| The message doesn’t resonate in the context of their specific circumstances | More likely to be older—people without Basic Digital Skills are most likely to be aged over 55, 18% are aged 55–64 and 57% are aged 65+ (BBC, November 2014) and may have additional disabilities, so further information/support may be required in order for the message to resonate. 
- Technological: in addition, technological take-up of most services and devices drops significantly for the 65+ age group (Ofcom, August 2014). 
- Social relevance: more likely to be older (and so more likely to live alone, less likely to have children at home) (TGI). |

#### Being contacted about installation and setting it up

<table>
<thead>
<tr>
<th>Description</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty arranging an appointment with their supplier</td>
<td>Offline means of saying yes to installation, e.g. a telephone number, may be required.</td>
</tr>
<tr>
<td>Difficulty preparing for installation</td>
<td>More likely to be older, so additional support may be required to physically prepare for installation (TGI proxy).</td>
</tr>
</tbody>
</table>

#### Having the smart meter installed

<table>
<thead>
<tr>
<th>Description</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty on installation day</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>

#### Using and benefiting from smart meters

<table>
<thead>
<tr>
<th>Description</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty using the smart meter display</td>
<td>Technological take-up of most services and devices drops significantly for the 65+ age group (a key demographic within this group), so may not be confident using the display (Ofcom, August 2014).</td>
</tr>
<tr>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>
| Difficulty using the information to take control of their energy usage | Will require offline communications/may require additional support to understand how to take full advantage of smart meter benefits. Some people may be hiding the real reasons they’re not online, like low literacy skills, by saying they’re not interested (Government Digital Service, December 2014). 
- Likely to have a lower household income – 34% earn less than £17k and 62% are not working, 45% are retired (TGI), so may require additional information/support to take control their energy use if energy use is already low. |
| Difficulty choosing the right deal or supplier for them | Lacking Basic Digital Skills is not a barrier to switching. However, Consumer Focus research found consumers in more vulnerable positions were much more likely to have switched after being contacted directly by an energy supplier, 36% (either on the doorstep, in a public place or by phone), 33% used a price comparison site or phone line. However, they will not have access to information on the full range of tariffs offered by different suppliers (Consumer Focus, January 2013) in order to make an informed decision. |
## Learning impairment

**Definition:** Moderate to severe learning disability (IQ of 50 or below). Likely to have some language skills that mean they can communicate about day-to-day needs and wishes. Some people may need more support caring for themselves, but many will be able to carry out day-to-day tasks (BILD).

<table>
<thead>
<tr>
<th>Hearing about smart meters</th>
<th>The message doesn't reach them</th>
<th>May affect ability to listen, think, read, or understand, so mainstream media may not always reach them.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The message isn't adequately understood</td>
<td>Impairment may hamper ability to understand the message.</td>
</tr>
<tr>
<td>Making a decision to say yes to a smart meter</td>
<td>The message doesn't resonate in the context of their specific circumstances</td>
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</tr>
<tr>
<td>Being contacted about installation and setting it up</td>
<td>Difficulty arranging an appointment with their supplier</td>
<td>Telephone systems: more likely to find these systems difficult. Have expressed a preference for speaking directly to a real person (George M, Graham C and Lennard L, 2011). Those with learning impairments talk about not having the confidence to deal with energy suppliers without help (BritainThinks, July 2013).</td>
</tr>
<tr>
<td></td>
<td>Difficulty preparing for installation</td>
<td>25–40% of people with learning disabilities are estimated to have a mental health problem (Foundation for people with learning disabilities online, accessed March 2015). Around a third of people who have learning disabilities also have autism (Emerson E, Baines S, <em>The estimated prevalence of autism in young adults with learning disabilities in England</em>, 2010) so emotional preparation for installation may be an issue.</td>
</tr>
<tr>
<td>Having the smart meter installed</td>
<td>Difficulty on installation day</td>
<td>May struggle to understand explanations of smart metering equipment and whether to accept a smart meter display (confidential Smart energy for all response).</td>
</tr>
<tr>
<td>Using and benefiting from smart meters</td>
<td>Difficulty using the smart meter display</td>
<td>Smart meter display design requirements aim to ensure that people with a learning impairment can take advantage of the information presented. However, consumers with a learning impairment may need additional support to help/encourage them to engage with the display.</td>
</tr>
<tr>
<td></td>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>May require additional support to understand the information provided and presented on the display and/or apply it.</td>
</tr>
<tr>
<td></td>
<td>Difficulty using the information to take control of their energy usage</td>
<td>Less likely to be in employment: In 2010/11, only 6.6% of adults with learning disabilities were reported to be in some form of paid employment and the majority worked part time (Foundation for people with learning disabilities, accessed March 2015). Also likely to be on a low income (Populus, March 2015), so control of energy use may be limited if it’s already at very low levels.</td>
</tr>
<tr>
<td></td>
<td>Difficulty choosing the right deal or supplier for them</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
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</tbody>
</table>
**Living in a cold and inefficient home**

*Definition: EPC rating F or below.*

This vulnerability was identified by Ofgem, but no definition offered. DECC has proposed a minimum energy efficiency standard across the domestic private sector of EPC rating E or above, which we are using to define this potential vulnerability. This means needing to spend on average £1,000 a year more on energy to heat their home compared to a typical home (Secretary of State).

### Hearing about smart meters

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<tr>
<th>Characteristic</th>
<th>Description</th>
<th>Implication</th>
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</thead>
<tbody>
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<td></td>
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### Making a decision to say yes to a smart meter

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<th>Description</th>
<th>Implication</th>
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<tbody>
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<td>The message doesn’t resonate in the context of their specific circumstances</td>
<td>May be resistant to adopting a smart meter because of fear that this may change, or even increase their energy costs.</td>
<td></td>
</tr>
</tbody>
</table>

### Being contacted about installation and setting it up

<table>
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<tr>
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<th>Description</th>
<th>Implication</th>
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</thead>
<tbody>
<tr>
<td>Difficulty arranging an appointment with their supplier</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
<td></td>
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<tr>
<td>Difficulty preparing for installation</td>
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### Having the smart meter installed

<table>
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<tr>
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<tbody>
<tr>
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### Using and benefiting from smart meters

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<tr>
<td>Difficulty using the information to take control of their energy usage</td>
<td>May not be able to realise the full benefits of the smart meter as ability to reduce energy use will be hindered by the inefficiency of the home they live in. May be living in fuel poverty. Fuel poor households are more likely to live in energy inefficient homes across all tenures compared to non-fuel poor households (UK Health Forum, April 2014). Energy efficient homes would lift 9/10 homes out of fuel poverty (Camco, February 2012), so tailored energy efficiency advice may be required if the household is fuel poor due to cold/inefficient housing.</td>
<td></td>
</tr>
<tr>
<td>Difficulty choosing the right deal or supplier for them</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
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<tr>
<td>Low income</td>
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<td>------------</td>
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<tr>
<td><strong>Definition:</strong> Relative low income: individuals are defined as in low income, when the household in which they live has income less than 60% of the national median (before housing costs, including rent, water rates, mortgage interest payments, buildings insurance payments and ground rent and service charges) (DWP).</td>
<td></td>
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</tbody>
</table>

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<tbody>
<tr>
<td>Slight over-index of BBC and commercial TV, although a lower than average consumption of radio (BBC and commercial). In addition, a lower than average consumption of out of home media and online media, although higher than average consumption of popular print titles (TGI). For those living in fuel poverty, information should be delivered via post, newspapers and the internet (BritainThinks, March 2015).</td>
<td></td>
</tr>
</tbody>
</table>

| The message isn’t adequately understood |
| We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |

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<tbody>
<tr>
<td>Those on lower incomes are 6% less interested in having a smart meter installed than the GB population; this is shown for both pre and post exposure to smart meter benefits (Populus, March 2015). However, avoiding waste is of particular importance to those on lower incomes who say they are interested in smart meters (Department of Energy &amp; Climate Change, Quantitative research into public awareness, attitudes, and experience of smart meters (Wave 3), September 2013). DECC research shows that those on lower incomes are less positive about smart meters and smart meter displays overall. In addition, they are much less likely to agree they could do more to reduce their energy use (Department of Energy &amp; Climate Change, September 2013). One-third of people on a low income live alone and they are more likely to be widowed or divorced, 22% compared with 12% national average (TGI), so social relevance may be absent. Less likely to own their home, so barriers detailed in the characteristics – social housing tenant and private housing tenant have relevance here (TGI). More likely to be older, 29% are aged 65+ compared with a national average of 25% (TGI), so factors related to age may also be present.</td>
<td></td>
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</table>

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<th>Difficulty arranging an appointment with their supplier</th>
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<tbody>
<tr>
<td>Those in particularly vulnerable situations perpetuated by low incomes are likely to have the most extreme views towards energy suppliers, especially if they have had problems paying bills or with energy-related debt (BritainThinks, July 2013).</td>
<td></td>
</tr>
</tbody>
</table>

| Difficulty preparing for installation |
| May find it difficult to take time off work, particularly if working irregular hours/shifts/zero hours contract. Conversely, irregular hours/shifts/zero hour contracts could make it easier to be present during normal working hours (confidential *Smart energy for all* response). |

<table>
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<tr>
<th>Having the smart meter installed</th>
<th>Difficulty on installation day</th>
</tr>
</thead>
<tbody>
<tr>
<td>As they’re more likely to rent, the landlord/tenant may want or need to both be present at point of installation. Nature of employment, e.g. irregular hours/shifts/a zero hours contract, may make keeping the appointment difficult.</td>
<td></td>
</tr>
</tbody>
</table>
### Low income

**Definition:** Relative low income: individuals are defined as in low income, when the household in which they live has income less than 60% of the national median (before housing costs, including rent, water rates, mortgage interest payments, buildings insurance payments and ground rent and service charges) (DWP).

<table>
<thead>
<tr>
<th>Difficulty using the smart meter display</th>
<th>Smart meter display ownership is lower among those with lower annual household incomes and they’re less likely to be interested in having one installed (Department of Energy &amp; Climate Change, September 2013).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>Less likely to say the smart meter display is easy to use or that they understand how to operate its different functions. More likely to stop using the smart meter display because they don’t understand it (Ipsos MORI for Department of Energy &amp; Climate Change, <em>Smart metering early learning project; consumer survey</em>, March 2015).</td>
</tr>
</tbody>
</table>
| Difficulty using the information to take control of their energy usage | Those on lower incomes are much less likely to agree that they could do more to reduce their energy usage (Department of Energy & Climate Change, September 2013).

Lower levels of engagement with smart meter displays among people with low incomes (Department of Energy & Climate Change, September 2013). Less likely to have their smart meter display plugged in; say it was easy to use; say they knew how to operate different functions (Ipsos MORI for Department of Energy & Climate Change, *Smart metering early learning project; consumer survey*, March 2015).

64% of people on low incomes aren’t working at all and a further 18% work part time (TGI), so energy consumption may be higher, due to longer lengths of time spent at home. This may limit the degree to which they can take control of their energy usage whilst still maintaining adequate warmth.

Less likely to consume online media and therefore have fewer channels through which to engage with post-installation information and support.

| Difficulty choosing the right deal or supplier for them | The poorest consumers have a lower switching rate than the wealthiest – 13% compared to 17%. The poorest customers and those paying by prepay, cash or cheque, are also much less likely to switch again in future (43% of those in the DE group said they would not switch again compared to 17% of the AB group) (Consumer Focus, January 2013).

Around half of those in the poorest/most vulnerable social groups have switched after being contacted directly by an energy supplier, compared to around one in five of the wealthiest (Consumer Focus, January 2013), meaning they may not have the information available to make an informed decision. |
**Low literacy**

**Definition:** Literacy levels at level 1 or below, e.g. may not be able to identify the location of a named place in a short descriptive paragraph (BIS).

<table>
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<tr>
<th>Low literacy</th>
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</tr>
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<tbody>
<tr>
<td>Hearing about smart meters</td>
<td>The message doesn’t reach them</td>
</tr>
<tr>
<td></td>
<td>Likely to consume less BBC TV and radio, although this group over-index on commercial TV and radio (auditory channels are key for this audience). Reduced internet and out of home consumption compared with the national average, so less likely to be reached by internet and outdoor channels. (TGI proxy).</td>
</tr>
<tr>
<td></td>
<td>The message isn’t adequately understood</td>
</tr>
<tr>
<td></td>
<td>May have difficulty understanding some mainstream media messages such as out of home or struggle finding information in written and offline sources. People with low literacy are more likely to have reduced access to technology and struggle to use Government websites without support (Government Digital Service, May 2014), so online communication will be a challenge.</td>
</tr>
<tr>
<td></td>
<td>DECC research found that consumers with low literacy may find it harder to define what a smart meter is (National Energy Action and RS Consulting for Department of Energy &amp; Climate Change and Consumer Focus, November 2012).</td>
</tr>
<tr>
<td>Making a decision to say yes to a smart meter</td>
<td>The message doesn’t resonate in the context of their specific circumstances</td>
</tr>
<tr>
<td></td>
<td>Less likely to own their home, so barriers detailed in the social housing tenant and private housing tenant characteristics have relevance here (TGI).</td>
</tr>
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<td>Being contacted about installation and setting it up</td>
<td>Difficulty arranging an appointment with their supplier</td>
</tr>
<tr>
<td></td>
<td>Those with literacy issues talk about not having the confidence to deal with energy suppliers without help (BritainThinks, July 2013). However, when arranging installation, the supplier should make all reasonable endeavours to identify whether the customer has low literacy levels and act accordingly (SMICoP, February 2015).</td>
</tr>
<tr>
<td></td>
<td>Difficulty preparing for installation</td>
</tr>
<tr>
<td></td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td>Having the smart meter installed</td>
<td>Difficulty on installation day</td>
</tr>
<tr>
<td></td>
<td>Complex or written information provided at point of installation may present a problem. The installer demonstration should be appropriate for those with low literacy levels and comms materials and energy efficiency guidance will be provided in a format suitable for those with low literacy levels (SMICoP, February 2015).</td>
</tr>
</tbody>
</table>
**Low literacy**

**Definition:** Literacy levels at level 1 or below, e.g. may not be able to identify the location of a named place in a short descriptive paragraph (BIS).

<table>
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<tr>
<th>Using and benefiting from smart meters</th>
<th>Difficulty using the smart meter display</th>
<th>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>May not engage with the display due to confidence issues with reading or interpreting the information provided on the display.</td>
</tr>
</tbody>
</table>
|                                      | Difficulty using the information to take control of their energy usage | May have difficulty understanding complex written messages/literature and require alternative means of support/formats. Among smart meter customers, post-installation literature is often not given more than a ‘cursory look’ by those with low literacy, due to perceptions that they wouldn’t understand it (National Energy Action and RS Consulting for Department of Energy & Climate Change and Consumer Focus, November 2012).  
More likely to have trouble managing daily living and tasks and/or have a low household income. 57% have a household income of less than £23k compared to the national average of 37% (TGI proxy), so there may be limits to which they can use information to take control of their energy usage and still maintain adequate warmth.  
May require additional support to use the smart meter display – NEA research found of those not using the display/intending to do so, some may have low literacy levels (National Energy Action and RS Consulting for Department of Energy & Climate Change and Consumer Focus, November 2012). |
<p>|                                      | Difficulty choosing the right deal or supplier for them | Literacy issues may prevent switching/perceived ability to switch and make them more susceptible to switching when approached by a supplier, so may not have the range of information available to make informed choices. |</p>
<table>
<thead>
<tr>
<th>Low numeracy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition:</strong> Numeracy skills at level 1 or below, e.g. may not be able to find the most popular holiday destination on a simple bar graph (BIS).</td>
</tr>
</tbody>
</table>

| Hearing about smart meters | The message doesn’t reach them | Some mainstream media messages will not reach them. Likely to under-index on out of home, BBC TV and radio, but over-index on commercial TV and radio (TGI proxy). Less likely to be reached by online channels (TGI proxy). Low numeracy is linked to low computer experience and internet access is linked to higher levels of numeracy and literacy (Department for Business Innovation & Skills, October 2013). |
| The message isn’t adequately understood | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |

| Making a decision to say yes to a smart meter | The message doesn’t resonate in the context of their specific circumstances | May be put off by perceived numerical technicality of a smart meter. Less likely to own their home, so barriers detailed in the social housing tenant and private housing tenant characteristics have relevance here (TGI). |

| Being contacted about installation and setting it up | Difficulty arranging an appointment with their supplier | Those with numeracy issues talk about not having the confidence to deal with energy suppliers without help (BritainThinks, July 2013). |
| Difficulty preparing for installation | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |

| Having the smart meter installed | Difficulty on installation day | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |

<p>| Using and benefiting from smart meters | Difficulty using the smart meter display | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |
| Difficulty understanding the information provided on the smart meter display | May have difficulty understanding the numeric information displayed and/or fail to engage because of perception that they won’t be able to. |
| Difficulty using the information to take control of their energy usage | More likely to have a low household income, so there may be limits to the extent to which they can control their energy use if it’s already low. 57% have a household income of less than £23k compared to the national average of 37% (TGI proxy). |
| Difficulty choosing the right deal or supplier for them | May require additional support to switch tariff/supplier due to lack of confidence dealing with energy suppliers without help (BritainThinks, July 2013). |</p>
<table>
<thead>
<tr>
<th>Memory impairment</th>
<th>Definition: This includes dementia and associated symptoms, including mild cognitive impairment; problems with day-to-day memory, planning, language, attention and visuo-spatial skills, e.g. interpreting objects and shapes. (Alzheimer's Society)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hearing about smart meters</td>
<td>The message doesn’t reach them</td>
</tr>
<tr>
<td>Making a decision to say yes to a smart meter</td>
<td>The message isn’t adequately understood</td>
</tr>
<tr>
<td>Being contacted about installation and setting it up</td>
<td>Difficulty arranging an appointment with their supplier</td>
</tr>
<tr>
<td>Difficulty preparing for installation</td>
<td>Difficulty on installation day</td>
</tr>
<tr>
<td>Having the smart meter installed</td>
<td></td>
</tr>
</tbody>
</table>
## Memory impairment

**Definition:** This includes dementia and associated symptoms, including mild cognitive impairment; problems with day-to-day memory, planning, language, attention and visuo-spatial skills, e.g. interpreting objects and shapes. (Alzheimer’s Society)

<table>
<thead>
<tr>
<th>Using and benefiting from smart meters</th>
<th>Difficulty using the smart meter display</th>
<th>Difficulty understanding the information provided on the smart meter display</th>
<th>Difficulty using the information to take control of their energy usage</th>
<th>Difficulty choosing the right deal or supplier for them</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
<td>Smart meter display design requirements aim to ensure that people with a memory impairment can use information presented on the display. However, may lack comprehension/require additional support to understand and/or apply the information.</td>
<td>May lack comprehension/require additional support to apply the information.</td>
<td>Links with age (although this is not always the case) and therefore reduced likelihood of switching and increased risk of switching when approached by their supplier/on the doorstep, without having the information to make an informed decision (Consumer Focus, January 2013).</td>
<td></td>
</tr>
</tbody>
</table>
**Mental health impairment**

**Definition:** Mental health issues which have a long-term effect on normal day-to-day activity (Defined under the Equality Act 2010).

<table>
<thead>
<tr>
<th>Situation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hearing about smart meters</strong></td>
<td>The message doesn’t reach them For people with poor mental health, tendencies towards self-isolation and problems with socialising make radio a vital connection to the outside world (Consumer Expert Group for Department for Culture, Media and Sport, January 2014). However, the same factors may also lead to reduced consumption of outdoor media channels. The message isn’t adequately understood We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td><strong>Making a decision to say yes to a smart meter</strong></td>
<td>The message doesn’t resonate in the context of their specific circumstances May find it more difficult to engage in the smart meter adoption/usage process. For example, due to depression, they're unable to function normally or make decisions/follow through on tasks. More likely to be in rented accommodation (Populus, March 2015), with greater uncertainty about how long they can remain in their current home (Johnson R, Griffiths C, Nottingham T, referenced by Mental Health Network of the NHS Confederation, December 2011). Additional communications may be required to highlight landlord/tenant rights and the benefits of having a smart meter installed if they don’t plan to remain in the property long (Mental Health Network of the NHS Confederation, December 2011). Social resonance: more likely to live alone or with one other person and be single (Populus, March 2015). One in 4 people using mental health services has no contact with their family, and 1 in 3 has no contact with friends (NHS, referenced by Mental Health Foundation, January 2007).</td>
</tr>
<tr>
<td><strong>Being contacted about installation and setting it up</strong></td>
<td>Difficulty arranging an appointment with their supplier Those with less severe mental conditions (including less severe cases of depression and anxiety) express strong issues with both having to call energy suppliers and having to go through lengthy menu options and waiting times (BritainThinks, July 2013). Many people with mental health issues speak of not opening correspondence that comes in the post for fear of bills (either not being able to pay them, or not being able to face dealing with the paperwork) (BritainThinks, July 2013). Difficulty preparing for installation Less severe mental health conditions such as intermittent or low-level depression and anxiety can induce stress and/or apathy which may cause difficulties for them to mentally/emotionally prepare for installation (BritainThinks, July 2013).</td>
</tr>
<tr>
<td><strong>Having the smart meter installed</strong></td>
<td>Difficulty on installation day Far more likely to live in unstable environments (Johnson et al referenced by Mental Health Network of the NHS Confederation, December 2011), which may make keeping the appointment difficult. May have trouble opening doors to visitors (BritainThinks, July 2013). This behaviour can vary from day to day. Around 30% of those suffering from a long-term physical health condition also have a mental health problem (Barnett K et al, July 2012), so there may be additional physical barriers.</td>
</tr>
</tbody>
</table>
### Mental health impairment

**Definition:** Mental health issues which have a long-term effect on normal day-to-day activity (Defined under the Equality Act 2010).

<table>
<thead>
<tr>
<th>Using and benefiting from smart meters</th>
<th>Difficulty using the smart meter display</th>
<th>Difficulty understanding the information provided on the smart meter display</th>
<th>Difficulty using the information to take control of their energy usage</th>
<th>Difficulty choosing the right deal or supplier for them</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NEA research found that customers with a smart meter who had mental health conditions found it challenging to engage with the smart meter display (National Energy Action and RS Consulting for Department of Energy &amp; Climate Change and Consumer Focus, November 2012).</td>
<td>NEA research found people with mental health problems may find it harder to understand the smart meter display and how it works/successfully take advantage of its benefits (National Energy Action and RS Consulting for Department of Energy &amp; Climate Change and Consumer Focus, November 2012).</td>
<td>People with mental health problems are twice as likely as those without a mental health condition to be unhappy with their housing and four times more likely to say that it makes their health worse (Social Exclusion Unit, June 2004), so living in a cold, inefficient home may be a factor. This may be difficult to control, particularly as they’re more likely to have a low income (Populus, March 2015). Household income correlates strongly with incidence of common mental health problems and fuel poverty is commonly associated with mental health issues (Harris J, Hall J, Meltzer H, Jenkins R, Oreszczyn T and McManus S, 2010). People with mental health issues are over twice as likely as others to under-consume fuel as a result of cost worries and three times more likely than others to be seriously behind in paying for gas and electricity bills and/or have been disconnected in the past 12 months (Harris J, Hall J, Meltzer H, Jenkins R, Oreszczyn T and McManus S, 2010). Therefore, there may be a limit to which they can use a smart meter to control their energy use whilst still maintaining adequate warmth.</td>
<td>Those with a mental impairment show an annual switching rate that is not notably different to the wider population. However, customers with a mental impairment find comparison significantly more difficult than those without one (Ipsos MORI, June 2014).</td>
</tr>
</tbody>
</table>
### Appendix

#### Mobility impairment

**Definition:** Severe impact on ability to carry out day-to-day activities such as sitting, standing, walking or climbing stairs (ONS).

<table>
<thead>
<tr>
<th><strong>Hearing about smart meters</strong></th>
<th><strong>Making a decision to say yes to a smart meter</strong></th>
<th><strong>Being contacted about installation and setting it up</strong></th>
<th><strong>Having the smart meter installed</strong></th>
<th><strong>Using and benefiting from smart meters</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The message doesn’t reach them</strong></td>
<td><strong>The message doesn’t resonate in the context of their specific circumstances</strong></td>
<td><strong>Difficulty arranging an appointment with their supplier</strong></td>
<td><strong>Difficulty on installation day</strong></td>
<td><strong>Difficulty using the smart meter display</strong></td>
</tr>
<tr>
<td>Online or mobile channels are less likely to reach them – people with mobility impairments have lower levels of smartphone, PC and internet access (Ofcom, September 2013).</td>
<td>Social relevance: 47% of people with a mobility impairment live alone (Ofcom, September 2013), so they’re more likely to be the bill payer/decision maker and may require additional information/support for the message to feel relevant in the context of their own lives. In Ofcom research, a third (32%) of people with a mobility impairment were aged 75 or over (Ofcom, September 2013), so additional characteristics/circumstances related to age may also prevent engagement on the smart meter journey.</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
<td>May experience difficulties with giving the installer access and upheaval whilst installation takes place. The smart meter display will need to be suitably located to accommodate mobility needs.</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td><strong>The message isn’t adequately understood</strong></td>
<td><strong>Difficulty preparing for installation</strong></td>
<td><strong>Difficulty preparing for installation</strong></td>
<td><strong>Difficulty on installation day</strong></td>
<td><strong>Difficulty using the smart meter display</strong></td>
</tr>
<tr>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
<td>May require additional support preparing for installation.</td>
<td></td>
<td></td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
<tr>
<td><strong>Having the smart meter installed</strong></td>
<td><strong>Using and benefiting from smart meters</strong></td>
<td><strong>Difficulty choosing the right deal or supplier for them</strong></td>
<td></td>
<td><strong>Difficulty choosing the right deal or supplier for them</strong></td>
</tr>
<tr>
<td><strong>Difficulty on installation day</strong></td>
<td><strong>Difficulty using the smart meter display</strong></td>
<td><strong>Difficulty choosing the right deal or supplier for them</strong></td>
<td></td>
<td>People with mobility impairments are less likely to be employed and most likely not to be working due to a long-term illness/disability (wheelchair users are the least likely to be employed and people with other lower-body impairments are the most likely be retired, reflecting their older age profile) (Ofcom, September 2013). Therefore, they may already be limiting their energy use as much as they can whilst still maintaining adequate warmth. As nearly half of people with a mobility impairment live alone (Ofcom, September 2013), additional support/information may be required to ensure that they continue to use their smart meter after installation. As they’re less likely to have smartphone, PC or internet access (Ofcom, September 2013), they will have difficulties with post installation literature/support, which is provided online.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Those with a physical impairment now show an annual switching rate that is not notably different to the wider population (Ipsos MORI, June 2014). However, customers with a physical impairment find comparison significantly more difficult than those without one.</td>
</tr>
</tbody>
</table>
## No personal internet access

**Definition:** No personal access to the internet anywhere, both inside and out of the home, including use via mobile devices (Ofcom).

| Hearing about smart meters | The message doesn’t reach them | Online communications won’t reach them. Calls to action will need to be offline as well as online. However, TGI proxy for lacking online capability shows that there’s high consumption of TV and radio compared with the national average, print (apart from quality papers) and a slight increase in consumption of out of home.
47% of the 6.4 million adults who had never used the internet in Q1 2014 were aged 75 years and over (Office for National Statistics, May 2014), so in almost half of cases, strong overlap with media consumption for over 75s, i.e. over-index on TV and BBC radio, some print media, lower out of home. |
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>The message isn’t adequately understood</td>
<td>Additional messaging may be required to provide reassurance that smart meters don’t require a broadband connection (although ‘broadband not available in our area’ was given as a reason for not having internet access by 1% of households in 2014, Office for National Statistics, August 2014) or digital skills (32% of people who have never used the internet say it’s because of lack of skills, Office for National Statistics, August 2014).</td>
<td></td>
</tr>
</tbody>
</table>
| Making a decision to say yes to a smart meter | The message doesn’t resonate in the context of their specific circumstances | Of the 6.4 million adults who had never used the internet in the UK in Q1 2014, around half are disabled (30% of the disabled population – Office for National Statistics, May 2014), so additional support may be required depending on type of impairment, in order for the message to resonate in the context of their own life.
A high proportion of those who are digitally excluded are social housing tenants (exact figures vary, but a 2011 study found up to half, Housing Technology and Race Online 2012, November 2011), so the rights of the landlord/tenant to say yes will need to be clearly communicated.
Lack of internet access is linked with age – 62.8% of over 75s have never used the internet (Office for National Statistics, May 2014) – so there are likely to be other barriers, e.g. impairments or fear of technology, which may have to be overcome.
12% of those without internet access say it’s due to equipment costs being too high (Office for National Statistics, August 2014) and 11% say because of access costs - may require additional reassurance that smart meters come at no extra cost. |
| Being contacted about installation and setting it up | Difficulty arranging an appointment with their supplier | Offline alternative of saying yes to installation may be required. |
| Difficulty preparing for installation | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |
| Having the smart meter installed | Difficulty on installation day | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |
**No personal internet access**

**Definition:** No personal access to the internet anywhere, both inside and out of the home, including use via mobile devices (Ofcom).

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<tr>
<th>Using and benefiting from smart meters</th>
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<th>Difficulty understanding the information provided on the smart meter display</th>
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<th>Difficulty choosing the right deal or supplier for them</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Technological take-up of most services and devices drops significantly for the 65+ age group (Ofcom, August 2014), a key demographic within this group, so may not be confident using the smart meter display.</td>
<td>32% of households cite ‘lack of skills’ as the reason for lack of internet access (Office for National Statistics, August 2014). Barriers may need to be overcome to demonstrate that internet skills are not required to use the smart meter display.</td>
<td>Lacking internet access is linked to low income – in Q1 2014, 4.9% of adults earning less than £200 a week had ever used the internet, compared with 3.8% earning £200 – £299 and almost full coverage (99%) of those earning £500 a week or more (Office for National Statistics, May 2014). Therefore, there may be limits to which they can control their energy whilst still maintaining adequate warmth. Many fuel poor households do not have access to the internet – a range of local authorities have run ‘collective switching’ schemes to get reduced fuel bills for residents who sign up and have failed to reach many people in fuel poverty due to lack of internet access (Age UK, Are health and wellbeing boards taking fuel poverty seriously?, 2013).</td>
<td>Those with internet access consider tariff comparison to be easier than those without. Perceived understanding of the range of energy tariffs is lower among those without internet access (Ipsos MORI, June 2014). Not having personal internet access is not a barrier to switching – Consumer Focus research has found that more than a third (36 per cent) of consumers switched after being contacted by an energy supplier (either on the doorstep, in a public place or by phone). However, they may not have the relevant information to make an informed decision (Consumer Focus, January 2013).</td>
</tr>
</tbody>
</table>
### Off-gas grid

**Definition:** Household not connected to the gas grid (DECC).

<table>
<thead>
<tr>
<th>Hearing about smart meters</th>
<th>The message doesn’t reach them</th>
<th>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</th>
</tr>
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<td></td>
<td>The message isn’t adequately understood</td>
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</tr>
</tbody>
</table>

| Making a decision to say yes to a smart meter | The message doesn’t resonate in the context of their specific circumstances | Additional communications may be required to highlight eligibility for a smart electricity meter (particularly if the property is in a very rural location). |

<table>
<thead>
<tr>
<th>Being contacted about installation and setting it up</th>
<th>Difficulty arranging an appointment with their supplier</th>
<th>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Difficulty preparing for installation</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>

| Having the smart meter installed | Difficulty on installation day | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |

<table>
<thead>
<tr>
<th>Using and benefiting from smart meters</th>
<th>Difficulty using the smart meter display</th>
<th>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Using and benefiting from smart meters</th>
<th>Difficulty using the information to take control of their energy usage</th>
<th>Fuel poverty, even among consumers not on the lowest incomes, is higher among off-gas consumers compared to gas consumers (GHK for Consumer Focus, October 2011). Consumers using heating oil and LPG often enjoy higher incomes than those using mains gas, but rates of fuel poverty are higher. This is because of higher prices and because these fuels are more commonly used in rural areas where the energy efficiency of houses is typically lower – houses are typically larger detached properties with solid wall construction where insulation is more difficult (GHK for Consumer Focus, October 2011). Therefore, there may be limits to which they can control their energy consumption. Rural off supply renters are more likely to be low income households and may struggle with their bills (confidential Smart energy for all response).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Difficulty choosing the right deal or supplier for them</td>
<td>While switching rates among off-gas grid consumers are fairly low, the majority of consumers regularly compare prices to see if they can get a better deal (Consumer Focus, February 2012). Some off-gas grid customers are unaware of supplier services and may require additional education (confidential Smart energy for all response).</td>
</tr>
</tbody>
</table>
### Prepay customer

**Definition:** Prepay gas or electricity meter, or both, installed at the property.

<table>
<thead>
<tr>
<th>Hearing about smart meters</th>
<th>The message doesn't reach them</th>
<th>Over one-third of prepay households contain someone with a long-term physical or mental health condition or a disability (Consumer Focus, July 2010) which may limit whether they can be reached by some mainstream media channels.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The message isn't adequately understood</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>

| Making a decision to say yes to a smart meter | The message doesn't resonate in the context of their specific circumstances | Need to understand the specific benefits of smart pay-as-you-go, although 78% of current prepay customers are interested in upgrading to smart prepay (Populus, November 2014). Prepay customers can often feel neglected by their suppliers (Consumer Focus and Accenture, May 2013), so may be less receptive to communications about energy. More likely to live in social housing and rent from the council (Populus, March 2015). Additional communications may be required to ensure the bill-payer's rights to agree/arrange installation are clear. 10% of students have a prepayment meter (National Union of Students, 2014). For electricity payments, a much higher proportion of households containing disabled people use prepay meters; 19.2% compared with 12.1% of households which don’t contain someone who is sick or disabled. The trend is also notable amongst gas customers, but less pronounced, 14.7%, to 9% (The University of York and Centre for Housing Policy, 2013). Therefore, additional information/support may be required to ensure the smart meter message resonates in the context of their own lives. |

| Being contacted about installation and setting it up | Difficulty arranging an appointment with their supplier | May be more reluctant to speak to their supplier if in fuel debt. At the end of 2013, approximately 1.5 million domestic electricity accounts (6%) and 1.4 million domestic gas accounts (6%) were in debt to their energy supplier (Ofgem, December 2014). |
|                                                      | Difficulty preparing for installation | Prepay customers do not necessarily need to speak to their energy supplier to access and pay for their energy, so suppliers may not have contact details for those in prepay properties. This may make arranging an appointment more difficult (confidential Smart energy for all response). |

| Having the smart meter installed | Difficulty on installation day | As they’re more likely to be in rented accommodation, landlord/tenant may need/want to be present at point of installation. |
**Prepay customer**

Definition: Prepay gas or electricity meter, or both, installed at the property.

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<th>Difficulty using the smart meter display</th>
<th>Difficulty understanding the information provided on the smart meter display</th>
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<th>Difficulty choosing the right deal or supplier for them</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>If a prepay top-up does not happen automatically, entering a 20 digit vend code into the meter may be required. Other consumer characteristics may present barriers, such as physical impairments e.g. dexterity, mobility, or sight, or understanding how to enter the vend code e.g. learning or memory impairments (confidential Smart energy for all response).</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
<td>Smart prepay customers are generally not interacting with the energy consumption element of the smart meter display (Department of Energy &amp; Climate Change, DECC smart metering implementation programme, March 2015). They will need additional support in both engaging with energy consumption information and acting upon it. Instead, they’re primarily using it to monitor account balance (Ipsos MORI for Department of Energy &amp; Climate Change, Smart metering early learning project: synthesis report, March 2015). While not all prepay users in Great Britain are from vulnerable groups, they remain disproportionately on low incomes compared to those using other payment types Consumer Focus and Accenture, Smart metering prepayment in Great Britain, May 2013. Prepay households are more likely to be in fuel poverty than direct debit customers (Department of Energy &amp; Climate Change, June 2014). Therefore, there may be limits to which they are able to control their energy usage whilst still maintaining adequate warmth.</td>
<td>Prepay customers remain more strongly represented among the never switched group than those on direct debit (Ipsos MORI, June 2014). Current experiences show that direct debit consumers are more than twice as likely to use a price comparison service as prepay meter customers and three times more likely than cash and cheque customers. Those prepay customers who have switched are also less likely to switch again in future (Consumer Focus, January 2013). Prepay customers with a debt of over £500 will probably not be able to switch suppliers. A very small proportion may not have a bank account, making switching more difficult. In 2012/13, 4% of households in England and Wales did not have a bank account, excluding a Post Office Card account (Department for Work &amp; Pensions, July 2014).</td>
</tr>
</tbody>
</table>
**Private tenant**

**Definition:** Accommodation that is rented from a private landlord or letting agency, employer of a household member, relative or friend of a household member, or other non-social rented accommodation (Census).

<table>
<thead>
<tr>
<th>Hearing about smart meters</th>
<th>The message doesn’t reach them</th>
<th>Lower consumption of TV, radio (BBC and commercial) and print than the national average. However, there is higher out of home and online penetration (TGI).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The message isn’t adequately understood</td>
<td>Students: 46% of students from the EU and 33% of international students (from outside the EU) live in private rented accommodation, compared with 46% of students from the UK (National Union of Students, 2014). However, there will be instances where language is a barrier to understanding the message.</td>
</tr>
</tbody>
</table>
| **Making a decision to say yes to a smart meter** | The message doesn’t resonate in the context of their specific circumstances | Renter – may assume it is the landlord’s choice or responsibility to get a smart meter. Additional communications may be required to highlight that it’s the choice of the bill-payer.  
Landlord – if bills are included as part of the rental agreement, additional communications may be required to reach and engage the landlord.  
High proportion of younger tenants – 60% are aged 15–34 and there are typically 3–4 people in the household, reflecting flat-shares (all TGI). They may only reside in the property for a limited length of time, e.g. the average private renter stays in their property for four years (Department for Communities and Local Government, July 2014), so extra information/support may be required to highlight potential smart meter benefits.  
A third (34%) have children at home, so may lead busy/chaotic lives (TGI). |
| **Being contacted about installation and setting it up** | Difficulty arranging an appointment with their supplier | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |
|                           | Difficulty preparing for installation | More likely to work full time, 46%, compared with 38% national average (TGI), but typically earn lower amounts (Department for Communities and Local Government, July 2014) so taking time off work, especially if that means they miss out on pay, will be challenging. |
| **Having the smart meter installed** | Difficulty on installation day | Landlord/tenant need to be present at point of installation. |
### Private tenant

**Definition:** Accommodation that is rented from a private landlord or letting agency, employer of a household member, relative or friend of a household member, or other non-social rented accommodation (Census).

<table>
<thead>
<tr>
<th>Using and benefiting from smart meters</th>
<th>Difficulty using the smart meter display</th>
<th>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>Difficulty using the information to take control of their energy usage</td>
<td>Of the different tenure groups, households living in privately rented accommodations have continued to have the highest fuel poverty rates (Department of Energy &amp; Climate Change, <em>Annual fuel poverty statistics report 2014</em>, June 2014). 21%, or one in five privately rented homes (double the national average) is in fuel poverty. This compares with 8.5% of households in the owner occupier sector. In 2011, around 190,000 households were classed as fuel poor and living in a private rented property with an EPC rating of F or G (all Department of Energy &amp; Climate Change, 2014). The government has recently introduced new standards to improve the EPC rating of private tenanted properties to E by April 2018, but until these are enforced, there may be limits to which some properties can reduce their energy usage. Typically earn lower amounts, so may already have reduced their energy usage to a very low level. Students: low incomes and cold, inefficient homes may limit the extent to which they can control energy use. An NUS survey found that 39% of students struggle with energy bills, 76% limit the length of time they turn the heating on and to cope with living in cold homes, 66% wear more than one layer of clothing to bed and 76% have experienced at least one problem with the condition of their private rented home (National Union of Students, 2014). May require additional support/encouragement to use the information on the display if the landlord, rather than the tenant, has not been engaged on the smart meter journey up until that point.</td>
</tr>
<tr>
<td>Difficulty choosing the right deal or supplier for them</td>
<td>Non-switchers are most likely to include those who rent their homes (Ipsos MORI, June 2014). Communications may be required to highlight that tenants can switch if they are the bill-payer. However, they may be required under their tenancy agreement to tell their landlord.</td>
<td></td>
</tr>
</tbody>
</table>
Severe or profound deafness

Definition: Severe or profound deafness, i.e. the quietest sounds people with severe deafness can hear are 70 decibels, i.e. cannot hear normal conversation. May lip-read, have a hearing aid, or use sign language (Action on Hearing Loss).

### Hearing about smart meters
- **The message doesn’t reach them**

  May not be able to take advantage of specific media channels, e.g. radio.

  If living alone, people with hearing impairments are likely to have lower levels of internet access than non-disabled people (Ofcom, September 2013).

  There are approximately 356,000 people with a combined visual and hearing impairment in the UK (Action on Hearing Loss, April 2015). Message is unlikely to reach them via a wide variety of media channels.

- **The message isn’t adequately understood**

  We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.

### Making a decision to say yes to a smart meter
- **The message doesn’t resonate in the context of their specific circumstances**

  Social resonance: hearing loss causes difficulties with communication. This, in turn can lead to frustration, low self-esteem, withdrawal and social isolation (Chen HL, 1994). Nearly two out of three Britons with hearing loss feel socially isolated because of their condition (Specsavers, referenced by Age UK, April 2015).

  More likely to be 65 and over and may have an additional physical impairment (Populus, March 2015). Barriers related to those characteristics are also relevant here.

### Being contacted about installation and setting it up
- **Difficulty arranging an appointment with their supplier**

  Those with profound deafness usually cannot access call centre options using Minicom or textphone. Deaf people report that call centres regularly hang up when they call via the text relay service and hard of hearing people say that requests to speak more slowly are often ignored (George M, Graham C and Lennard L, 2011).

- **Difficulty preparing for installation**

  As 30% of deaf people using British Sign Language (BSL) have mental health problems, primarily anxiety and depression (Mental Health Foundation, January 2007), may have difficulty preparing emotionally for installation. However, the number of deaf signers who use BSL as their first language is estimated at 22,000 in England and Wales and 13,000 in Scotland (Office for National Statistics, August 2013); (National Records of Scotland, 2011 Census, September 2013), although many people without hearing impairments also use BSL. Figures from the British Deaf Association suggest that on any day up to 250,000 people use BSL because they have family members, friends or colleagues who are deaf (British Deaf Association, referenced by Department for Work & Pensions, Accessible communication formats, August 2014).

### Having the smart meter installed
- **Difficulty on installation day**

  May have difficulty understanding the demonstration (confidential Smart energy for all consultation response).

  The installer should tailor the installation appropriately, e.g. demonstrations and literature provided (SMICoP, February 2015).
<table>
<thead>
<tr>
<th>Using and benefiting from smart meters</th>
<th>Difficulty using the smart meter display</th>
<th>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
<td></td>
</tr>
</tbody>
</table>
|Difficulty using the information to take control of their energy usage | May require alternative communications formats.  
May be limits in the extent to which can take control of their energy consumption: severely and profoundly deaf people are four times more likely to be unemployed than the general population (Action on Hearing Loss, July 2011). |
|Difficulty choosing the right deal or supplier for them | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |
### Social housing tenant

**Definition:** Accommodation that is rented from a council or local authority, or from a registered social landlord, housing association, housing co-operative or charitable trust (Census).

<table>
<thead>
<tr>
<th>Hearing about smart meters</th>
<th>Social resonance: 43% of social tenants live alone (Department for Communities and Local Government, July 2014). May have chaotic lives, juggling multiple demands: 34% have children at home (TGI) and 16% of social housing residents are lone parents (Department for Communities and Local Government, July 2014). Landlord/tenant will need to be engaged. 80% of social housing tenants anticipate remaining renting in the social sector (Department for Communities and Local Government, July 2014).</th>
</tr>
</thead>
<tbody>
<tr>
<td>The message doesn’t reach them</td>
<td>Reduced consumption of BBC TV and radio compared with the national average. Slightly lower out of home and online media consumption (TGI).</td>
</tr>
<tr>
<td>The message isn’t adequately understood</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Making a decision to say yes to a smart meter</th>
<th>Difficulty preparing for installation 21% of social renters have been accepted as homeless prior to being housed (Department for Communities and Local Government, July 2014).</th>
</tr>
</thead>
<tbody>
<tr>
<td>The message doesn’t resonate in the context of their specific circumstances</td>
<td>Social resonance: 43% of social tenants live alone (Department for Communities and Local Government, July 2014). May have chaotic lives, juggling multiple demands: 34% have children at home (TGI) and 16% of social housing residents are lone parents (Department for Communities and Local Government, July 2014). Landlord/tenant will need to be engaged. 80% of social housing tenants anticipate remaining renting in the social sector (Department for Communities and Local Government, July 2014).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Being contacted about installation and setting it up</th>
<th>Difficulty on installation day Landlord/tenant will need to be/may want to be present on day of installation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty arranging an appointment with their supplier</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Having the smart meter installed</th>
<th>Difficulty using the smart meter display We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty on installation day</td>
<td>Tenant may not be engaged if the landlord has arranged installation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Using and benefiting from smart meters</th>
<th>Difficulty using the information provided on the smart meter display We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty using the smart meter display</td>
<td>Tenant may not be engaged if the landlord has arranged installation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Difficulty using the information to take control of their energy usage</th>
<th>Tenant may not be engaged if the landlord has arranged installation. Although social housing is generally the most energy-efficient housing type, (Department of Energy &amp; Climate Change, <em>Annual fuel poverty statistics report</em>, June 2014), there may be limits in the extent to which can take control of their energy consumption: 23% of social renting households have a household reference person (HRP) working full time (compared with 61% of private renting households and 54% of owner households), 12% are in part-time employment (Department for Communities and Local Government, July 2014). Two-thirds of social renters received housing benefit to help with the payment of their rent in England in 2012/13 (Department for Communities and Local Government, July 2014).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant may not realise that they can switch (if they are the bill-payer).</td>
<td>Tenant may not be engaged if the landlord has arranged installation. Although social housing is generally the most energy-efficient housing type, (Department of Energy &amp; Climate Change, <em>Annual fuel poverty statistics report</em>, June 2014), there may be limits in the extent to which can take control of their energy consumption: 23% of social renting households have a household reference person (HRP) working full time (compared with 61% of private renting households and 54% of owner households), 12% are in part-time employment (Department for Communities and Local Government, July 2014). Two-thirds of social renters received housing benefit to help with the payment of their rent in England in 2012/13 (Department for Communities and Local Government, July 2014).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Difficulty choosing the right deal or supplier for them</th>
<th>Non-switchers are most likely to include those who rent their homes (Ipsos MORI, June 2014). The poorest consumers have a lower switching rate than the wealthiest – 13% compared to 17%. Around half of those in the poorest/most vulnerable social groups have switched after being contacted directly by an energy supplier, compared to around one in five of the wealthiest (Consumer Focus, January 2013).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant may not realise that they can switch (if they are the bill-payer).</td>
<td>Tenant may not realise that they can switch (if they are the bill-payer).</td>
</tr>
</tbody>
</table>
### Social/behavioural impairment

**Definition:** Referenced in DWP’s Family Resources Survey, but without a definition. Examples include autism, attention deficit disorder, or Asperger’s syndrome.

<table>
<thead>
<tr>
<th><strong>Hearing about smart meters</strong></th>
<th><strong>Making a decision to say yes to a smart meter</strong></th>
<th><strong>Being contacted about installation and setting it up</strong></th>
<th><strong>Having the smart meter installed</strong></th>
<th><strong>Using and benefiting from smart meters</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The message doesn’t reach them</td>
<td>The message doesn’t resonate in the context of their specific circumstances</td>
<td>Difficulty arranging an appointment with their supplier</td>
<td>Difficulty on installation day</td>
<td>Difficulty using the smart meter display</td>
</tr>
<tr>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
<td>Individuals on the autistic spectrum are often unable or unwilling to participate in situations which rely upon social or verbal interaction (Hardy, referenced by AbilityNet, April 2015). For many people with an autism spectrum disorder (ASD), face-to-face contact with new people is often stressful (The National Autistic Society, 2008). People with ASD may fear change and planning for the future (The National Autistic Society, 2008).</td>
<td>People with autism may find it hard to self-organise and plan, for example, cannot structure their day without support (The National Autistic Society, 2008). People with autism may have an absence or impairment of comprehension and use of language and non-verbal communication (The National Autistic Society, 2008).</td>
<td>May struggle to remember their appointment (The National Autistic Society, 2008). People with an ASD have difficulties with both verbal and non-verbal language, that is, using and understanding words and body language in order to communicate with other people. Many will need extra time to process what has been said to them (The National Autistic Society, 2008).</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>The message isn’t adequately understood</strong></th>
<th><strong>Difficulty preparing for installation</strong></th>
<th><strong>Difficulty on installation day</strong></th>
<th><strong>Difficulty using the information provided on the smart meter display</strong></th>
<th><strong>Difficulty using the information to take control of their energy usage</strong></th>
<th><strong>Difficulty choosing the right deal or supplier for them</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>44–52% of people with autism may have a learning disability (Emerson &amp; Baines, 2010, Fombonne et al, 2011) so understanding may be an issue.</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
<td>44–52% of people with autism may have a learning disability (Emerson &amp; Baines, 2010, <em>Health inequalities and people with learning disabilities in the UK</em>, 2010, Fombonne et al, 2011) so comprehension may be an issue for some.</td>
<td>Only 15% of people with autism are in full time employment (The National Autistic Society online, accessed June 2015), so there may be limits in the extent to which they can control their energy consumption.</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>
**Speech impairment**

Definition: The inability of a person to speak clearly at a normal pace and rhythm and to understand someone else speaking normally in their own language (Equality and Human Rights Commission).

<table>
<thead>
<tr>
<th>Hearing about smart meters</th>
<th>The message doesn’t reach them</th>
<th>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The message isn’t adequately understood</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>

| Making a decision to say yes to a smart meter | The message doesn’t resonate in the context of their specific circumstances | We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey. |

<table>
<thead>
<tr>
<th>Being contacted about installation and setting it up</th>
<th>Difficulty arranging an appointment with their supplier</th>
<th>May have difficulty/lack confidence in speaking to their energy supplier in order to arrange an appointment. Voice-activated systems may be a particular barrier (George M, Graham C and Lennard L, 2011).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Difficulty preparing for installation</td>
<td>We have not found sufficient existing insight to determine whether this characteristic presents a barrier at this point in the journey.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Having the smart meter installed</th>
<th>Difficulty on installation day</th>
<th>Communication with the installer may be an issue (confidential Smart energy for all response).</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Using and benefiting from smart meters</th>
<th>Difficulty using the smart meter display</th>
<th>May have difficulty/lack confidence in speaking to their energy supplier in order to arrange an appointment.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Difficulty understanding the information provided on the smart meter display</td>
<td>May have difficulty/lack confidence in speaking to their energy supplier in order to arrange an appointment.</td>
</tr>
<tr>
<td></td>
<td>Difficulty using the information to take control of their energy usage</td>
<td>May have difficulty/lack confidence in speaking to their energy supplier in order to arrange an appointment.</td>
</tr>
<tr>
<td></td>
<td>Difficulty choosing the right deal or supplier for them</td>
<td>May have difficulty/lack confidence in speaking to their energy supplier in order to arrange an appointment.</td>
</tr>
</tbody>
</table>
Appendix 2
Partnership marketing strategy
Appendix 2

Smart Energy GB
Partnership marketing strategy
Commitment to partnership marketing in Smart Energy GB’s Consumer Engagement Plan published December 2013

Our Consumer Engagement Plan, published in December 2013, set out that working in close partnership—with organisations from across the voluntary, private and public sectors across the three nations of Great Britain—will be an important part of our delivery model for public engagement.

This is because our engagement needs to reach across the population, in particular ensuring that we reach some of the most vulnerable communities. There are segments of the population who:

- are not actively engaged with traditional media channels so need to be targeted through their community contacts using partnership marketing (this is particularly important for our more vulnerable audiences)
- consume traditional media but may struggle to understand the complexity of the smart meter message and need additional support or encouragement
- need information beyond that which can be provided by traditional media channels
- only trust recommendations from people or partner organisations with whom they have an existing relationship

As such, partnerships are an essential part of our Consumer Engagement Plan, and will enable us to reach and engage audiences we could not otherwise do so. Our plan referenced other recent major engagement campaigns, such as Change4Life and Digital UK, and their partnership marketing support and delivery models as examples of best practice (in effectiveness and value for money) in public engagement tasks of this kind.
2. Understanding the audiences for whom partnership marketing will be most important

2.1 Domestic consumers

A reminder of the analysis of overall consumer audiences, which was presented by the Smart Energy GB Board to energy supplier members in 2014, mapped against attitude and aptitude axes is below.

![Diagram showing consumer segments]

This analysis has been used as a basis for understanding the partnership marketing audiences. Our audiences within the “Sounds Difficult” and “Disconnected and Vulnerable” quadrants are most likely to:

- be disengaged from traditional media channels, so need to be engaged through their community contacts using partnership marketing (this is particularly important for our more vulnerable audiences)

- struggle to understand the smart meter message and contextualise it in their lives, even if they do consume traditional media, and so need additional support or encouragement
• need information beyond that which can be provided by traditional media channels

• only trust recommendations from people or organisations with whom they have an existing relationship

In Spring 2015 we conducted research to identify, understand and segment vulnerable audiences, as specifically relevant to the smart meter journey. This research informed Smart energy for all, a consultation paper on identifying audience characteristics that may act as additional barriers to realising the benefits of smart meters. The conclusions of that consultation were published by Smart Energy GB on 10th July 2015 and should be read in conjunction with this strategy.

Partnership marketing plays an important but not exclusive role in reaching and engaging these audiences.

Whilst reaching and engaging disconnected or vulnerable audiences is a significant portion of the task for partnership marketing, there is a role for partnership marketing across our quadrant groups and against each of our audience-reach tasks. See below for a summary of how partnership marketing activity sits as a proportion of the overall marketing activity:

<table>
<thead>
<tr>
<th>Driving awareness</th>
<th>SOUNDS GOOD</th>
<th>NOT MY PRIORITY</th>
<th>SOUNDS DIFFICULT</th>
<th>DISCONNECTED OR VULNERABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40%</td>
<td>30%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>2%</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relevance &amp; social proof</th>
<th>SOUNDS GOOD</th>
<th>NOT MY PRIORITY</th>
<th>SOUNDS DIFFICULT</th>
<th>DISCONNECTED OR VULNERABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70%</td>
<td>20%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educate &amp; reassure</th>
<th>SOUNDS GOOD</th>
<th>NOT MY PRIORITY</th>
<th>SOUNDS DIFFICULT</th>
<th>DISCONNECTED OR VULNERABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50%</td>
<td>50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hand holding</th>
<th>SOUNDS GOOD</th>
<th>NOT MY PRIORITY</th>
<th>SOUNDS DIFFICULT</th>
<th>DISCONNECTED OR VULNERABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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</tbody>
</table>

NB Grey section refers to partnerships. Percentages allocated according to perceived size of task.
2.2 Microbusinesses

Reflecting our licence obligations, we have considered how we can best extend our existing consumer campaign in an effective and value for money manner for microbusiness audiences; and have identified that partnerships play a critical role in that.

Segmenting the microbusiness market

In Spring 2015 we conducted research to identify, understand and segment the microbusiness audience, as specifically relevant to the smart meter journey. This research informed *Smart energy for business*, a consultation paper outlining our current understanding of microbusinesses in relation to smart meters and our approach to supporting them as the programme moves towards mass rollout. The conclusions of that consultation were published by Smart Energy GB in summer 2015 and should be read in conjunction with this strategy.

For the purposes of clarity of engagement that consultation proposed defining microbusinesses as those:

- employing fewer than 10 employees (or their FTE equivalent).

Engaging microbusinesses

We will engage microbusinesses in two ways:

- extend the domestic consumer message to microbusinesses
- extend the channels we use so that we can reach microbusinesses and leverage third party influence and support where most needed

In relation to extending the channels we use we have developed an approach that will mean we can engage with microbusinesses on a number of levels, providing variety in depth and detail of information. It comprises of the three elements shown in the following diagram:
Working with partners to engage microbusinesses

Partnerships with advisory organisations
There are many organisations that have one-on-one relationships with microbusinesses, who we will ask to work with us to cascade information to their members/beneficiaries. These will include membership, professional, advisory, supplier, intermediary and network organisations that reflect both generalist business interests and those of industry sectors specifically and we will seek to work with the most effective combination of both.

Partnerships with organisations that can provide direct communications channels
There are a number of organisations that communicate with small businesses on a fairly regular basis about business-critical issues. We will explore opportunities for data sharing, developing joint pieces of communication or adding supplementary pieces of smart meter communications to existing initiatives so that we can effectively engage microbusiness owners through direct contact.

There are clearly overlaps across the three elements where a partner organisation may also own the most effective specialist press for their industry. The more granular planning in our next stage of development of our delivery plans will determine the weight of activity across these elements with the focus being on finding the most efficient and effective way to engage businesses whilst being inclusive of all circumstances and sectors.
3. Key learnings from best practice partnership marketing models

In 2014, to support the development of our model, we consulted with organisations/experts who have significant experience in using partnership marketing to maximise effectiveness and value for money in major public engagement programmes.

These included:

- Charities Aid Foundation
- CharityComms
- Citizens Advice
- Community Development Foundation
- Convey
- Digital Outreach
- Media Trust
- Public Health England
- UK Community Foundations

We also consulted former senior staff at the Government’s Central Office of Information and worked with the team at AMV BBDO who directly supported Digital UK through their campaigns (within which partnership marketing played a critical part).

Key learnings that informed the development of the partnership marketing model:

- the importance of providing a package of support that responds to partners’ differing needs to enable them to effectively communicate our messages

- the need for localised engagement, particularly in two nations of Scotland and Wales, but increasingly also meeting the differing needs of the regions within England

- the benefit of training individuals and ‘trusted voices’ in communities who are then encouraged to disseminate information
• the value of creating and providing branded assets that partners such as retailers, charities and local government could use and the need for these to be “open source” and “easy to use”

• the need to reach across the population means that we will have to work with a broad spread of partners from across the voluntary, private and public sectors

Key learnings to inform specific elements of partnership marketing delivery:

• Most of the partner organisations we will need to work with will have little stake in the issue, or their stake in it will be one of many things they also need to communicate. Therefore we need to be able to support (and in some cases fund) their involvement to ensure that they have capacity to deliver and that they can make an appropriate commitment;

• From potential partners and other experts we consulted, we consistently heard a preference for the provision of in-year funding for most partnerships. This is because the majority of organisations working with us as partners will be charity or community organisations and this sector is dynamic at a grassroots level. A short-term funding approach will enable us to mitigate risk and ensure that we are partnering with the most effective organisations at any time;

• The provision of support should be tiered, allowing all partners to access support and resources through the website at low-cost to the campaign and targeting the provision of training to small charities best placed to engage the end audience.

Endorsements for our partnership marketing model

Our proposed partnership marketing model was presented to the Smart Energy GB Board in September 2014 and to members shortly after that. The model was then shared and further consulted upon with over 100 stakeholders across the three nations of Great Britain at a series of workshops in Autumn 2014. Attendees were supportive of our approach and gave us good practical advice on implementing the model.
Our commitment to delivering some of our activity through partnership marketing was also endorsed by the House of Commons Energy and Select Committee in their report of Spring 2015. In separate dialogues, both DECC’s (now DBEIS) Big Energy Saving Network team and the Cabinet Office’s Social Action team have also stated that our model reflects the best practice that they have identified through delivering similar work.
4. Smart Energy GB’s partnership marketing model

4.1 Levels of partnership marketing

Our model includes four distinct partner levels:

- **MAJOR DELIVERY PARTNERS**
  - contracted partner capable of delivering via a significant national infrastructure

- **NATIONAL PARTNERS**
  - major national corporate charity, community organisations with broad reach

- **REGIONAL PARTNERS**
  - smaller national or regional/larger local organisations. Including specialist issue groups, housing associations, ALMOs and LAs

- **LOCAL PARTNERS**
  - local community and hyper-local groups, dominated by charity and voluntary organisations

We unpack each of these partner types below (to understand references to how support will be delivered, see also later sections in this paper):
<table>
<thead>
<tr>
<th>Mode/Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reaching the utility’s delivery partner’s consumer facing staff to offer guidance on how and why to select for Engagement success.</td>
</tr>
</tbody>
</table>

**Activity examples**

- Modules are likely to be adapted for use across the range of partners.
- Funding for specific activity will be negotiated through Smart Energy GB and the Transport Energy Group.
- Ongoing measures and actions will be developed by Smart Energy GB and the partners’ own teams.

**Support needed from Smart Energy GB**

- Account management and high level of support for delivery of activity on the ground.
- Barriers to accessing and engaging with information online.
- Activity will initially support vulnerable groups particularly those identified through Smart Energy GB’s 100-200 who face barriers to accessing and engaging with information online.

**Main audience segment focus**

- Why do we need them?
- Example: For Office, another major high street retailer.
- National: Interested in social media and online channels. (National: Interested in social media and online channels. Will they be able to reach potential partners?)

<table>
<thead>
<tr>
<th>Energy GB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support needed from Smart Energy GB</td>
</tr>
</tbody>
</table>

**Context**

- Partner of Fossil Fuels, through this capability, and engage with potential partners.
- A very small number of organisations have the scale required: as such it is unlikely we will have more than one channel.
<table>
<thead>
<tr>
<th>Description</th>
<th>National partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major national organisation, either commercial, charitable, NGO or a representative body for a major sector of interest</td>
<td></td>
</tr>
</tbody>
</table>

| How many? | Circa 20 - The initial list to understand this likely number has been built ‘bottom up’, mapping which partners are crucial to the task in terms of reach and influence of the target audiences. The number may flex a small amount either side of 20 |

| Who? | Selected based on scale and ability to influence either the consumer or member organisations that will ultimately support the consumer. Specific priority is given to organisations that support vulnerable audiences including those that face additional barriers to engaging with smart meters as identified in our Smart energy for all consultation. |


<p>| Why do we need them? | The reach and influence of these partners is such that working with them will provide an essential practical and perceptual base level of activity. They differ from the major delivery partners in that in the main, they will work broadly but deeply with one type of a significant community. |
| | • The charity partners will help us reach some of the vulnerable groups and add credibility for small charities to also get involved. |
| | • The government organisations will enable us to target those on low income and those on heat related benefits with a contextually relevant message. |
| | • The pre-payment provider means that we can reach pre-payment customers with niche messages at the right campaign phases. |
| | • The retail partners will normalise smart meters though providing high street presence we cannot access via bought media. |
| | • The Housing sector bodies mean that we can directly reach and support those that are in social housing and rented accommodation. |</p>
<table>
<thead>
<tr>
<th>Activity examples</th>
<th>Evaluating success</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Information through on and offline channels; outreach to specific communities (e.g., rural)</td>
<td>• Increased engagement — cascade model through networks using tools like the Team Programmes, sharing of releases — in-store events, content in loyalty card statements, feature in newsletters/managementline through common channels; use of social media to change behaviour in new home interactions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Energy GB</th>
<th>Main audience segments focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support needed from Smart</td>
<td>All audience segments will be covered by the national partners but there is a greater emphasis on the audiences within the disadvantaged and vulnerable quarters</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>Smaller national and larger local partners from all sectors. They will provide ‘always-on’ activity as well as peak activity at moments of specific relevance to their audiences.</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>How many?</strong></td>
<td>250 – 500</td>
</tr>
<tr>
<td><strong>Who?</strong></td>
<td>Larger Housing Associations, ALMOs, larger local organisations (specifically in retail or energy related fields), larger local/regional or audience specific charities</td>
</tr>
<tr>
<td><strong>Why do we need them?</strong></td>
<td>They provide valuable expertise and access to groups on a geographically or audience group basis. They are large enough to be effective distributors of both the smart meter message up to installation, and to provide the support audiences will need to change behaviour post installation (and notably, post 2020). They have existing and ongoing trusted relationships with their audiences and we can tap into that trust, cost effectively, over longer periods of time to prompt take-up of smart meters and the required behaviour change beyond.</td>
</tr>
<tr>
<td><strong>Main audience segment focus</strong></td>
<td>Main focus on Vulnerable and Disconnected and Sounds Difficult segments.</td>
</tr>
<tr>
<td><strong>Support needed from Smart Energy GB</strong></td>
<td>Where the partners have representative bodies that are part of the national partner group, we will have involvement at negotiation and evaluation stages. Regional Support will work with them to ensure quality of activity and innovation for the duration of the engagement: campaign. Some partners will use Train the Trainer and assets and materials. Grants will be accessed via the Bid Fund.</td>
</tr>
<tr>
<td><strong>Activity examples</strong></td>
<td>Proposed activity at this stage below (not exhaustive), which will be further developed in conjunction with partners:</td>
</tr>
<tr>
<td></td>
<td>- HAs/ALMOs – outreach to tenants; integration into advice on key trigger areas (housing, sustainability, energy and money); signposting of advice through comms channels; use of smart meter display to change behaviour in in new home inductions; training of tenants to become energy ambassadors</td>
</tr>
<tr>
<td></td>
<td>- Charities – signposting and pro-active comms to beneficiaries; cascade through advice and befriending services; practical support at installation and post installation</td>
</tr>
<tr>
<td></td>
<td>- Retailers – in-store events (stand alone or in conjunction with local charities); features in online and offline channels</td>
</tr>
<tr>
<td><strong>Evaluating success</strong></td>
<td>Reach of activity (measuring actual engagements); bespoke evaluation where possible to measure impact on end user confidence post activity; qualitative and quantitative measures of actual behaviour change.</td>
</tr>
</tbody>
</table>
| Evaluation success | Activity examples | Energy GB
|---|---|---|
| | | Support needed from Smart
| | | Discussed and delivered
| **Main audience segment focus** | | Why do we need them?
| | | Support
| | | \[2000 \text{č} \]
| **Description** | Local partners |
4.2 Smart Energy GB partnership marketing support & evaluation infrastructure

In order to provide the best and most cost-effective support for our partners, so that they in turn can reach and engage their audiences effectively, we need the right infrastructure to support, and properly scrutinise effectiveness and value for money of partnerships.

The infrastructure needs to include:
- A Core Partnerships Programme
- Regional Support
- A Bid Fund
- Campaign Training Support
- Monitoring and Evaluation

The roles of these different parts of the infrastructure, and how the Smart Energy GB team are supported in their delivery by different organisations is set out below:

The Core Partnerships Programme is delivered by our in-house team, who are responsible for:
- recommending; and then after selection and contracting with the support of any expert solicitor, managing and ensuring delivery of activity by major delivery and national partners
- sourcing, facilitating and utilising an expert panel to provide advice on reaching and engaging partnership marketing programme audiences
- defining the need for assets and materials across the partnership marketing programme and liaising with the Smart Energy GB team and our creative and digital agencies to meet additional needs as the rollout progresses
- designing the Train the Trainer programme
- strategic input and integration across the programme

Regional Support, a Bid Fund and Campaign Training Support is delivered by the Smart energy GB in communities consortium (supervised by our in-house team). The consortium was appointed following competitive pitch and is made up of National Energy Action, Energy Action Scotland, the Charities Aid Foundation and the Media Trust. This consortium manages:
• **Bid Fund**: providing partners with grants to enable them to deliver our messages to their audiences

• **Regional Support**: driving partner engagement at a regional level and local level, with a particular focus on reaching and engaging potentially vulnerable and hard to reach audiences.

• **Campaign Training Support**: providing partners with the skills and resources to disseminate Smart Energy GB messages. The focus of this is marketing and communications training.

• **delivering the Train the Trainer programme**

• **defining the need for further assets and materials to support network and community peer partners as the rollout progresses.**

**Evaluation**

We have appointed MTM as the independent evaluator of the Smart Energy GB partnership marketing programme.

It is their job to work with us to ensure that the programme is effective, robust and delivers value for money.

Evaluation of the partnership marketing programme will encompass four broad areas of work:

• scrutinising the effectiveness of the consortium in delivering their roles in the partnership marketing programme

• evaluating contracted partner activity and auditing this against their contractual commitments

• evidencing the effective use of grants by partner organisations

• evaluating the impact of partnership marketing activity on consumers
Appendix 3

Smart energy for business
Hello

Thanks for taking the time to read this paper which outlines our approach to engaging microbusinesses with smart meters. Collaboration is one of our key principles at Smart Energy GB. Sharing of information, listening to feedback and adapting our plans so that we can be more effective is fundamental to the success of the national smart meter rollout, which is why, in this revised version of *Smart energy for business*, we have incorporated feedback from the consultation held in summer 2015.

In addition to the invaluable insight derived from consultation responses, we have drawn on research, reports and conversations with experts in the field of smart metering and the microbusiness sector to develop our approach. We appreciate the generosity of people both in those conversations, in responding to the consultation and for their ongoing involvement with the national smart meter rollout.

Our role is about engaging domestic consumers and microbusinesses in the smart meter programme rather than in managing the physical rollout itself. This paper focuses on that engagement and how we can cost effectively ensure that is successful.

Thanks again.
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<td>The smart meter journey</td>
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<td>Engaging microbusinesses with the smart meter rollout</td>
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Chapter 1
Introduction

The national programme to modernise Great Britain’s energy industry is long overdue. When it is completed we will all have more control over the gas and electricity we use. It starts with the installation of new gas and electricity smart meters in homes and microbusinesses by 2020. It is the installation of smart meters for the microbusiness sector to which this paper relates.

Smart Energy GB is the national campaign for the smart meter rollout. It is our task to ensure that domestic consumers and microbusinesses in Great Britain understand what smart meters are, how to get one and how they can use their new smart meter to help get gas and electricity usage under control.

In relation to the engagement of non-domestic energy consumers the law that established Smart Energy GB outlines our role as:

“Where it is cost effective to extend the consumer engagement activities undertaken by the Central Delivery Body [now Smart Energy GB] so as to also include the engagement of Energy Consumers at Relevant Designated Premises, in respect of such Energy Consumers.”

Designated Premises are defined as those:

“At which the Customer is a Micro Business Consumer; and such additional categories of premises as may be specified in a direction issued by the Secretary of State.”

We are just one of the organisations involved in the national smart meter rollout. Energy suppliers are responsible for installations and are engaging directly with their own domestic and business customers to arrange those.

The new smart metering system will look something like figure 1 when in place – though for microbusinesses there may be some variation in both the secure communications network used (the government is consulting on mandatory use of the Data Communications Company) and the way in which near real time access to data is provided.

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1 Please see the Appendix for the definition of a microbusiness, established by gas and electricity supplier licences.
Suppliers and installers are bound by the Smart Metering Installation Code of Practice (SMICoP) which makes provision for installations in domestic and non-domestic properties alike.

We have already begun engagement activity with microbusinesses in line with the progress of the smart meter rollout and the current scale of the domestic consumer engagement activity. This paper outlines in brief our current understanding of microbusinesses in relation to smart meters and our approach to supporting them as the programme moves towards mass rollout.
Chapter 2
Defining microbusinesses

Microbusinesses make up approximately 96 per cent of all UK businesses\(^2\), numbering around 4,897,400\(^3\) in Great Britain. This spans a broad range of businesses, across a huge number of sectors. So describing a typical microbusiness for the purpose of how they might be engaged with smart meters is difficult. However, there are a number of existing definitions we can draw from. These definitions tend to reflect a combination of employee numbers and turnover (both of which vary hugely by sector), and in the context of energy, they also include energy usage parameters.

The law which established Smart Energy GB (see Appendix) defines a microbusiness as a non-domestic consumer meeting one of the following criteria:

- employing fewer than 10 employees (or their full time equivalent) and an annual turnover or balance sheet no greater than €2 million; or
- consuming not more than 293,000 kilowatt-hours of gas per year; or
- consuming not more than 100,000 kilowatt-hours of electricity per year

For engagement with the national smart meter rollout to be successful, it is vital that microbusiness audiences can easily self-identify as such. There is a general view from stakeholders, borne out in our own conversations, in the Competition and Markets Authority review of the market and in our own Smart energy for business consultation in July 2015, that microbusinesses often do not know or understand their energy usage, with many not knowing the overall monthly or annual cost either. So the parameters relating to energy usage within the definition may cause more confusion than clarity for the purposes of initial awareness and engagement.

Our task is to help microbusinesses understand what smart meters are, how to get one and how they can use their new smart meter to help get their gas and electricity usage under control. This includes prompting them to determine their eligibility by speaking to their energy supplier. Therefore, we propose that for the purposes of engagement with microbusinesses we follow the precedent of using just the employee number element of the definition, phrased as:

- employing fewer than 10 employees (or their full time equivalent)

Our definition needs to be easily understood and applicable to as many microbusinesses as possible. Defining microbusinesses by number of employees is a simple way to raise awareness and understanding of smart meters and the national rollout without the immediate need for these businesses to know their turnover or energy consumption (which we know many do not). We acknowledge that some organisations meeting only the ‘fewer than 10 employees’ criteria will not meet the energy consumption measures. In our communications, we intend to caveat that some restrictions may apply.

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\(^2\) House of Commons, Small Businesses and the UK Economy, December 2014

\(^3\) Department for Business Innovation & Skills, Business population estimates, November 2014
Our role does not include having one-on-one relationships with consumers and while we will apply the ‘fewer than 10’ definition in our own communications, we will work with third party organisations, including suppliers, that apply a variant of the gas and electricity supplier licence definition to identify microbusinesses.

The microbusiness sector is complex and diverse. According to the Department for Business Innovation & Skills\(^4\), microbusinesses are present across most industries. Using Standard Industry Classifications (SIC codes) we can see that some industries have a higher proportion than others (such as retail; construction; professional, scientific and technical activities) and that will be reflected in the approach we take to engaging effectively with the sector.

We also know that around half\(^5\) of microbusinesses use a domestic property as their main business premises. These business owners will not need a separate smart meter for their business and will be engaged as householders with the domestic consumer campaign.

The remaining microbusiness owners (around half), approximately 2,326,265, have some kind of separate premises though there is a large variation in the types of premises, ownership or tenancy conditions (e.g. converted part of a domestic property which some suppliers may consider to be non-domestic; rented with service and bills included; multi-occupancy rental where individual tenants have no sight of the meter). All of these are likely to have an impact on relationships these businesses have with energy and energy suppliers.

We understand that there are differences of supply within the non-domestic market when compared to the domestic market, most notably greater fragmentation in terms of supplier choice; far greater presence of smaller energy suppliers; the presence of third party intermediaries (TPIs) and energy brokers; and the lack of transparency in energy pricing for businesses. These factors will likely have an impact on the relationship between microbusinesses and the energy they use.

TPIs and energy brokers are a consideration for our microbusiness engagement strategy, given that 21 per cent of microbusinesses only use a broker for electricity and 27 per cent for gas supply\(^6\) (as opposed to having a direct relationship with the supplier). We will explore whether brokers present an opportunity in their roles as intermediaries rather than posing a barrier to engagement with the smart meter rollout.

\(^4\) Department for Business Innovation & Skills, *Business population estimates*, November 2014


\(^6\) Ofgem, *Quantitative research – Non-domestic customer engagement and experience in the energy market*, November 2012
Chapter 3
The smart meter journey

The smart meter journey, and the roles we share with energy suppliers, is detailed below:

The journey for microbusinesses is broadly the same as it is for domestic consumers, though engagement and behaviour at various stages of the journey may vary across the two groups.

At this stage of the rollout, the majority of microbusinesses with a smart meter installed have had their installation after being contacted by their energy supplier (only 5 per cent have requested one proactively). This suggests an absence of the first two stages of the journey in many cases, which may in turn contribute to the relatively low levels of active energy management post-installation (just 11 per cent have taken subsequent action to reduce their energy consumption).

The benefits to be realised through smart meters for microbusinesses are significant, amounting to approximately £1.44 billion in net microbusiness consumer benefits. The cost of mains electricity was cited as the number one cost concern for small businesses by 46 per cent of businesses in a 2014 report by Citizens Advice. And we know that energy efficiency is a concern for small businesses for both cost saving and environmental motivations. Research carried out by the Federation of Small Businesses in 2015 showed that for 78 per cent of those responding, saving on energy was a motivator for carrying out energy-efficiency measures and 70 per cent cited environmental factors. The same research also identified that smart meters will be a vital tool for giving small businesses the information they need to make proactive decisions about energy usage.

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7 Consumer Futures, A smart business? Small and micro-businesses’ experiences of smart meters, August 2013
8 Consumer Futures, A smart business? Small and micro-businesses’ experiences of smart meters, August 2013
9 Department for Energy & Climate Change, Smart meter impact assessment, January 2014
10 Citizens Advice, The experiences of small businesses as consumers in regulated markets, September 2014
The research undertaken by Consumer Futures (now part of Citizens Advice) in August 2013 identified early positive sentiment about smart meters from businesses, despite low levels of proactive enquiry. Of the 95 per cent that had not proactively requested an installation, 46 per cent had been positive about the prospect of getting one, 46 per cent were neutral and only 8 per cent were negative and that was largely where they had felt there was no choice involved in having one installed\(^\text{12}\).

The benefits of smart meters are multi-layered and are likely to be experienced to greater and lesser degrees depending on the type of microbusiness and industry they are in. However, the most motivating benefits for the majority of individual microbusinesses found by Ipsos Mori for the Department of Energy & Climate Change (DECC) are reported as\(^\text{13}\):

- accurate bills, and specifically avoiding disputes over bills
- an end to meter readings
- the ability to track and monitor energy patterns
- saving money

The desire for accurate bills has been identified in a number of papers. Consumer Futures found that ‘more accurate bills’ was the most significant motivator with 48 per cent of respondents citing that as their main motive, against the next largest reason at 26 per cent which was ‘removes the hassle of meter readings’. These were unprompted answers given by businesses that had proactively requested an installation.

However, we are mindful that there are potential obstacles to realising the full benefits of smart meters. These obstacles have been raised by a number of organisations including Citizens Advice, The Federation of Small Businesses, Consumer Futures and DECC. These obstacles are presented both by business circumstance and the inherent nature of a rollout of this complexity. We will be working with other organisations involved in the smart meter rollout to overcome these obstacles where they relate to the engagement task and it is appropriate to do so.


\(^\text{13}\) Department of Energy & Climate Change, *Attitudes towards and experiences of smart meters in the non-domestic SME market*, October 2013
In broad terms, these obstacles include:

- the potential that microbusinesses will not self-identify as being eligible for a smart meter; or that they might not understand whose choice and responsibility it is (especially in rented or multiple occupancy business premises, and when using a TPI or energy broker)

- lack of time or imperative to prioritise requesting a smart meter (46 per cent of those that have not requested a smart meter feel neutral about getting one\(^\text{14}\)); or to engage with it and actively manage energy usage once it has been installed\(^\text{15}\)

- lack of awareness or belief in the benefits smart meters will bring to their business (41 per cent of businesses without a smart meter and who don’t welcome getting one, couldn’t think of any potential benefits of getting one\(^\text{16}\))

- perceived disruption to business as usual (though the Consumer Futures research showed that businesses were satisfied with both the duration of the visit, 72 per cent; and with the level of disruption caused, 80 per cent\(^\text{17}\))

- confusion between advanced metering and smart metering: 79 per cent of microbusinesses have no understanding of the difference between the two\(^\text{18}\). The DECC non-domestic Q&A for smart meters describes the differences as – “All smart meters can meet the definition of an advanced meter, but not all advanced meters can be smart. Smart meters typically have two-way communications and can fulfil a wider range of functions”\(^\text{19}\)
• inadequate handover processes (just over a third of businesses that have had a smart meter installed were satisfied with that stage of the installation\textsuperscript{20})

• insufficient post-installation support, either in terms of the information about how to alter energy usage, or not having access to near real time data as standard at no extra cost\textsuperscript{21}

• lack of opportunity to change either their energy consumption or their energy supplier, particularly where the business operates from rented premises (approximately 43 per cent of all microbusinesses are in rented premises\textsuperscript{22}; and the Federation of Small Businesses estimates that around 10 per cent of their members are in rental agreements where their energy bills are included\textsuperscript{23})

• installing smart meters in unmanned sites – businesses with unmanned sites would experience another layer of inconvenience in providing access to that site and that this should be borne, in mind (confidential Smart energy for business response)

• concern over remote disconnection – some small businesses fear smart meters leading to a greater risk of remote disconnection, making them feel vulnerable and less in control (confidential Smart energy for business response)

So, whilst we acknowledge there are a range of obstacles that need to be overcome, we are also confident that smart meters will be welcomed by microbusinesses and that the benefits post-installation will be significant on a macro and micro level. The ambivalence reported by some papers published to date is, in part, due to a current lack of appreciation for the whole range of benefits that smart meters can deliver, and is something we will be addressing through our engagement campaigns for both domestic consumers and microbusinesses.

\textsuperscript{20} Consumer Futures, A smart business? Small and micro-businesses’ experiences of smart meters, August 2013

\textsuperscript{21} SMICoP, Smart metering installation code of practice v2.0, February 2015

\textsuperscript{22} Consumer Futures, A smart business? Small and micro-businesses’ experiences of smart meters, August 2013

\textsuperscript{23} Competition and Markets Authority, Summary of hearing with the Federation of Small Businesses on 16 December 2014
Chapter 4
Engaging microbusinesses with the smart meter rollout

There is clearly a need to engage microbusinesses with the smart meter rollout, to ensure they are positive about the benefits of smart meters and are empowered to take advantage of those benefits at every stage along the smart meter journey. Our focus over and above our activity targeted at domestic consumers will be on those businesses that have separate business premises rather than around half that work from a domestic property. Our audience for this task is therefore approximately 2,326,265 microbusinesses.

As mentioned in chapter 1 and chapter 2 of this paper, Smart Energy GB may extend its domestic consumer communications where cost effective to do so. We plan to spend a proportionate percentage of our budget on microbusiness engagement in two ways:

- extending the domestic consumer message to microbusinesses – to overcome obstacles related to relevance, prioritisation, understanding and usage
- extending the channels we use so that we can reach microbusinesses and leverage third party influence and support where most needed

Extending the domestic consumer message

As with the domestic consumer campaign, the messaging will change as we move through the smart meter rollout and as audience understanding evolves and installation figures rise. It is likely that messaging will reflect both the Gaz & Leccy creative developed for the domestic consumer market and the educational films we have created for stakeholders and partners. Examples of both these types of communications can be found at smartenergyGB.org. We will develop messages that address, where we can, the obstacles outlined in this paper, and that highlight the benefits of smart meters which we know to be the most appealing to microbusinesses. The blend of those two types of communication mean that we have flexibility in the style of communications we use for each purpose and channel. As with all our campaigns, we apply a robust research method to ensure that they are effective, efficient and proportionate.

Extending the channels we use

We have developed an approach that will mean we can engage with microbusinesses on a number of levels, providing variety in depth and detail of information. This approach has been based on recommendations published in relation to microbusinesses and smart meters (see bibliography at the end of this paper), drawing lessons from previous campaigns which have involved the mass engagement of microbusinesses, and from our conversations with experts and stakeholders within the microbusiness sector. Overall, responses to our Smart energy for business consultation in summer 2015 agreed that this approach is proportionate to our task. Suggestions to help us plan and refine the detail of our approach will also be considered.
Our approach comprises three elements as outlined below:

**Targeted specialist media**

Specialist business media spans print, online, social and radio (digital and broadcast) and we will review all options to build the most effective plan.

Whilst we acknowledge that microbusinesses are a very diverse sector and we cannot engage all of them through paid media, there are some efficient specialist media choices which will provide reach and visibility. These are both horizontal (generalist business and management publications which appeal to business owners no matter what industry they are in, and deal with issues common to business ownership); and vertical (which are industry-specific titles reflecting issues and opportunities common to just that industry).

**Partnerships with advisory organisations**

There are many organisations that have one-on-one relationships with microbusinesses, who we will ask to work with to cascade information to their members/beneficiaries. These include membership, professional, advisory, supplier, intermediary and network organisations (operating at both national and regional levels, both of which are relevant) that reflect both generalist business interests and those of industry sectors specifically and we will seek to work with the most effective combination of both.
Included within this group are providers of services to microbusinesses who have existing conversations about topics related to smart meters (e.g. energy, business costs, property or sustainability). The benefit of working with such organisations is twofold – they provide a targeted way for us to reach businesses that may be eligible; and they allow for a greater variety of communications, including the possibility of more detailed discussion where needed.

When working with partners to reach microbusinesses, we will apply the same principles we apply when working with partners to reach domestic consumers. That is to work collaboratively with the partners, providing useful, insight-led information, materials, training or inductions and to ensure that the work we do together has a lasting and positive impact on their organisation.

Partnerships with organisations that can provide direct communications channels

There are a number of organisations that communicate with small businesses on a fairly regular basis about business-critical issues. We will explore opportunities for data sharing, developing joint pieces of communications or adding supplementary pieces of smart meter communications to existing initiatives so that we can effectively engage microbusiness owners through direct mail.

There are clearly overlaps across the three elements where a partner organisation may also own the most effective specialist press for their industry. The more granular planning in our next stage of development will determine the weight of activity across these elements with the focus being on finding the most efficient and effective way to engage businesses whilst being inclusive of all circumstances and sectors.

Where we are looking at vertical sectors, we will refer to Department for Business Innovation & Skills Population Estimates, which identify the sectors where microbusinesses are most prevalent, and prioritise those sectors when seeking partner organisations, or planning specialist bought media. We will continue to gather insight to inform and refine our plans further over the lifetime of the smart meter rollout.
Chapter 5
Further reading and related documents

The following resources and documents give some useful background to this paper. They provide more information about us (our role and progress) and the latest research about smart meter awareness, adoption and perception.

Smart Energy GB
smartenergyGB.org

- Annual report 2014
- Consumer engagement plan
- Smart energy for all; identifying audience characteristics that may act as additional barriers to realising the benefits of a smart meter

These can all be found in English and Welsh at: smartenergyGB.org/national-rollout/about-smart-energy-gb/essential-documents

Smart energy outlook, March 2015

Department of Energy & Climate Change, Impact assessment, January 2014
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<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account holder</td>
<td>The person who holds the account with an energy supplier. The account holder will be the person responsible for confirming with the energy supplier the appointment to have a smart meter fitted to replace their traditional meter. The account holder is the person who pays the bill for any energy used.</td>
</tr>
<tr>
<td>Advanced meter</td>
<td>An advanced meter is able to provide half-hourly electricity or hourly gas data that can be remotely accessed by a supplier. All smart meters can meet the definition of an advanced meter, but not all advanced meters can be smart. Smart meters typically have two-way communications and can fulfil a wider range of functions.</td>
</tr>
<tr>
<td>Consumer</td>
<td>The person(s) occupying the premises where the smart meter system is to be installed, or who is a responsible adult with suitable authority to allow access to the premises.</td>
</tr>
<tr>
<td>Data Communications Company</td>
<td>The communications infrastructure that underpins the entire smart meter system. This system enables delivery of data between all customers and all energy suppliers.</td>
</tr>
<tr>
<td>Department of Energy &amp; Climate Change</td>
<td>The UK government department which is in charge of energy matters in the UK, as well as international climate change matters.</td>
</tr>
<tr>
<td>Energy</td>
<td>In the context of smart meters, this refers to gas and electricity only.</td>
</tr>
<tr>
<td>Energy broker</td>
<td>Reviews and presents offers from a range of suppliers for the energy consumer.</td>
</tr>
<tr>
<td>Energy consumption</td>
<td>Energy consumption is the use of energy as a source of heat or power. Energy consumption is measured by a meter and account holders are billed for their usage.</td>
</tr>
<tr>
<td>Energy supplier</td>
<td>Supplier(s) licensed to supply gas and/or electricity.</td>
</tr>
<tr>
<td>Install</td>
<td>The fitting of a smart meter and smart comms hub in a premises. A smart meter display does not have to be offered to microbusinesses, although suppliers may choose to do so.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Installer(s)</td>
<td>The energy supplier representative who will replace traditional meters with smart meters, then check that they work properly. They will also make sure that you understand how to use your new smart meter(s) and smart meter display if installed.</td>
</tr>
<tr>
<td>Licence condition(s)</td>
<td>Under the Gas Act 1986 and the Electricity Act 1989, certain activities, i.e. generation, transmission, distribution and supply for both gas and electricity, may only be carried out with a licence (or under a relevant exemption or exception). All energy suppliers in Great Britain operate under Supply Licence Conditions (domestic and non-domestic consumers).</td>
</tr>
<tr>
<td>Microbusiness(es)</td>
<td>Part of Smart Energy GB’s remit is to extend our consumer engagement activity to microbusinesses where it is deemed cost effective to do so. Microbusinesses are defined by gas and electricity supplier licences as using less than 100,000 kWh electricity / 293,000 kWh gas per year, or who employ fewer than 10 people (or their full time equivalent) with a turnover of no more than €2million.</td>
</tr>
<tr>
<td>National rollout</td>
<td>The installation of 53 million smart meters in 30 million properties across Great Britain by 2020.</td>
</tr>
<tr>
<td>Ofgem</td>
<td>Ofgem is the body responsible for protecting consumers who use energy in Great Britain. Ofgem regulates energy suppliers.</td>
</tr>
<tr>
<td>Secure communications network</td>
<td>The secure communications network is the infrastructure that will comprise a number of secure systems that ensure the overall security of data from a consumer's premises through to the service users (energy suppliers, network operators and other authorised third parties). Security consists of both technical controls, such as strong cryptographic protection of data and physical protection, and access controls.</td>
</tr>
<tr>
<td>Smart comms hub</td>
<td>A small piece of equipment installed in a premises, which holds all information centrally and transmits this information wirelessly from your smart meter to your energy supplier, bringing benefits such as faster switching between suppliers.</td>
</tr>
<tr>
<td>Smart meter(s)</td>
<td>The next generation of energy meters with real time data to help us control the way in which we all buy and use gas and electricity.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
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<tr>
<td>-------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Smart meter display(s)</td>
<td>A digital device that allows you to see how much energy you are using as well as how much it's costing you in near real time. A smart meter display does not have to be offered to microbusinesses.</td>
</tr>
<tr>
<td>Smart meter equipment</td>
<td>Refers to any of the equipment necessary to provide smart meter functionality to a consumer in their premises.</td>
</tr>
<tr>
<td>Smart meter journey</td>
<td>The process from hearing about smart meters through to using them, which all consumers will experience.</td>
</tr>
<tr>
<td>Smart meter system</td>
<td>Describes as a whole, all the active system elements necessary to provide smart meter functionality from a property, to the energy supplier's systems.</td>
</tr>
<tr>
<td>Smart Metering Installation Code of Practice</td>
<td>The Smart Metering Installation Code of Practice (SMICoP) specifies the minimum standards of behaviour for suppliers to follow throughout the smart meter journey. The Code is mandated and is applicable to all domestic and microbusiness suppliers, except where the Code is explicit that the conditions apply to one or other. The suppliers of microbusiness customers do not have licence obligations to cater for vulnerability.</td>
</tr>
<tr>
<td>Switch</td>
<td>To describe switching from one supplier to another, or between tariffs with one supplier.</td>
</tr>
<tr>
<td>Tariff</td>
<td>Charges for energy supply.</td>
</tr>
<tr>
<td>The energy market</td>
<td>Refers to the resale of gas and/or electricity.</td>
</tr>
<tr>
<td>Third party intermediaries</td>
<td>Parties who engage in direct or indirect activities between a domestic or non-domestic consumer and an energy supplier to assist consumers with their energy supply needs.</td>
</tr>
<tr>
<td>Traditional meter(s)</td>
<td>Traditional meters are currently found in most premises. They are not able to communicate and therefore must be manually read. They will be replaced by smart meters during the national rollout.</td>
</tr>
<tr>
<td>Upgrade</td>
<td>The process of moving from a traditional meter to a smart meter.</td>
</tr>
</tbody>
</table>
Appendix
Gas and electricity supplier licences in relation to microbusinesses

The definition of a microbusiness is established by the Electricity and Gas Supply Licence Conditions\textsuperscript{24}. In these documents at Licence Condition 7A for both, it states:

7A.14

“Micro Business Consumer” means a Non-Domestic Customer:

(a) which is a “relevant consumer” (in respect of premises other than domestic premises) for the purposes in article 2(1) of The Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 (S.I. 2008/2268); or

(b) which has an annual consumption of not more than 100,000 kWh. [Electricity]

(b) which has an annual consumption of gas of not more than 293,000 kWh. [Gas]

Using this as a foundation the definition of a Relevant Consumer is contained in the Statutory Instruction 2008/2268\textsuperscript{25} and states at paragraph 2:

“relevant consumer” means a consumer who is—

(a) a natural person supplied or requiring to be supplied with gas or electricity at domestic premises (but excluding such person insofar as they are supplied or require to be supplied with gas or electricity at premises other than domestic premises); or

(b) a person supplied or requiring to be supplied with gas or electricity at premises other than domestic premises, with—

(i) an annual consumption of—

(aa) electricity of not more than 55,000 kWh; or

(bb) gas of not more than 200,000 kWh; or

(ii) (aa) fewer than 10 employees (or their full time equivalent); and

(bb) an annual turnover or annual balance sheet total not exceeding Euros 2 million.

\textsuperscript{24} Gas and Electricity Markets Authority, Electricity Act 1989: Standard conditions of electricity supply licence, consolidated to 8 July 2015, https://epr.ofgem.gov.uk//Content/Documents/Electricity per cent20Supply per cent20Standard per cent20Licence per cent20Conditions per cent20Consolidated per cent20- per cent20Current per cent20Version.pdf and Gas and Electricity Markets Authority, Gas Act 1986: Standard conditions of gas supply licence, Consolidated to 8 July 2015, https://epr.ofgem.gov.uk//Content/Documents/Gas per cent20supply per cent20standard per cent20licence per cent20conditions per cent20consolidated per cent20- per cent20Current per cent20Version.pdf

Following a government consultation\textsuperscript{26}, the Statutory Instrument was amended in July 2014\textsuperscript{27} to align the limits of energy consumption with the Licence Conditions as follows:

2. In article 2(1) (interpretation) of the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008(1), in the definition of “relevant consumer”—

(a) in sub-paragraph (b)(i)(aa), for “55,000 kWh”, substitute “100,000 kWh”;

(b) in sub-paragraph (b)(i)(bb), for “200,000 kWh”, substitute “293,000 kW”

Identification of a microbusiness consumer is a supplier responsibility as laid out in paragraph 7A.1 of both Electricity and Gas Licence Conditions:

7A.1 If the licensee intends to:

(a) enter into a Non-Domestic Supply Contract with a Customer; or

(b) extend the duration of a Non-Domestic Supply Contract (including the duration of any fixed term period which may form part of a Contract of an indefinite length)

the licensee must either take all reasonable steps to identify whether that Non-Domestic Customer is a Micro Business Consumer, or deem that Non-Domestic Customer to be a Micro Business Consumer.


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Appendix 4

A smart route to change
A smart route to change
The application of behavioural science in supporting Great Britain’s smart meter rollout and changing the way we use energy for the better

July 2016
Foreword
Sacha Deshmukh
Chief Executive, Smart Energy GB

The way we all buy gas and electricity is changing for the better. The Smart Energy GB mission is to inform and inspire people living in every home in Great Britain about the positive changes smart meters will bring, and to help the country understand how they work and why they’ll benefit us. We want to encourage everyone to welcome smart meters into their homes and reduce their energy consumption – helping everyone use and spend no more than they need to.

Maya Shankar, Senior Advisor for Social and Behavioral Sciences to President Barack Obama, recently spoke at an event hosted by Smart Energy GB. She reminded us that the smart meter rollout in Great Britain offers a unique, and enormous, opportunity to support consumers in taking control of their energy, reducing their energy waste, and for our country to lead the world in demonstrating that deep and sustained changes in behaviour in energy are possible. I believe that Maya Shankar’s appointment was yet another, very welcome, sign of the increasing recognition that behavioural science expertise is a vital component at the heart of quality public policymaking and implementation, and so I very much welcomed her reminder of the scale of the opportunity that we have to grasp, and our responsibility to work as hard as possible to overcome any challenges to realising this opportunity.

We would like to thank the large number of experts who have given up their time to discuss behavioural science best practice and experience with us, and to help us shape our understanding of the behaviour change model that can best support the successful use of smart meters by consumers to reduce their energy waste.
The views in this paper on our favoured approach, and on potential interventions that could be trialled based on that approach, are those of Smart Energy GB alone. But for contributing to our thinking, giving us so much of their time and patiently supporting us as we have conducted the analysis and research that shaped this paper, we would particularly like to thank the contribution of colleagues from Enervee, the Helen Hamlyn Centre for Design, Public Health England and the Behavioural Insights Team.

We at Smart Energy GB would like to work with others in the energy industry and beyond to apply the lessons from the best in behavioural science. We hope that this paper will help others to be as excited about that chance as we are.

But, in the meantime, my first hope is that you will find the next 30 or so pages to be interesting and stimulating reading.

Sacha Deshmukh
Chief Executive
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Section 1

Learning from the best and developing the right theoretical framework for behaviour change using smart meters
Chapter 1: Introduction

Smart Energy GB is the national campaign for the smart meter rollout. It’s our task to help everyone in Great Britain understand smart meters, the national rollout and how to use their new meters to get their gas and electricity under control.

Smart meters will replace the traditional meters almost all of us still currently have in our homes. They will provide consumers with accurate bills, near real time information on energy usage in pounds and pence, and greater control over gas and electricity. The smart meter rollout is an essential technology upgrade, unprecedented in its scale, to improve Great Britain's energy infrastructure. Millions of smart meters have already been installed, and between now and 2020, every home as well as small business across Scotland, England and Wales will be offered a smart meter by their energy supplier.

Smart Energy GB is just one body within the group of organisations that are working together to deliver the British smart meter rollout. As the national voice of the smart meter rollout, we are speaking to households across the three nations of Great Britain. But we are by no means the only organisation that is communicating with consumers during the rollout, nor the only organisation that may wish to help consumers to transform their control over energy in a smart world. That is why we are publishing this paper, on the lessons that we believe apply to Smart Energy GB but also, more widely, from the best in behavioural science practice. We hope that we can help everyone involved in the smart meter rollout to see, and realise, just how big the opportunity for sustained behaviour change is and understand more about the route to support that change in being delivered.

As the voice of the smart meter rollout, Smart Energy GB has a legal responsibility not only for engaging every household across Great Britain to encourage the installation of smart meters, but also to increase the willingness of consumers in every household to reduce their energy waste.

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1 Smart Energy GB’s legal objectives (detailed in the Modifications to the Standard Conditions of Electricity & Gas Supply, Electricity Distribution and Gas Transporter Licences) are to:

1. Build consumer confidence in the installation of smart metering systems by gas and electricity suppliers.
2. Build consumer awareness and understanding of the use of smart metering systems (and the information obtained through them).
3. 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.
4. 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.
Smart Energy GB was established in 2013. In December of that year, we published our first Consumer engagement plan in support of the smart meter rollout in Great Britain\textsuperscript{2}.

That plan established the central place that behavioural science holds at the heart of Smart Energy GB’s approach and the campaign that we have developed and are executing, as the voice of the smart meter rollout.

Since that time, Smart Energy GB has delivered the first stages of the national public engagement campaign in support of the foundation stage of the smart meter rollout across the three nations of Great Britain. That campaign has successfully established strong consumer understanding for the need to modernise this key part of our country’s (and every household’s) energy infrastructure, as well as the nature of the smart meter rollout as a vital national project in which energy suppliers, energy networks and other key infrastructure providers, as well as all energy consumers, need to play a part to ensure success.

Success for the smart meter rollout is not limited to engaging every household in accepting and enabling the installation of a new meter, although that alone would still constitute the most significant public engagement campaign of recent times in this country – we are, after all, talking about reaching every household across Great Britain.

What matters equally is the extent to which consumers use their smart meters to change their behaviour in relation to energy, thus reducing the amount of energy we all waste and, among other benefits, reducing the amount of harmful greenhouse gases we, as a country, pump into the atmosphere.

There are a number of different points of potential intervention that could be brought to play to support smart meter usage. Readers of this paper may well be familiar with the concept of ‘downstream’ and ‘upstream’ changes\textsuperscript{3}, where the former are changes in behaviour under the control of the individual (the focus of this paper), whereas the latter are typically under the control of policymakers (e.g. changing pricing rules, restricting choice) and enforcing control on individuals. The focus of this paper on supporting consumers in their individual ability to exercise control reflects Smart Energy GB’s focus and responsibilities, but this does not preclude that other more upstream interventions could also have value.

We are soon approaching the start of the mass phase of the smart meter rollout, which will, over the next year and beyond, see a significant increase in the number of smart meter installations and, therefore, the numbers of consumers able to use smart meters to change their energy behaviour.

\textsuperscript{2} Smart Meter Central Delivery Body, Engagement Plan for the Smart Meter Rollout, December 2013. This plan and updated Consumer Engagement Plans that have been produced by Smart Energy GB are published on our website.

\textsuperscript{3} Professor Lorraine Whithamur, “The impact of environmental campaigns on behaviour”, speech at Smart Energy GB’s Smarter Wales conference, 27 June 2016. Available at: https://www.youtube.com/watch?v=AQL9D-GSNk
Reflecting this, we have chosen to publish this paper to set out in greater detail the analysis we have undertaken of behavioural theories and their relevance to the task facing all organisations who have a responsibility to support consumers in using their smart meters to reduce waste. In this paper we also look at the lessons that we believe can be learned from other examples of good practice behaviour change support, from the energy sector and beyond, and how this could actually be applied in some potential tools and interventions that we believe are worthy of piloting.

1.1 The smart meter journey and the complementary roles for Smart Energy GB and individual energy suppliers

In late 2013, Smart Energy GB considered a number of expert views on the balance of roles for the national engagement campaign for the smart meter rollout (Smart Energy GB’s responsibility) alongside that of energy supplier communication with an individual customer to convert that individual and to set up and deliver their installation (the responsibility of every energy supplier with their individual customers).

In order to properly balance those roles, we considered those expert views alongside research with consumers.

The conclusions were then expressed in diagrammatic form in our Consumer engagement plan (first published in December 2013, and updated annually thereafter) and are set out in figure 1 below:

Figure 1 The customer journey – the complementary roles of Smart Energy GB national consumer engagement and energy supplier engagement with their own customers

We understand that only energy suppliers have individual contractual relationships with individual customers. They are therefore uniquely placed to provide some potential types of support to consumers using smart meters to reduce their energy waste (for example any types of support requiring the use of the customer’s individualised energy use data).

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4 Notably see also DECC’s Policy Conclusions: Early Learning Project and Small Scale Behaviour Trials, March 2015

5 Although it should also be noted that others may also be able to provide this form of support, with consumer consent, using the potential offered by a consumer access device (CAD).
Smart Energy GB and energy suppliers also have a number of mutually entwined legal duties and responsibilities to each other. Notably in relation to their engagement activities with their own customers, these include a requirement on energy suppliers to ensure that their communication with their customers is consistent with the activities of Smart Energy GB. At the same time, Smart Energy GB has a responsibility to ensure that its activities do not restrict, distort or prevent competition in the energy industry.

The development of tools that support consumers with smart meters in better managing their energy use has the potential to become an area of active and vibrant competition between energy suppliers. Reflecting our legal requirement to support competition, Smart Energy GB would welcome such developments, and hopes very much that they emerge.

At the same time, Smart Energy GB has a responsibility to fulfil our legal duty to support behaviour change by communicating principles of best practice and its application to supporting the reduction of waste using smart meters to the whole energy industry, as well as demonstrating the potential value of different types of interventions, from which individual energy suppliers can then learn and choose to use or choose to develop further.

Great Britain’s smart meter rollout is the most significant upgrade to our country’s energy infrastructure for a generation. Millions of smart meters have already been installed. However, with approximately 50 million more to go, we are still at an early stage in the transformation of household technology that is unprecedented in its reach and scale. The long-awaited and much needed upgrade to the way that more than 30 million households and microbusinesses are supported in buying and using energy provides a unique opportunity, not only to benefit consumers but also the country as a whole and the future health of our planet.

Smart meters, and in particular the means by which the meter brings energy use to life, such as via in-home displays (IHDs), show the consumer how much the gas and electricity they’ve used has cost them, and finally offer the potential to allow people to ‘visualise the invisible’.

It is this potential that we believe should form the backbone of any future behaviour change strategy for reducing household energy waste in Great Britain.

As such, in the next sections of this paper we describe our analysis of learning from best practice behavioural models, and so our recommendation of the behavioural model that should be considered by anyone planning to develop interventions and/or tools to support consumers in using smart meters. Towards the end of this paper, we examine a number of potential behaviour change interventions that we believe are worthy of testing to see if they provide exemplars of the kind of tools that can best help consumers in getting the most from their smart meters.
Chapter 2: Lessons from existing approaches to behaviour change

2.1 Behaviour change in the energy sector

Understanding human behaviour and the choices we make (both in private and socially) has long been of great interest to psychologists, marketers, and policymakers alike. But tackling the task of changing human behaviour is especially charged in situations where there is a careful balance to be struck between individual autonomy and public good and even controversy as to what is or is not in the interests of community and society as a whole.

This does not, of course, mean that public bodies have shied away from applying behavioural insights to projects and policies. The success of the Behavioural Insights Team in the UK and the recent establishment of the Social and Behavioral Science Team in the United States, are testament to the power of the promise of thoughtful inquiry and robust testing.

Improving sustainability through consumer behaviour change in the energy sector has been widely investigated, and demand reduction in particular remains high on the agenda for academics, industry professionals and the government.

2.2 The invisible energy and the potential for smart meters to make energy visible

The energy sector is a low-interest category, and has historically suffered from low levels of trust.

Many consumers report a feeling of disengagement from their energy supplier and the industry as a whole, driven largely by both perceived and experienced opaqueness: communications are often difficult to understand and, importantly, a statement of energy use expressed in kilowatt-hours (kWh) is very difficult for any lay person to equate to a concrete, and understandable, amount of energy use.

Without being able to see what we’re using and spending, it is almost impossible to take control and change our consumption habits. This lack of visibility not only makes bringing about meaningful behaviour change difficult, it can also result in worrying trends among those who feel particularly powerless. Stakeholders have highlighted to Smart Energy GB their concern that some consumers with traditional meters choose to self-disconnect, potentially jeopardising their health and well-being, out of fear of the unknown costs of energy, and the terror of the upcoming and unknown bill.

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6 See, for example, Loughborough University’s LEEDR project, or the Centre for Sustainable Energy’s Big Energy Challenge or, indeed, an example of media interest in the BBC’s Great Big Energy Saving Challenge conducted in 2013 in Stonehaven.


8 Ipsos MORI, Ofgem Consumer First Panel Year 4, London, 2012, p. 27.

9 Ipsos MORI, Ofgem, p. 28.
It is our strong conviction that congruousness between behaviours (energy use) and their financial implication can serve as a catalyst for change in both helping consumers decrease their consumption, and in providing those who are most vulnerable with the transparency and reassurance they need to be able to safely heat and eat.

This potential has been at the heart of government’s commitment to the British smart meter rollout since its first consideration as a policy, and lies at the heart of why the ambitions for the British smart meter rollout are deeper than those of some other smart meter rollouts in other countries.

There are many studies that support this view of the potential for smart meters to support behavioural change.

The European Environment Agency has expressed its view that a combination of direct and indirect feedback on energy use is “most successful in changing consumer behaviour and achieving energy savings”\textsuperscript{10}.

The European Smart Metering Industry Group’s (ESMIG) report concluded the key advantage of the IHD over other feedback forms as “the almost real-time aspect which enables participants to link their actions to their energy usage practically in real-time”\textsuperscript{11}.

Ofgem’s ‘Energy Demand Research Project (EDRP)’ found that feedback interventions involving smart meters were successful “more frequently and with larger percentage savings”\textsuperscript{12} - one more example of the growing body of evidence confirming the importance of feedback in reducing energy consumption\textsuperscript{13}.

Far from merely validating the importance of the rollout and the visible feedback hypothesis, the aforementioned studies suggest that the process of installing a smart meter only marks the beginning of the process of achieving sustainable behaviour change.

Smart Energy GB regularly publishes its own research with smart meter users, notably that contained in our twice-yearly tracking research into national public attitudes to energy called Smart energy outlook.

From the most recent wave of Smart energy outlook, we know that even at this early stage in the rollout, around 8.3 million adults in Great Britain live in households that have a smart meter installed or express an active interest in getting one\textsuperscript{14}.

\textsuperscript{11} J. Stromback, C. Dromacque, M.H. Yassin, The potential of smart meter enabled programs to increase energy and systems efficiency: a mass pilot comparison, Helsinki: VaasaETT, 2011, pp. 15-16
\textsuperscript{12} AECOM, Energy Demand Research Project: Final Analysis, St Albans, 2011, p. 4.
\textsuperscript{13} See also Darby (2006) for an older, but seminal review of literature examining the impact of early feedback systems.
\textsuperscript{14} Smart Energy GB, Smart Energy Outlook February 2016, London, 2016, p. 11.
This research also found that 80 per cent of those who already have a smart meter have taken at least one step to change something about their energy use\textsuperscript{15}.

Nevertheless, we must be realistic. Without the right tools and support interventions to deepen engagement, it is likely that some proportion of consumers would develop some fatigue with the energy data simply made visible by the IHD.

In March 2015, DECC published its report on the findings of small-scale behaviour trials. That research found that the most effective support interventions appear to be those that:

- “increased the target audiences’ knowledge of ways to save energy where this knowledge was previously unknown”

- did this in a way “also associated with an increase in the consumer’s self-belief that actions/measures were relevant and easy to undertake”

- did this “where certain specific motivational devices (prompts and free practical aids) also aided change”\textsuperscript{16}

While this research did not distinguish the most impactful interventions in terms of the effect of the behaviour changes on eventual energy consumption (as the trials on which the research was based did not measure this), it did helpfully provide a view on a number of common features and potential adaptions of those features that could increase the effectiveness of potential interventions.

This research reflected the continuing importance of information received in advance of the installation to supporting future successful use of smart meters.

Up to two and a half years after installation, 81 per cent of smart-metered consumers who were surveyed, recalled receiving some form of message prior to installation. Just under half of them recalled receiving material around the IHD and a similar proportion remembered being sent material explaining how a smart meter works\textsuperscript{17}.

\textsuperscript{15} Smart Energy GB, Smart Energy Outlook, p. 6.
\textsuperscript{17} Ipsos MORI, Smart Metering Early Learning Project: Consumer survey and qualitative research, London: Department of Energy & Climate Change, 2015, pp. 32-3.
The final conclusions of this research were:

• “community-based consumer engagement interventions are deliverable and can make a difference”

• “the behaviour change logic model (drivers produce desired behaviour change) and levers appear to work”

• “behaviour change frameworks (MINDSPACE and the COI behaviour change framework) are useful for designing the community-based interventions but should not be applied too restrictively”

• “there needs to be a real-world test using smart meters and evaluated using quantitative energy consumption data (direct and indirect feedback)”

• “partnerships and established community relationships are a pre-condition of the most successful community engagement work”

• “there are merits in targeting the intervention on consumers within communities where there are most likely to be readily tangible benefits arising from energy behaviour change – where the perceived benefit is important, evident and achievable to consumers”

This research, and a range of stakeholder views communicated to Smart Energy GB, have recognised the importance of the installation moment, and the face-to-face interaction made possible when a smart meter installer is actually present in the home, as a moment at which a significant impact could be made on consumer attitudes and intentions. Building on the conclusions of this research, DECC has produced a number of examples of the potential content of materials that could be used as leaflets provided to consumers at the time of installation. Energy suppliers already provide some materials to consumers at the time of installation; their learning from the findings of DECC’s research and using their example materials to enhance their offer in this area could be invaluable.

However, it is also important to recognise that the economics of the smart meter rollout depend on installers being able to complete a number of installations per day and that there is a limit to the amount of time that installers could spend advising customers at the time of installation (and indeed a limit to the range of materials that installers could practically carry to installations, alongside the smart meters and technical equipment that they require to complete the installation itself).

The balance to be struck is therefore to understand how advice at the point of installation can be delivered as efficiently and effectively as possible, and which behaviour change support interventions could have the greatest potential impact, and at what point and through which method those interventions could be delivered most efficiently.

But before considering the development of potential specific interventions, it is important to be clear which behaviour change model or models have the greatest relevance in relation to the changes sought in this area, and thus the approach to delivering behavioural interventions that we believe should drive the development of any specific interventions to support consumers using smart meters.

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9 Pocock et al, p. 60.
Chapter 3: Behaviour change models and the smart meter rollout

We have examined a number of existing behaviour change models and considered their applicability against the task of supporting consumers in reducing household energy waste by installing and then using their smart meter.

In more recent years there has been a shift away from traditional economic models of human behaviour for a number of reasons.

Models are concepts, presenting factors that influence behaviour. They may not in themselves explain why people behave the way they do.

Therefore, we concluded there was a need to learn from the best, but also considered on the way this could be applied to reflect the broad categories of human behaviour and the complex consumer journeys inherent in a project of the scale of the British smart meter rollout.

3.1 Examining existing behaviour change models

With smart meters potentially able to help change behaviour in households across Great Britain, but with varying attitudes to the energy market and energy use within such a wide range of households, we needed to identify models that were particularly strong in reflecting audience identification and its impact on behaviour change levers.

We first examined the COM-B model developed by Michie, van Stralen, and West. The COM-B model “allows us to understand behaviour in the context in which it occurs” thereby enabling a determination of what needs to change.

This model describes behaviour as the output of an interacting system involving three components – capability, opportunity and motivation. Capability refers both to physical capability as well as psychological capability and/or skills.

Opportunity can refer to physical opportunity, environmental influences such as availability of time, resources or the presence of physical barriers, and/or the social opportunity afforded or influenced by social cues and cultural norms.

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Motivation can refer to conscious motivation, planning or evaluated beliefs and/or more automatic or unconscious wants, needs or impulses. Changing behaviour requires one or more of these components to be changed “in such a way as to put the system into a new configuration and minimize the risk of it reverting”\textsuperscript{21}.

COM-B is the starting point for thinking systematically about what the barriers and enablers of a specific behaviour actually are. This approach looks at existing barriers and enablers but also at what it would take to change the behaviour to what we want it to be. It is a great prompt to consider the full range of individual and environmental options that exist and how these could be influenced by mechanisms of change.

Any approach will need to address the intricacies of energy-related decision-making in everyday life – recognising the fact that households use energy in many very different ways.

Any behavioural model would need to reflect not only what influences consumers’ behaviour, but also when, where, how and why these influences occur; and be able to do this for an audience group that is both very diverse and very large.

\textsuperscript{21} Michie et al., A guide, p. 11.
\textsuperscript{22} Michie et al., A guide, p. 62.
3.2 Limitations in the COM-B model and lessons from other models

While the COM-B analysis can provide a clearer picture of a target audience’s behaviour, it does not necessarily help see the full picture.

We believe that is largely because COM-B is predominantly based on rational choice theory of behaviour, i.e. it assumes that if people have the capability, opportunity and motivation to behave in a certain way, they will; but, due to the irrational nature of much human behaviour and the existence of biases, we may not.

The next stage of our examination of theoretical best practice explored the predictable tendencies in our behaviour that appear to flout the rational choice theory and provided the understanding required to come up with nuanced interventions.

Rational choice theory views humans as behaving “in such a way as to maximise the expected benefits to [themselves] (as individuals) from [their] actions”\(^\text{23}\).

The energy sector engaged with the rational choice model of behaviour in the 1970s and 1980s, where information campaigns and workshops formed the core tenets of energy conservation interventions\(^\text{24}\). The theory stated that if energy consumers were better informed about the costs and benefits of their behaviours, they would necessarily make more ‘rational’ energy choices.

At face value, the rational choice model appears particularly flawed in the historic quest for reduction in energy consumption; after all, no rational choice can be made where the relevant information is unavailable (as was the case in a world before smart meters).

Moreover, there is a strong body of evidence that states that where the impact of people’s actions is distanced in either time or space, the prospect of an informed choice becomes unrealistic, and an often unconscious habit takes precedence\(^\text{25}\).

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\(^{25}\) Jackson, pp. 35-6.
Additionally, cognitive abilities are limited, and deliberate action may be affected when active deliberation is sidelined by mental shortcuts. These heuristics and biases form the basis of the popular Dual Process Theory (DPT) which views people as utilising two distinct minds for two different kinds of thinking and decision-making: the automatic system (intuition or System 1) and the reflective system (reasoning or System 2).

The consequences of discounting and biases in the environmental context can be worrying on a global scale (see Carson and Tran for a psycho-economical analysis of long-term issues such as climate change), but also are relevant in shaping our thinking about the individual-level behaviour change we hope smart meters enable.

The difficulty of overcoming habitual behaviour, “even when the new behaviour carries substantial benefits to the individual concerned”, serves as a warning that there is a risk of failure to see desired behaviour change occur if we do not find ways to make the appeal of new behaviour cut-through.

The table below outlines the most relevant biases we believe need to be remembered in any consideration of successful smart meter usage.

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26 Jackson, p. 36.
29 Kahneman.
30 Stanovich and West.
32 Jackson, pp. 36-7, emphasis his.
33 This breakdown draws on Fredriks et al (2015) and Lockton (2012), both invaluable in validating the applicability of these biases to the energy industry, and the smart meter rollout in particular.
<table>
<thead>
<tr>
<th>Biases and heuristics</th>
<th>What this means (problem)</th>
<th>What this means for potential interventions to support use of smart meters (opportunity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status quo bias (inertia)</td>
<td>People avoid decision-making and tend to stick to the default option chosen for us.</td>
<td>It is important to appear to take away the burden of weighing up a decision’s costs and benefits, and make strong, specific and actionable recommendations.</td>
</tr>
<tr>
<td>Loss aversion</td>
<td>People perceive the pain of loss as disproportionately greater than the pleasure of gain.</td>
<td>It could be important to frame the benefit of implementing a behaviour also in terms of the loss of not implementing the behaviour.</td>
</tr>
<tr>
<td>Sunk cost effect</td>
<td>People tend to persist on a course of action once they have invested some effort into it to avoid ‘wasting’ resource that is unrecoverable.</td>
<td>It may be important to encourage consumers to make some commitment or pledge to formally mark, and remind themselves of, their investment in smart meter-enabled behaviour change. The installation moment already involves some commitment on the part of the consumer (e.g. taking time off work), and so it should be considered how best to make this moment motivational rather than purely functional.</td>
</tr>
<tr>
<td>Discounting</td>
<td>People tend to discount the value of future benefits in comparison to immediate gains.</td>
<td>It should be considered how valuable it may be to increase the perceived value of a future benefit enabled by current behaviour by supplementing it with short-term reward(s). Alternatively, the future benefit can be framed in a way that makes it more powerful (e.g. using affect or ego).</td>
</tr>
<tr>
<td>Biases and heuristics</td>
<td>What this means (problem)</td>
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</tr>
<tr>
<td>----------------------------------</td>
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</tr>
<tr>
<td>Availability/recency bias</td>
<td>People tend to act on information that is available, and that they can recall more readily.</td>
<td>It may be important to attempt to make relevant messages more salient and ultimately memorable.</td>
</tr>
<tr>
<td>Satisficing</td>
<td>People tend to spend only enough effort needed to achieve a satisfactory, rather than an optimal, result.</td>
<td>It may be important to frame behavioural recommendations as simple and easy, to encourage people to settle for better without feeling it would require an unwanted extra effort. An alternate approach might be to attempt to shift the meaning of what is considered satisfactory.</td>
</tr>
<tr>
<td>Adherence to social norms</td>
<td>People tend to follow the behaviour of others and conform to expectations deemed 'normal'.</td>
<td>Smart meters and responsible energy behaviour will have to become 'socially approved'.</td>
</tr>
<tr>
<td>Trust</td>
<td>People assess the credibility of a source of information when conducting individual cost-benefit analyses.</td>
<td>Careful consideration will need to be given to the extent to which messages and support for reducing energy will be trusted if delivered by the company/brand that consumers associate with wanting to sell them more energy. It may be important for such brands to demonstrate that they have the endorsement of more trusted organisations for this work.</td>
</tr>
</tbody>
</table>
3.3 MINDSPACE

Taking into account the potential problems and more importantly the potential opportunities set out in the table above we were excited to consider a behavioural framework with a strong pedigree of application to major behavioural change goals, in Great Britain and worldwide.

The MINDSPACE framework was published by the Institute of Government (as part of a joint commission from the Cabinet Office) in 2010.

MINDSPACE itself (as has been acknowledged by its authors) built on previous research and reports on human behaviour, but importantly was developed in the context of application to mass public policy behaviour change goals.

MINDSPACE is a mnemonic, representing the major elements within the framework (and allowing those elements to be easily understood and remembered):

Figure 4 The MINDSPACE framework

<table>
<thead>
<tr>
<th>Messenger</th>
<th>People are heavily influenced by <strong>who</strong> communicates information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentives</td>
<td>People’s responses to <strong>incentives</strong> are shaped by predictable mental shortcuts such as strongly avoiding losses</td>
</tr>
<tr>
<td>Norms</td>
<td>People are strongly influenced by what <strong>others</strong> do</td>
</tr>
<tr>
<td>Defaults</td>
<td>People ‘go with the flow’ of <strong>preset</strong> options</td>
</tr>
<tr>
<td>Salience</td>
<td>People’s attention is drawn to what is novel and seems <strong>relevant</strong></td>
</tr>
<tr>
<td>Priming</td>
<td>People’s acts are often influenced by <strong>subconscious cues</strong></td>
</tr>
<tr>
<td>Affect</td>
<td>People’s <strong>emotional associations</strong> can powerfully shape their actions</td>
</tr>
<tr>
<td>Commitments</td>
<td>People seek to be consistent with their <strong>public promises</strong> and reciprocate acts</td>
</tr>
<tr>
<td>Ego</td>
<td>People act in ways that make them feel <strong>better</strong> about themselves</td>
</tr>
</tbody>
</table>

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The authors of MINDSPACE have modestly acknowledged that some academic purists may be troubled that this framework contains two different kinds of effects, some that are processes or views within people’s minds, as well as some effects that refer to the environment in which people live.

However, we believe that this combination only adds to the value of MINDSPACE as a framework for considering sophisticated policy goals and audiences with as complex a mixture of needs and motivations as those found in the population of Great Britain.

We also considered the record of MINDSPACE in application, and in particular its balance as a model which is not over-deterministic in the direction it sets for potential application, but from which there is genuinely a strong track record of tools and interventions being developed.

As a result, we believe that MINDSPACE provides the most valuable theoretical framework from which to consider the interventions that can best support consumers in successfully using their smart meters to reduce energy waste. In the next section we describe the process that we recommend is used to practically apply the MINDSPACE elements for this aim.
Chapter 4: The SMART approach to applying MINDSPACE

Building on our enthusiasm for MINDSPACE as a theoretical model, we worked with experts to define one intervention development journey with a set of interlinked and coherent steps that are rooted in MINDSPACE.

As a result we have therefore developed the SMART approach to applying the MINDSPACE model, which we believe can help all organisations who are considering what tools or interventions might best support consumers in using smart meters to reduce their energy waste, to move from theoretical consideration to the development and testing of potential interventions.

It begins with setting the scene using the COM-B model, and considering the task within the current landscape, for both the progress of the smart meter rollout, but also how smart meter usage behavioural campaigning has to work alongside any other interventions targeting households on their energy use (and indeed any other element of their day-to-day lifestyle).

We then think that there is a lesson from the COM-B model that can help to frame the next step, which is to map customer journeys and attitudes. The overall smart meter customer journey was described in chapter 1 of this paper. However, a more detailed analysis indicates the specific intervention touchpoints that may have the greatest potential (and helps to identify those that may seem to have potential, but would be practically or economically difficult to use). This identification of intervention opportunities needs to be based in part on looking at existing capacity, and its strengths and gaps.

It is then important, as we did above in chapter 3 of this paper, to account for biases.

Having by this point created a strong theoretical analysis which should direct potential behaviour change intervention/tool choices, it is then important to use research to either validate or challenge the analysis to date and to help test relevance (thus start sorting the wheat from the chaff) of what could be a wide range of different directions for practical interventions/tools.

Finally, the design of tools and techniques that deliver the practical application of the MINDSPACE framework is possible. However, it is worth noting that even at this stage we would recommend piloting/testing of these practical applications in order to test their efficacy and the efficiency of their delivery before being scaled up for mass delivery.
Applying this approach, the earlier chapters of this paper indicate how we have addressed the ‘S’, ‘M’ and ‘A’ elements of the SMART approach to applying MINDSPACE. In the next section of this paper we go on to describe the findings of new research (the ‘R’) that we have undertaken, and then explain some potential interventions/tools that we would be keen to work with others to test (the ‘T’).

Figure 5 The SMART approach to applying MINDSPACE
Section 2

The findings of new research and proposals for potential interventions/tools for testing
Chapter 5: The findings of new research

To test our analysis of theoretical approaches and their application to the motivations and needs of different consumers with different lifestyles and thus variations on the model of the customer journey, we commissioned new research.

This research was both qualitative and quantitative.

The qualitative research was intended to validate and challenge hypotheses around the smart meter journey, exploring the anticipated level of engagement and expectations, challenges and further opportunities for behaviour change. The qualitative study then supported this further by looking at particular ways in which smart meters could help to change behaviour.

5.1 Qualitative research methodology

In November 2015, 32 smart meter users were recruited to complete a five-day online blog, while 32 non-smart meter users completed a two-day blog; these recruits were geographically dispersed.

Using a blog provided the ideal platform to explore consumers’ experiences, giving participants the space and time to reflect and detail their experiences, perceptions and behaviours related to energy in general and smart meters in particular.

For those who did not have a smart meter already installed, the focus of their blogs was predominantly on their understanding of, and hopes for, what smart meters could deliver for them. We also took the opportunity to probe around other initiatives that have encouraged behaviour change in their lives and understand their thoughts and reactions.
5.2 Quantitative research methodology

The quantitative study surveyed 2,338 respondents between November and December 2015. The sample was segmented based on both knowledge and ownership of smart meters.

5.3 Research findings

The qualitative research validated hypotheses on the challenges and motivations different consumers would face at different stages of the smart meter journey. It provided valuable insight as to the type of support consumers would respond positively towards. A summary of the key findings is provided below.
Further important findings from the qualitative research included:

- the key benefits – i.e. convenience, control, ability to save money and the fact that installation is free – were all reinforced as key factors that frame installation in a positive way

- perceived ‘hassle’, on the other hand, was confirmed as a major barrier to engagement and installation. This ranges from a sense that engaging with energy suppliers is inherently a hassle, to a fear of hassle involved in booking appointments with energy suppliers and the service felt to typically be received from energy suppliers to a perception that there is a hassle involved in ‘good’ energy behaviour (such as switching)

- the installer – confirmed as an influential touchpoint, as previously mentioned, and can have a very positive impact on consumers’ overall engagement and longer-term commitment. In this (albeit small) group, those who had a particularly positive and informative experience with their installer got more out of their smart meter and changed more behaviours

- reflecting other studies – some consumers who initially went into an eager ‘fact-finding’ mode of first receiving their smart meter, did not necessarily habituate this behaviour. However, those consumers who found a way to build more regular monitoring comfortably into their day-to-day life found the smart meter more useful in sustaining a change in behaviour

- meeting expectations – while undoubtedly some consumers are enthusiastic about their smart meter experience, we found that expectations are not always met. It is important to help those who might struggle to understand what they could do beyond the obvious or how to track the impact of changes they had made

- highlighting that consumers should not be overloaded with information at any stage. It is helpful to drip feed or ‘chunk’ information for people, as found in other studies. They need time to take advice and apply it to their own lives before they are open to additional hints and tips, which in turn should promote a more sustained longer-term behaviour change


Key findings from the quantitative research include that:

• as found in other studies cited earlier in this paper, irrespective of smart meter knowledge, people claim already to be taking some steps to use less energy and expect that they will take more actions in the future. For those yet to get a smart meter there is a desire to find out ways to use less energy

• monitoring energy usage is critical in facilitating further energy-saving actions. Those who currently monitor energy usage (notably those helped to do this by their smart meter) typically undertake twice as many energy-saving actions compared to those who do not

• making simple changes around the home are most likely to become habitual behaviours

• within the sample, those who had smart meters for more than six months were notably more likely to have considered or sought out products that use less energy (or even considered or managed to replace some of the most energy-hungry products in their home)

We used these findings to help direct a consideration of potential interventions/tools that we believe may have value and be worthy of piloting.
Chapter 6: Examples of potential interventions/tools for testing

The first stage in our consideration of potential interventions based on this research involved our seeking the input of representatives from Enervee, the Helen Hamlyn Centre for Design, research agency Hall & Partners, the Behavioural Insights Team, Public Health England and creative agency AMV BBDO.

Using example customer journeys for a number of different audience segments, and considering the barriers and opportunities each of those highlighted, this group helped us to identify appropriate behaviour change techniques to employ, and potential behavioural change support tools or interventions. Ideas were considered across a broad variety of categories including:

- assets to support suppliers in engagement with their consumers, during and after an installation
- use of media partnerships
- advertising
- marketing partnerships
- merchandise
- experiential

Working with us, the group were particularly keen to consider interventions or tools that might offer the greatest potential for long-term sustainable behaviour change. But they also reminded us that it is important to explore opportunities to secure behaviour change as early as possible.

The group’s input helped us to outline some important development principles against which to develop and evaluate interventions.

1. **Nudging** – interventions that can do what broader, mainstream marketing cannot, to nudge people on an individual basis to change their energy habits.

2. **Habit-forming** – interventions should promote habitual behaviours that become natural and ingrained (as opposed to one-off choices).

3. **Long-term and sustainable** – the more stages of the customer journey the intervention can influence and be sustained over, the better it is.

4. **Value for money** – the impact of the intervention is proportionate to the likely costs of its implementation.

This resulted in the creation of a ‘long list’ of more than 50 interventions to take forward to the next phase of consideration.
6.1 Further research to assess potential tools/interventions

Before being taken to research with consumers, the ‘long list’ of intervention concepts was reviewed in internal workshops against a range of parameters including:

- cost-effectiveness
- likely appeal
- potential impact on behaviour and fit with the legally defined balance of roles between Smart Energy GB and energy suppliers

These were then reviewed again against the development principles and shortlisted to 23 concepts. These were further worked up and visualised as creative concepts, a selection of which are outlined on the following page.
Figure 7 Examples of visualisation of a selection of shortlisted creative concepts

**Commitment**
**Tell your friends**
You’ll be encouraged to spread the word about your positive smart meter installation, ideally through Facebook, LinkedIn or other social networks. You’ll receive special offers, discounts and rewards when you encourage 5 friends to sign up. When all have smart meters installed your group of friends can then maintain an online community sharing tips and savings and working towards goals for which you will all be rewarded.

**Ego**
**What have you got to lose?**
Use of certain devices and particular energy habits result in significantly higher energy bills.

A series of communications is produced that points out the types of behaviours that contribute most to excess energy consumption and the devices that waste the most money.

They are easy fixes – what have you got to lose?

**Messenger**
**Smarter meter school programme**
Once a term there is dedicated school time where children learn about the importance of smart meters and conserving energy through specially designed resources.

They will be given a take home pack of practical hints and tips to encourage them to put what they’ve learnt into practice at home and get the rest of the family involved.

**Incentive**
**Smart rewards**
Every consumer that has a smart meter installed is instantly entered into a prize draw.

In addition, post-installation, specific activities such as using the in-home display and reducing energy usage by a certain level increase the number of times you are entered into the draw.

Draws are made monthly/quarterly with prizes presented.

**Ego**
**What have you got to lose?**
Use of certain devices and particular energy habits result in significantly higher energy bills.

A series of communications is produced that points out the types of behaviours that contribute most to excess energy consumption and the devices that waste the most money.

They are easy fixes – what have you got to lose?

**Priming**
**Installation Checklist**
Having your smart meter installed is the perfect opportunity to get all the information you need to get the most from your smart meter. But there is a lot to find out.

This handy installation checklist will ensure you know just the right questions to ask. And give you confidence that you know what you need to know.

**Salience**
**Smart like me**
We all like to have some reassurance that we are making the right choices across all aspects of our life. The ‘Smart like me’ programme aims to provide that reassurance.

You can access a series of charts and graphs online that allow you to benchmark your energy usage and your level of savings against ‘people like you’ who live in similar areas or a similar type of house.

You can also see the typical seasonal impact on your bills and explore the kind of energy saving tips that work best for people like you.
We then brought together consumer focus groups to examine these 23 concepts, to enable prioritisation of those interventions/tools that were most worthy of further development.

6.2 Focus group findings

The focus groups (which involved the same individuals who had participated in the first phase of qualitative research described in section 5.1 of this paper) aimed to test reactions to the 23 shortlisted behaviour change intervention/tool ideas.

The structure of the sessions allowed exploration of the specific ideas, while still leaving space for fresh and challenging ideas to emerge.

Participants were shown the range of intervention ideas, and feedback was sought on how impactful each idea was likely to be. The assumption was that completing the online task sensitised participants to the key issues, and ensured they were better positioned to qualify ideas that would push them towards adoption and/or change their energy behaviour.

The group dynamic provided a fertile and productive atmosphere to explore the stimulus more objectively.

The groups also considered what brand/delivery mechanisms might make consumers most receptive to the tool or intervention (e.g. individual energy suppliers, Smart Energy GB, a combination of the two, or another external party) and the most appropriate channels, language and tone of voice needed to maximise effectiveness.

Comparing and contrasting the different perspectives from the members of the focus groups who were smart meter users and those who did not yet have their smart meters, allowed us to get two points of view when it came to evaluating the ideas.

Across the board, consumers responded positively to interventions as bringing greater clarity to energy usage and the impact of changes in behaviour. They fed back that ideally interventions should tap into existing behaviours and avoid creating additional effort. It was also clear that more personalised feedback and advice would help to maintain behaviour change but again the groups stressed that it must be achieved with low effort.

The appeal of ideas was broadly consistent across different audiences but it was clear that some groups might be more receptive and others more difficult to engage at some stages than others.

Perhaps, unsurprisingly, the older and more risk averse audience groups were relatively more likely to find digital ideas less appealing but this was not a defining characteristic; with a number of these segments highly engaged with potential digital interventions.

A number of the interventions focused on engaging children within the household and, unsurprisingly, the appeal of these was broadly determined by whether the participant had children of the appropriate age at home.
In terms of who was best placed to deliver the intervention, energy suppliers, external partners and Smart Energy GB were explored as potential options. It was important to sense check whether the body behind delivery would impact the effectiveness of a particular intervention, and so some ideas around the installation process were deemed more suitable coming from the energy supplier (or an energy supplier in partnership with a more trusted third party) with whom the consumers have a contractual customer relationship.

Also a number of ideas relating to bills also felt more natural coming from the energy suppliers.

However, many of the ideas focusing on longer-term behaviour change, saving energy and therefore money, were deemed to be more credible if, in the consumers’ eyes, they were delivered by, or with the strong brand endorsement of, an independent body.

The key objective of this stage of research was to identify a selection of behaviour change intervention ideas that could be worthwhile to pilot and test for broader rollout. The culmination of this stage of research resulted in a shortlist of nine ideas.

6.3 Further consideration that refined the list of tools/interventions worthy of pilots/testing

The insight from the focus groups was extremely valuable in identifying nine potential tools/interventions.

We then considered all nine of these potential interventions/tools against a number of criteria including:

• claimed and expected popularity/engagement (based on a more detailed analysis of the consumer research and an examination of similar interventions in other areas)

• the likelihood to achieve long-term behaviour change (based on a more detailed analysis of the consumer research and an examination of similar interventions in other areas)

• who would need to be involved in the intervention for it to be delivered and the likely practicality of involving any partners in a trial

• the scale required for robust testing

This allowed us to focus on three theme areas for potential development and progress to a potential stage of piloting and testing in the field for value and efficacy.
Theme 1: Out of the box

This theme is based on the insight that a consumer, who has a positive installation experience, is more likely to use their smart meter and continue to modify their energy usage and behaviour in the future. The idea focuses on being excited about and feeling some commitment to the point of installation as the crucial touchpoint for triggering the formation of new habits, and is based on the following intervention ideas tested in the consumer research; Installation checklist and Get ready for a smart future. We have also considered example factsheet materials recently produced by DECC to support installation communications, to ensure that this idea complements rather than repeats/substitutes for those materials.

Figure 8 Out of the box

Get ready for a smart future - priming

When you agree to the installation of a smart meter you receive a teaser package a few days before the scheduled installation. The package contains interesting and exciting content about how to get the most out of your smart meter, a few key energy saving ideas to get you started and support for getting the rest of the household involved in saving energy; alongside some motivational incentives.

Installation Checklist - priming

Having your smart meter installed is the perfect opportunity to get the information you need to get the most from your smart meter. But there is a lot to find out.

This handy installation checklist will ensure you know just the right questions to ask. And give you confidence that you know what you need to know.
Theme 2: Companion

This theme is based on the learning that consumers are looking for tangible feedback about their energy consumption. It draws on the lever of social norming by exploring different benchmarking options throughout the customer journey.

Figure 9 Companion

Smart like me - salience

We all like to have some reassurance that we are making the right choices across all aspects of our life. The ‘Smart like me’ tool aims to provide that reassurance.

You can access a series of charts and graphs online that allow you to benchmark your energy usage and your level of savings against ‘people like you’ who live in similar areas or a similar type of house.

You can also see the typical seasonal impact on your bills and explore the kind of energy saving tips that work best for people like you.
Theme 3: Looking to the future

This theme recognises the need to support long-term interest, in particular for those who may lack the knowledge to implement further changes.

Figure 10. Looking to the future

Beyond smart meters - incentives

Being more energy efficient and saving money isn’t just down to switching off the lights. Every month you’ll get an update/email/newsletter sharing detailed, personalised and useful energy saving ideas based on your individual circumstances and what we know and understand about the way you use energy.

You’ll also get first sight of the latest in energy saving products that can lead to greater savings longer term.
Chapter 7: Conclusion and an invitation to energy suppliers to work with Smart Energy GB on trials

We hope that the analysis of behavioural science theory, our recommendation of the behavioural science model that could best tap the smart meter opportunity, and our SMART process for applying that MINDSPACE model will be valuable to any organisations considering how they can support consumers in using their smart meters to better manage their energy use.

We have already, and will continue to, reflect behavioural science best practice in all elements of our campaign.

By their nature, many of the potential interventions or tools to support use of smart meters that could be developed from this framework, could only be delivered by individual energy suppliers, or by an independent organisation (whether Smart Energy GB or anyone else) working with individual energy suppliers to add impact to what those suppliers could achieve on their own. While Smart Energy GB playing a role in their development might best maximise efficiency and quality, the participation of energy suppliers would be necessary for any further piloting of these ideas (let alone their delivery on a larger scale).

Reflecting our role in supporting the development of best practice, beyond the publication of this paper, Smart Energy GB would welcome any individual energy supplier or group of energy suppliers who want to work with us to support taking these ideas from the phase of research to date to prototyping and piloting. We also welcome that in its recent guidance to energy suppliers, Ofgem has made clear that it believes that the area of providing support for consumers to help them lower bills, live in a more comfortable home and contribute to reducing the country’s carbon emissions, is an area in which the spreading of best practice among energy suppliers is to be encouraged.

Between publication of this paper and the end of this year we will discuss with energy suppliers whether any would like to work with us in this way. Based on the feedback that we receive, we will either progress with the development of such pilot(s), or would have to assess what potential best practice interventions might still have value (and be practically possible) if delivered by Smart Energy GB itself or by ourselves and another partner.

We are passionate about the potential of the smart meter rollout to facilitate behaviour change on a scale and impact that is unprecedented. We look forward to continuing to deliver our part in making that change a reality.

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DECC’s Policy Conclusions: *Early Learning Project and Small - Scale Behaviour Trials*, London, Department of Energy and Climate Change, March 2015


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