

Smart Meter

Central Delivery Body

Engagement Plan for Smart Meter Roll-out
December 2013

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Executive summary

The smart meter roll-out programme constitutes the largest transformation of a core area of nationwide infrastructure undertaken in a generation. It is a programme that aims to reach every household across the whole of Great Britain.

It is an enterprise whose success is dependent on positive engagement from consumers living in each of those households. It will not be enough to achieve a passive acceptance of installation of smart meter kit in the home. The nature of the programme means that success depends on consumers positively participating and changing their behaviour. This creates the necessity to engage and enthuse a whole nation with the benefits of smart meter technology. Throughout this plan, when we refer to smart meter technology we do not refer only to the new meters on the wall and the infrastructure that stands behind them. Critically, we also refer to the parts of the system that directly interact with the consumer, such as the in-home display detailing energy consumption and its cost, and the range of online, app and other versions of such interfaces that exist today and will grow in number in the future.

Successful smart meter communication campaigns in other countries promoted immediately accessible consumer benefits, such as controlling what you spend. They anticipated to whom consumers would turn for advice (and ensured they were equipped to give it), and learned from customer contacts and queries to evolve messaging and guidance.

Both 'saying yes' to having a smart meter installed, and 'starting to use smart technology' for control of energy use, are what are called 'innovation decision behaviours'. Deciding to adopt an innovation is a specific type of behaviour, one which starts with uncertainty and, if adopted, evolves to confirmation. The innovation decision process model we will use identifies important influences to be factored into the engagement plan such as social feedback, visibility and experience.

The audience for the smart meter engagement programme is, by necessity, the entire population. Nevertheless, within this mass audience there are specific groups that we will need to consider, whose needs will be different from the majority and whose receptiveness to the idea of smart meters will be either higher or lower depending on their situation and attitudes.

Branding will play an important role in driving consumer engagement with smart meters. The brand will be used both to drive the development of the consumer campaign and to make the roll-out programme itself feel coordinated and ubiquitous. Based on our research to date, we anticipate that the brand will draw on the concept of 'control', with its values clearly positioning the brand as a consumer champion.

The newness of innovations tends to cause uncertainty – will the benefits outweigh the costs? The overall role of communication is to help people recognise the advantages of smart meters for themselves, both before and after installation. The starting point is positioning the smart meter as a positive innovation – over 7 in 10 adults already think

smart meters are a good thing for the country.¹ The behavioural model and audience insights also identify roles such as creating a sense of social change, reassuring concerns and creating a brand with consumer and third party partner appeal. For each role, we set out potential communication tasks, such as creating a universal icon and helping to shape the materials provided at installation.

The core message of our consumer engagement programme is that smart metering puts people in control.² By giving us the insight we need to change our behaviour, we can reduce energy usage and wastage, and therefore reduce our bills. To cut through, we will need to frame the message to reflect the existing cultural context, reassure consumers that there are 'no catches', and also tailor our message to reflect specific needs.

The media landscape has been transformed over the last 10 years by the growth of digital media. However, conventional channels continue to thrive. TV still takes the majority share of our media consumption, and other traditional channels such as outdoor and direct marketing continue to grow. The 'paid, owned, earned' framework provides a useful way to navigate this landscape and identifies the need for us to consider how the smart meter engagement programme should use a wide range of channels to reach and engage all its target groups, while being mindful of our duty to ensure that our engagement activities are carried out efficiently. Partnerships, in particular, are likely to be very important in reaching vulnerable audiences.

The phasing of the smart meter roll-out programme presents several challenges for engagement: we must build and maintain momentum, keep our message fresh and interesting, and ensure that we don't leave anyone behind. To do this we will need to adopt sensible and pragmatic ways to help us phase messaging, targeting and budget best to reflect the needs of consumers throughout the roll-out period.

The focus for 2014 will be on building the foundations that will underpin the engagement programme. We will carry out further research to ensure our thinking is robust and evidence based, create detailed channel plans together with a brand and campaign identity, and build up our a website so that public information is available to those who seek it out.

This plan now becomes a living and evolving guide to our approach. We will continually assess the need to develop and amend this plan, and will report back annually on why any changes may be needed, and how we are going to action those changes.

Alongside this plan, the SMCDB will also be publishing more detail on activities in 2014, as well as the Performance Management Framework that sets out principles for the evaluation of the outcomes of the organisation's work.

1. Informing the development of the consumer engagement plan

1.1. Overview

The smart meter roll-out programme constitutes the largest transformation of a core area of nationwide infrastructure undertaken in a generation. It is a programme that aims to reach every household across the whole of Great Britain.

It is dependent on positive engagement from consumers living in each of those households. It will not be enough to achieve a passive acceptance of installation of smart meter kit in the home. This creates the necessity to engage and enthuse a whole nation with the benefits of the programme.

This in turn means that a huge number of people from all backgrounds will need to understand and have a positive view of:

- What smart meter technology is, and how it can benefit their lives today and in the future.
- How, and when, they can access the technology.
- What it means to have the technology installed and what they can expect installation to be like as an experience.
- How they can, with minimal effort, integrate the use of smart meter technology into their day-to-day lives.
- The tangible improvements in life that it will deliver for them.

In this way the aims of the Great Britain smart meter programme are different to the majority of the programmes already executed in other countries. The aims of those programmes were either more limited (for example, a sole aim to crackdown on lost revenue, or use of roll-out to extend the grid). Please see chapter 3 for more analysis of international experience and how we believe it informs the GB engagement programme.

This difference adds to the challenges of the British programme, but it is crucial to say that we see it as a great positive about the British smart meter roll-out. By putting consumer benefit at the very heart of the aims of the programme, we have the opportunity to use the GB roll-out of smart meters to transform energy usage behaviour and make a step-change in the empowerment of consumers of electricity and gas. That is the ambition of the SMADB in designing our consumer engagement approach and programmes of activity.

1.2. Understanding the people we exist to serve

Our starting point in developing the plan to achieve this ambition was to deepen our understanding of the British population whom we are charged with serving and our understanding of the priorities and challenges in their lives.

We have achieved this through absorbing existing research from organisations such as DECC, Ofgem and Consumer Futures, through wider desk research, new bespoke qualitative research and quantitative polling, and through a review of current social and cultural trends.³

Our audience is a diverse mix spanning all demographic groups and with a wide range of different needs:

A few key facts about our wide audience

- Today one in ten of the British population is over 65. By 2030 this will be one in five.
- The population of Great Britain was estimated to be 61m in mid-2012.
- 900,000 people in England & Wales have little or no spoken English.
- 17 million adults in Great Britain have the numeracy level expected at the end of primary schooling.
- 16% of adults in England have literacy levels at/below that expected of an 11 year old.
- Over half of Londoners live in flats.
- The average weekly wage is £500 per week and the average salary is £26K per annum.
- 35% of the population rent their homes.
- 91% of owner-occupiers live in houses and only 9% live in flats.
- 56% of those renting in GB live in houses and 44% in flats.
- There are almost 1.5m households in Wales and almost 2.5 million households in Scotland.
- 60% of those aged 25-34 rent their home. But so do 27% of those aged over 75.

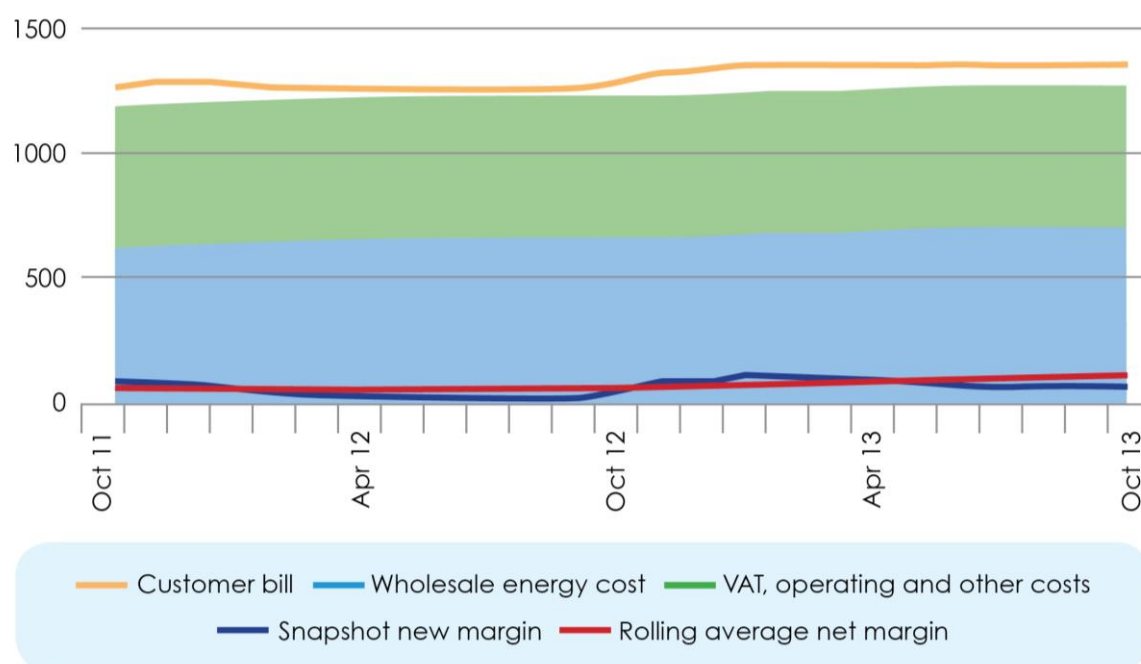
Despite this breadth of different needs and lifestyles, there are some clear contextual themes that dominate the cultural and social landscape in Britain today, and which inform consumer attitudes to a wide range of issues, including smart meters. A recent analysis by BritainThinks identified the following four 'mega trends':⁴

1. **Declining levels of trust:** Corporates of all types (with energy companies certainly not bucking the trend) continue to lose the trust of consumers. 69% of consumers agree with the statement "most companies will take advantage of the public if they feel that they are not likely to be found out".
2. **Squeezed Britain:** There has been a £7 fall in average weekly discretionary household income between 2011 and 2013. **Consumer confidence stands at -27% and the last time that it was positive was 2005.**
3. **Networked Britain:** around 55% of Britons own smartphones and 54% of them watch TV while surfing the web on their smart phone. **Mobile is predicted to grow by an average of 39% each year from now until 2016.**
4. **Team me:** "If you are going to talk to me, understand what really matters to me and make that your priority."

To ensure effectiveness, it is imperative that engagement about the smart meter roll-out is framed in the context of these four 'mega trends'.

1.3. Gas and electricity consumption and British consumers

The latest (31 October 2013) analysis of the annual bill for an average dual fuel customer on a standard tariff shows that the average consumer now pays £1,250 a year for their energy, with about half of that cost coming from the wholesale energy cost and the remainder being made up of VAT, operating and other costs.⁵



There is no doubt that British consumers share significant concerns about the current impact of the cost of the electricity and gas that they buy, as evidenced in recent media debate. The findings from focus groups conducted by the SMCDB to inform the development of this plan reinforced this, as well as uncovering valuable insights about how people think and feel about energy. (These insights are described in greater detail in chapter 4 and the implications for messaging and branding in chapter 7).

Key insights from the groups:

- **People feel an overwhelming, urgent need to gain more control** over the amount of gas and electricity they buy and what it is costing them.
- **Many people don't understand the energy they are being sold**, the units it is sold in, the unit price, and the link between what they consume and the bill they pay.
- **Many people are trying to take manual steps to manage their gas and electricity**, but without the benefit of smart meter technology to inform them they are guessing which appliances cost the most to use, and are not sure if what they are doing is helping or not.
- **Switching suppliers doesn't always lead to a better deal**, as consumers are not always able to provide the accurate information needed to understand what deal to switch to. Something that could help them switch with confidence could be a great help.
- **Levels of information provided to consumers about the energy they buy feel outdated** in comparison to other service sectors such as mobile phones, retail or broadband.
- **Awareness of smart meters is growing but understanding of their benefits is currently limited** as is knowledge of the roll-out programme.
- **Some people are using prepayment voluntarily** as they see it as the only way of having sight and control of their spend.
- **There is real confusion amongst renters** as to who (landlord or tenant) has authority/responsibility to arrange a smart meter installation.

1.4. Understanding the domestic consumer benefits of smart meter technology

The insight gained from the research headlined above, as well as input from our expert stakeholder events, has allowed the consumer engagement plan to be built on an understanding of the immediate and longer term benefits that domestic consumers could secure through smart meter technology. These can be summarised as follows:

Immediate/short-term benefits

- Ability to see consumption of gas and electricity in near 'real-time' and the cost of that consumption expressed in pounds and pence.
- Ability to make choices to manage consumption, based on the above.
- Knowledge of costs being incurred long before receipt of a bill.
- Confidence that bills will be based on actual consumption.
- No need for a meter reading (by a meter reader or by a consumer) to secure an accurate bill.
- Ability to choose to share data on consumption with third parties (such as price comparison services) to receive recommendations on deals and support in switching.
- For prepayment customers, significant improvements in quality of experience (e.g. ability to top up without having to visit a shop, no reliance on the "key" for top up) and, potentially, reduction in the premium charged to prepayment customers.
- The insight to understand how switching tariff, payment method or supplier could lead to genuine cost savings.
- Faster response to power cuts since the system is no longer reliant on an individual informing their supplier of problems.

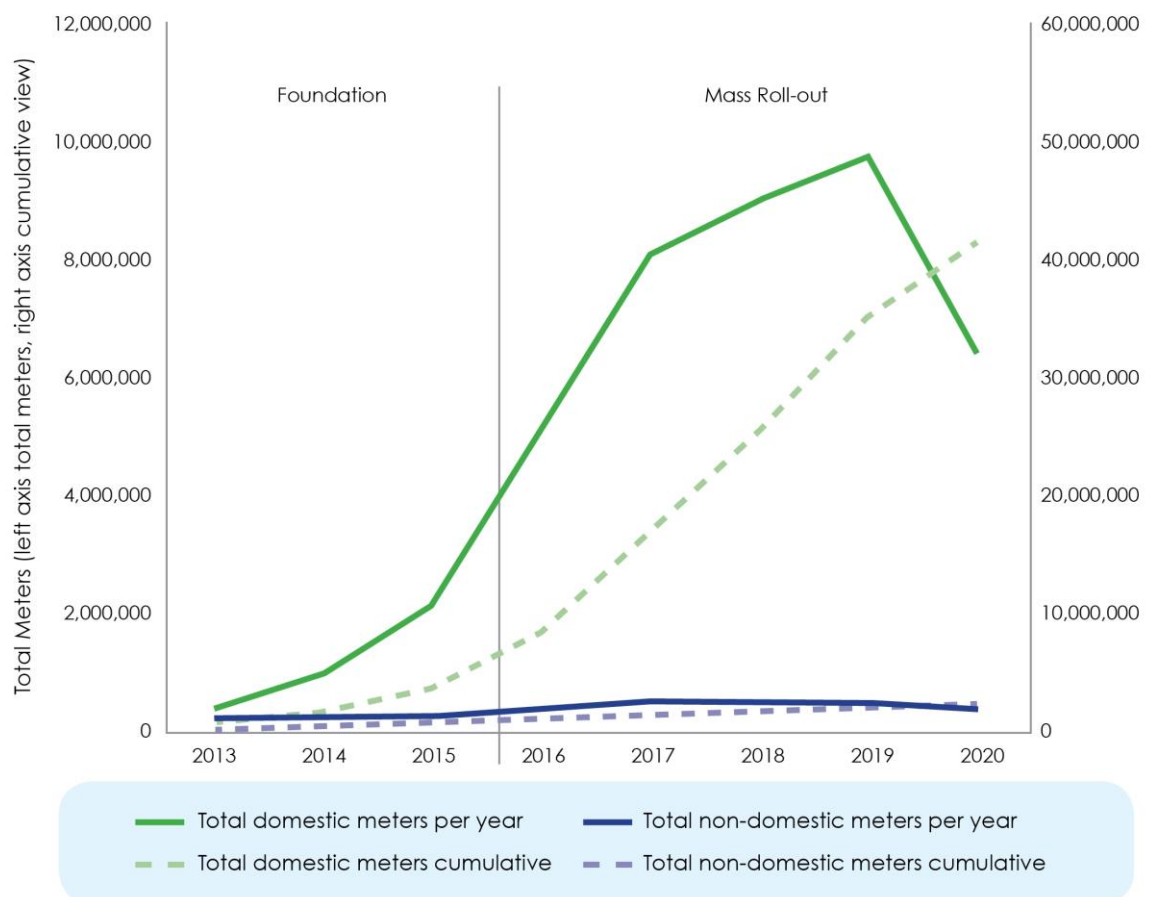
Medium/long-term benefits

- Benefit from increasing availability of time-of-use tariffs.
- Increasingly supporting an overall smarter home, in particular smart appliances that automatically seek out the best value times to use energy.

1.5. Understanding the timetable of smart meter roll-out and implications for planning engagement activity

Our understanding of the latest planned numbers of domestic and non-domestic smart meter technology installations in homes (and to non-domestic customers) across Great Britain, throughout the seven years of roll-out is outlined below:

Planned installations of smart meter technology (year by year and cumulative total) between 2013 & 2020



These plans show that there are a significant number of installations planned in the “Foundation” stage of roll-out (before Autumn 2015), but that the ramp-up in installation numbers comes from the start of mass roll-out in late 2015. From that point onwards, until the end of the programme, it is intended that every year tens of millions of householders will enthusiastically accept an installation of smart meter technology in their homes and become users of that technology.

It is important to note that not all suppliers will offer, or support, the full range smart metering benefits prior to Autumn 2015. In this early period, this may for example mean

that consumers could lose smart functionality when they switch supplier or that their supplier will only support smart credit services and not prepayment.

The current roll-out timetable reflects the delay in the roll-out programme announced in early 2013. The House of Commons Environment & Climate Change Select Committee stated that “changes to the timescale for mass roll-out present a welcome opportunity to ensure that the consumer engagement programme is well under way before mass roll-out commences.”, and the Department for Energy & Climate Change in its response to the Committee supported this recommendation.⁶

As such, in this plan the SMCDDB has considered how best to use the time in 2014 and the first three quarters of 2015 to implement the right level of mass activity to build awareness in a way that is most likely to facilitate smart meter knowledge and enthusiasm ahead of the start of mass roll-out. Please see chapter 9 for detail of our analysis of implications for phasing of communication.

Looking ahead across the years 2014 to 2020, it is currently still unclear whether and how patterns of installations (e.g. by geographic area or housing type or any other pattern that may be useful to assist the logistics of such a large national roll-out) will emerge as planning for installations is turned into the reality of suppliers contacting individual households and making installation visits. The SMCDDB will be informed by DECC, the DCC and by individual suppliers themselves if it becomes clear how such patterns are emerging (or indeed are planned) and in this way the timings and focus of engagement activities can be adjusted as appropriate.

1.6. Understanding the SMCDDB's role in relation to engagement with non-domestic consumers

The objectives of the SMCDDB in relation to building consumer awareness of, confidence in, and willingness to use smart meter technology relate to all energy consumers at domestic premises in Great Britain.⁷

In relation to non-domestic consumers, the SMCDDB has a responsibility limited to extending its activities where it is cost-effective to do so, targeting non-domestic consumers (specifically micro-businesses) whose electricity consumption falls into the Balancing and Settlement Code (BSC) profile classes 1, 2, 3 or 4.⁸

Reflecting this balance of responsibilities, the starting point in the development of our plan has been our focus on domestic consumers. However, throughout both the plan and (more importantly) throughout the life of the SMCDDB, we will, as we implement the plan, develop activities with the aim of facilitating their cost effective replication/adaptation for non-domestic audiences (if at all possible). We will also work closely with those partnership organisations that could aid in this cost-effective extension of the SMCDDB's domestic engagement material into the non-domestic setting.

2. Learnings from international smart meter roll-out communication activities

2.1. Overview

Successful smart meter communication campaigns in other countries have promoted immediately accessible consumer benefits (such as controlling what you spend), anticipated to whom consumers would turn for advice (and ensured they are equipped to give it) and learned from customer call centre queries to adapt messaging and guidance.

2.2. Learnings already applied

In planning for its smart meter roll-out, the Great Britain programme has already applied some learnings from the experiences of the countries that have completed, or are currently installing, smart meters. Three major learnings have been:

1. Approaching the roll-out as a consumer-focused initiative:

- Building consumer understanding of smart meter technology ahead of installation.
- Focussing on consumer benefits.
- Introducing in-home displays alongside smart meters so consumers can easily see their energy use and costs and have more control over them.

2. Recognising the importance of consumer choice:

- Allowing consumers to determine how their data is used and by whom (beyond data necessary for billing).

3. Addressing protections around the new technology and its roll-out:

- Commissioning independent reviews on health and safety.
- Setting detailed technological standards for smart meter equipment.
- Establishing codes to govern key areas, including the installation process.
- Incorporating strict data protection standards.

In this section we draw together learnings and examples of campaign materials from the smart meter consumer engagement programmes in three countries: Australia, USA (Southern California & Florida) and Canada. We have selected these roll-outs because they have used consumer engagement from the start, in the Canadian and US examples, and from mid-way in the case of Victoria, Australia. In our research we also looked at the experience in Northern California, where we believe some best practice lessons were not learned until too late. To give some context to the learnings from Southern California, Florida and Ontario, the table below gives a snapshot of the size, regulatory framework and key marketing messages of each country's roll-out:

2.3. Smart meter roll-out snapshots: Australia, USA, Canada

Victoria

- Privatised energy retailers
- 2.6 million meters installed 2008-2013
- Mandated by Government; distributor-led installation
- Lack of communication forced consumers to rely on often inaccurate online sources and stories
- New party won election and ordered a review
- Introduced Government led consumer-focused communication campaign: **SwitchOn: Take charge of your power bill**
- Smart meters, flexible pricing and a Government-run, whole market price comparison website
- Web portals provide usage data, now also rolling out In Home Displays (IHDs)

Southern California and Florida

- S. California: Southern California Edison: 4.6 million meters installed 2009-12
- Award winning comms campaign
- Florida: Florida Light & Power 4.5 million meters installed 2008-2012, completed 9 months ahead of schedule
- Relatively low levels of consumer concern
- Opt out: currently approx 0.5%
- **SCE Campaign: Carl & Eddy Energy Gurus**
- Florida Consumer Campaign: **Energy Smart Florida: Control and Convenience + Service Reliability**
- Web portals, not IHDs: accessed by 15% of Florida consumers

Ontario

- 50+ provincially regulated, municipally owned suppliers
- By 2010 all 4.5 million households in Ontario had a smart meter
- Mandated by provincial government, installed by energy suppliers
- Almost no consumer concern
- Government-led consumer education campaign, co-branded with energy suppliers, with their own material heavily referencing Government materials
- Messaging focused on shifting energy use with time-of-use tariffs
- Web portals provide usage data, now also rolling out IHDs

2.4. Learnings from implementation

The following learnings have been gleaned from interviews with members of the communication teams in each country and the material they shared with us.

2.4.1. Messages: lead with the consumer benefit

- **'Take control' is the primary consumer benefit:** in each of the international roll-outs we considered, 'taking control' was a common central message, yet it was communicated differently:
 - "Take charge of your power": Victoria
 - "Take control of your electricity bill": Southern California
 - "You're in control": Florida
- **Smart meters enable a smarter relationship with energy consumption:** All of these roll-outs referenced the smart meter in the context of a smarter grid and time-of-use tariffs:
 - In Ontario smart meters were introduced alongside time-of-use tariffs, with messages encouraging consumers to "shift your electricity use and see the difference it could make to your bill."
 - In Victoria – the smart meter was one part of a package of measures that helped consumers to take charge of their power bill through the following initiatives:
 - Shop around for the best energy retail offer to suit your needs.
 - Improve your household's energy efficiency by purchasing goods and services at a reduced price through the Victoria Government's Energy Saver Incentive scheme.
 - Compare your energy use to similar households, and find out where you can save on your bill.
 - In Southern California smart meters are part of the Edison SmartConnect® programme "they give you secure access to information, programs, and tools for greater control over your energy use and budget".
 - In Florida smart meters and smart grid were launched together as a concept, with the additional benefit of more reliable supply (a big issue in a state prone to extreme weather events such as hurricanes).
- **Create a positive vision of a smart energy future:** Southern California's award winning consumer engagement campaign included a Smart Energy Experience Exhibition where the public could see the benefits a smart meter could bring to homes in the future, including smart appliances.
- **Evolve messages and engagement activities to respond to consumer feedback throughout the roll-out:** Both the US and Australia monitored the kind of questions and concerns that consumers were directing to smart meter websites and call centres. In Australia, this led to devoting more resources to face-to-face engagement with the elderly and local community groups.
- **Sharing a core script for explaining smart meters:** In Australia and Canada, the government bodies created a core script, language and materials to explain the

workings and benefits of smart meters - this helped reduce confusion and ensure the communication was clear and reassuring.

- **Customer testimonials:** The US used testimonials to illustrate how different types of customers, from single person homes, to families and older households, have changed what they do in response to a smart meter and real time data.

2.4.2. Communication phasing

- **Celebrating completion and what this means for future opportunities:** In Florida there were three phases of communication: a big bang, multimedia launch, followed by local level communication, e.g. community newspapers, to promote local installation. The third phase was another high profile, multi-media campaign to announce smart meter roll-out reaching key stages of completion and re-emphasise the choice and control benefits as part of a smart home/grid.

2.4.3. Channels: paid, owned and earned

- In markets with multiple energy suppliers, such as Ontario and Victoria, campaigns used multiple channels to reach their audience:
 - Paid: TV, radio, newspaper, web advertising, print
 - Owned: Employees, website, bill inserts
 - Earned: Media and stakeholders
- In the US, where a dominant energy supplier was installing meters to its customer base, owned media was the major channel used, for example a website and bill inserts.

2.4.4. Responding to smart meter fears and concerns: anticipate, present evidence and adapt response based on ongoing consumer feedback

- **Separate concerns messaging from benefit communication:** Victoria learnt that communication materials that included both smart meter benefits and information addressing myths caused confusion, prompting anxiety unsupported by facts and concern where there was none before. They remedied this by focussing their SwitchOn campaign on the benefits of flexible pricing, energy efficient products and comparing electricity price deals. A separate smart meter website focused on the facts of how smart meters work and provided reassurance on myths about installation, health and privacy.
- **Government coordinates common response to concerns in Australia:** The Victoria Government coordinated the response to myths around smart meters, so all distributors referred to the same evidence if contacted about concerns.
- **Independent reports and third party experts:** Australia and the US commissioned experts to provide credible and tangible information on health, data privacy and accuracy.
 - To help dispel health myths, independent reports in the US compared smart meters with baby monitors and electronic car keys to give a comparable sense of their signal strength.

- This was combined with the message that smart meters only emitted a signal for a short period each day.
- Fact sheets were available to download on websites.
- **Effective management of a delay list for opt-outers, including one-to-one discussion with engineers:** Consumers in California who said they did not want a smart meter were put on a delay list. As the roll-out began to wrap up, these households were re-contacted. Some had changed their minds in the interim and agreed to have smart meter technology installed. If consumers still said they did not want one, they were offered a one-to-one visit with a smart meter engineer. Following these visits, nine out of ten customers agreed to have a smart meter fitted.

2.4.5. Stakeholder Partnerships

- **Involve consumer and community groups in engagement planning from the start:** Early involvement of stakeholders in the planning as well as the delivery of engagement led to a greater sense of ownership and involvement among stakeholders. In Victoria, consumer groups would respond to criticism of smart meters in the media spontaneously, meaning independent voices were responding to issues as they arose.
- **Identify and educate individuals and groups that consumers will turn to for advice or see as opinion leaders:** In Florida, they identified the following groups and ran one-to-one or group briefing sessions with them:
 - State regulators and legislators
 - Public Counsel (Consumer Advocate)
 - Local government leaders
 - Business community
 - Media
 - National legislators
 - As needed: public works, sheriffs, fire chiefs
- **Regular meetings with energy companies during roll-out:** In Victoria, the government communicators met bi-weekly with energy distributors and retailers during roll-out to update each other on consumer concerns, the impact of communication activities and to share ideas.

2.5. Examples of campaign materials

Victoria, Australia



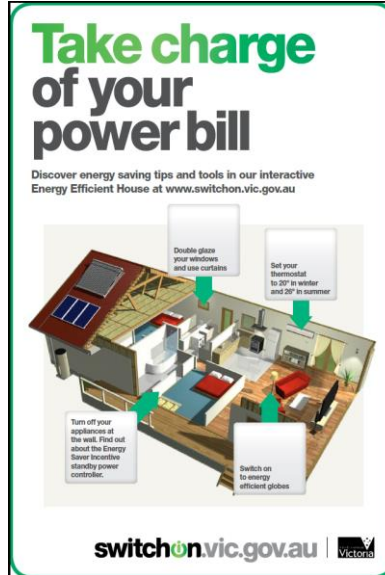
Take charge of your power bill

compare Use the Energy Calculator to compare your energy use to other households.

explore Get energy saving tips for every room with the interactive Energy Efficient House.

know Get independent advice on what to ask energy retailers to get the best deal for you.

switchon.vic.gov.au | 



Take charge of your power bill


Discover energy saving tips and tools in our interactive Energy Efficient House at www.switchon.vic.gov.au

Double glaze your windows and use curtains

Set your thermostat to 20° in winter and 28° in summer

Turn off your appliances at the wall. Find out about the Energy Saver Incentive standby power controller.

Switch on to energy efficient globes

switchon.vic.gov.au | 

Smart Meter Explained website



Take charge of your power bill.



Access easy to use, independent information.

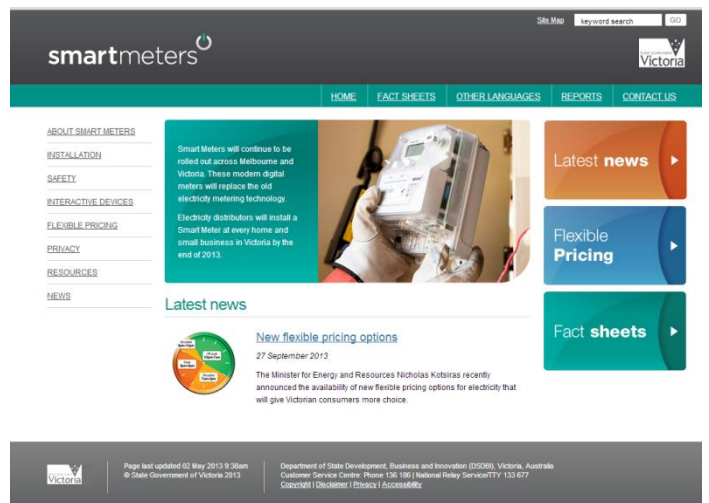


And switch on to the best energy deal for you.

For more information click here →

switchon.vic.gov.au | 

Take Charge of Energy website



Southern California Edison



10 award-winning animated shorts to explain smart metering, encourage customers to manage their energy usage and help reduce impacts on the environment. 14,000+ YouTube views.



The Smart Energy Experience exhibition to introduce customers to the benefits of Edison SmartConnect[®] and SCE's smart grid vision.

Florida Power & Light

Giving Customers
More Control



Tom Eastwood
FPL customer

"I thought I had a pretty good grasp of my electricity use, but I was shooting in the dark. FPL's online portal is the best tool yet! Energy efficiency not only saves me money, it's also good for the environment."



Videos posted to the website educate customers about the benefits of smart grid and smart meters



•"Overview"



•"You're in Control"



•"A Customer's Perspective"



•"Meters Getting Smart"





2.6. Summary of useful learnings

1. Messaging: smart meter technology is the start of a new relationship with energy where you are more in control.
2. Explore messages about the smart energy future e.g. time-of-use and remote control of heating and appliances.
3. Involve stakeholders early on in the engagement plan development to build in their advice from the start and create partnerships that help more people understand the smart meter roll-out.
4. Anticipate to whom different audiences will turn for advice about smart meters and brief them on the roll-out and FAQs.
5. Prepare to reassure concerns by using independent reports and experts. Share these with all energy suppliers so that consumers see a consistent and credible evidence base.
6. Support face-to-face engagement sessions with groups who do not use the internet via workshop toolkits and trained engagement staff.
7. Use call centre and website feedback to monitor consumer concerns and questions, and adapt communication accordingly.
8. Hold regular meetings throughout the roll-out with stakeholders and energy suppliers to review progress and learnings and changes needed.

3. The behavioural challenge and behaviour change model

3.1. Overview

'Saying yes' to having a smart meter installed and starting to use it for control of energy use are both what are called 'innovation decision behaviours'. Deciding to adopt an innovation is a specific type of behaviour, which starts with uncertainty and which, if adopted, evolves to confirmation. The innovation decision process model we are using identifies important influences to be factored into the engagement plan such as social feedback, visibility and trialability.

3.2. Identifying the behaviours and model

For the roll-out of smart meters in Great Britain to be a success, two behaviours will need to happen in households:

1. **'Saying yes' to having a smart meter installed.**
2. **'Starting to use smart technology' to help control energy use and reduce consumption.**

To encourage these behaviours we need to understand them - what kind of behaviours are they and what influences them?

Behavioural models, developed by experts who have studied a specific behaviour in a range of different situations, help us map out influences, particularly personal and social. Whilst they necessarily simplify behaviour to aid understanding, they have been used to inform numerous successful government behaviour change initiatives, such as Change 4 Life, the Smokefree campaign and the THINK! Don't Drink and Drive campaign. By mapping out the influences, the model helps us identify realistic roles for communication, the kinds of audiences we want to engage and how communication will work alongside other activities.

3.3. Understanding the behaviours

We started by identifying the kinds of behaviours constituted in 'saying yes' to having a smart meter and 'starting to use smart technology', and then looked for a behavioural model that could best describe them and their influences.

The Government Social Research (GSR) Behaviour Change Knowledge Review and discussions with behavioural experts with academic, government and commercial experience led us to identify 'saying yes' to having a smart meter and 'starting to use smart technology' as being innovation **adoption behaviours**.

'Saying 'yes' to having a smart meter is the **decision to adopt**.

'Starting to use smart technology' to help control energy use and reduce consumption is **the action to put the innovation to use.**

By definition, an innovation is a new idea and we believe smart meter technology offers a sufficiently different experience to that provided by current meters to be classed as an innovation.

Innovation:

'a new idea, device, or method'

'the act or process of introducing new ideas, devices, or methods'

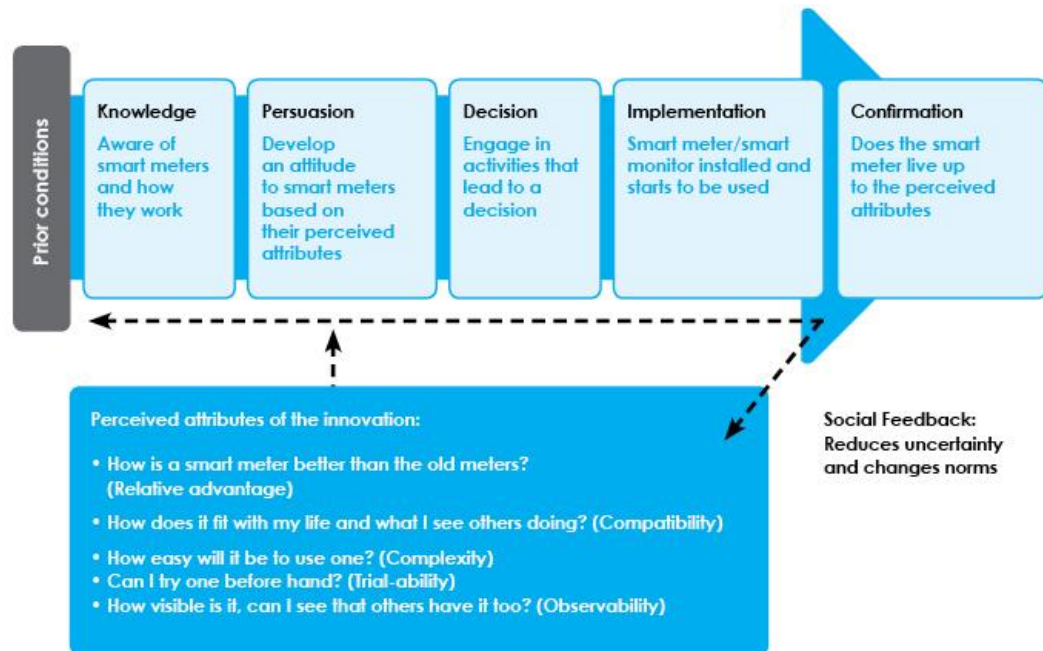
'the application of better solutions that meet new requirements, inarticulate needs, or existing market needs.'

Merriam-Webster

The most widely recognised and used model for innovation adoption behaviours is the 'Innovation Decision Process' developed by the American Professor of Communications Everett M. Rogers. Rogers spent 40 years understanding how innovations are adopted in a range of sectors including health, farming, education and technology. This led to his breakthrough discovery that all innovation decisions have common features. As Rogers describes, the process "consists essentially of dealing with the uncertainty that is involved in deciding about a new alternative to an idea previously in existence."⁹

"Stages may be useful as a means of simplifying a complex reality so as to provide a basis for understanding human behaviour change and for introducing an innovation." Rogers' model was adapted by Wilson and Dowlatabadi, in their paper 'Models of Decision Making and Residential Energy Use', to include personal and social feedback.¹⁰

3.4. Innovation Decision Process, Diffusion of Innovations, Wilson and Dowlatabadi (2007), adapted from Rogers (2003)



Five stages of the Innovation Decision Process Explained

Prior conditions:

The context into which smart meters are being introduced: the perceived need or problem, social norms and behaviour.

1. **Knowledge:** Being exposed to a smart meter's existence and finding out: what is smart meter technology? How does it work? Why does it work?
2. **Persuasion:** Forming a favourable or unfavourable attitude towards smart meter technology. What I hear about it: five important attributes that affect an innovation's attractiveness:
 - Relative advantage: What is its relative advantage over the current meter?
 - Compatibility: How does it fit with my life and what I see others doing?
 - Complexity: How easy or difficult will it be to use one?
 - Trialability: Can I try one beforehand (or at least get a real sense in advance of what to expect from it)?
 - Observability: How visible, can I see that others have it too?

Who is telling me?: hearing about smart meters from earlier adopters helps to normalise them and make them more relevant because they are speaking from experience rather than as promoters.

3. **Decision:** Engaging in activities leading to a choice to adopt or reject smart meters.
4. **Implementation:** The decision becomes behaviour - putting smart meter technology to use and helping consumers to use the smart meter technology from the moment of installation will be essential to help it to continue to be a useful tool.

5. **Confirmation:** Having formed an attitude about smart meters and then starting to use one, they will either conform to expectations and likely continue to be used, or will disappoint and likely be discontinued.

3.5. Implications for consumer engagement

In this section we set out the implications of this model for the development of the consumer engagement plan:

1. **Smart meters are an INNOVATION:** essentially we are resolving uncertainty by understanding consumers' hopes and fears and the benefits of smart meter technology.
2. **Create a powerful narrative that frames the context for 'smart':** the start of the model asks us to consider the current need or problem and how smart meter technology helps to create a positive context for change.
3. **Feelings (emotional) are highly important in terms of getting people to want a smart meter:** knowing about a smart meter isn't enough. Is it about giving people something that will give them 'control' or an ally in their energy saving?
4. **Set out how the smart meter is better than the current meter:** what do the relative advantages of the technology mean for different audience groups?
5. **Create opportunities for trialling:** while hands-on trialling in-home is very difficult, web-based communication and pop-ups can come close to showing what the experience is like in a near-real situation. Also, vicarious trialling can take place by hearing about other people's smart meter experiences. Both help people to have a stronger sense of how the smart meter technology will work for them and convey that using the technology is becoming a social norm.
6. **Increase observability:** creating opportunities to heighten the visibility of smart meters for example through kite marks and use at public/high profile locations.
7. **Drawing apart decision from implementation:** because the decision to 'say yes' to a smart meter, and the time when it is installed could be months or more apart, and setting up the installation appointment could be complicated by finding a date or making sure the property is suitable, finding an outlet for 'saying yes' helps to avoid the 'yes' being disrupted and creates a decisive moment of commitment.
8. **An individual decision but influenced by people around them:** while the bill payer is likely to be the person 'saying yes' to a smart meter, their family members will have an influence. For example, children who come home from school with stories of smart meters after a class session.
9. **Importance of not overpromising:** at the moment of installation, consumers will compare their smart meter experience with the expectations they had for it at the persuasion stage. Meeting expectations helps continued use, failing to meet them can trigger rejection: "it doesn't do what I thought it would".
10. **Going beyond getting a 'yes' and the role for the SMADB:** the social feedback loop of peer-to-peer validation from smart meter users back to those who are pre-installation means that the SMADB has an interest in influencing both 'saying yes' to

installation and to 'starting to use smart technology' (which reflects the objectives of the SMCDB). A positive experience when starting to use the meter is essential to encourage adoption. This means that the SMCDB should work closely with suppliers to help ensure that the installation materials, and the SMCDB's engagement communication are as consistent as possible.

- 11. The 'innovator, early adopter, early majority, late majority, laggard' order of diffusion will not apply here:** the precise time a consumer is offered an installation will depend on their energy supplier, where they live, the nature of their billing, and their type of home. So from the start, communication activity will need to meet the needs of those for whom new technology is off-putting or of little interest, rather than relying on early adopters to be the first takers.

3.6. The main behaviour tasks and how they break down

Unpacking the main behaviour tasks helps us to visualise what people will need to consider and do. This, combined with the model implications and audience insights, will help us to define the role for communications. The tasks are:

Knowing what a smart meter is

- Recalling the information.
- Understanding what smart meter technology is and how it works.

Feeling that a smart meter is a good thing

- Comparing it to what they have now, and feeling it is better.
- Trying one out in the home (to the extent possible pre-installation).
- Seeing people like them have one and are finding it useful.
- Feeling that it is easier to use than what they have now.

Deciding to - and 'saying yes' to - having a smart meter installed

- Demonstrating support.
- Positively responding to their energy company's invitation to book an installation.

Taking part in the installation visit

- 'Having a go' while the technology and its user interface - be that an IHD or other tools - is explained to them, to see and understand how it works.

Starting to use the smart meter technology to understand their cost and usage of energy

- Recognising the benefit of using a smart meter.
- Integrating it into their household routine and starting to change habits and purchase decisions to reduce energy costs.
- Telling other people about their smart meter use.

4. Audiences

4.1. Overview

The audience for the smart meter engagement programme is, by necessity, the entire population. Nevertheless, within this mass audience there are specific groups that we will need to consider, whose needs will be different from the majority and whose receptiveness to the idea of smart meters will be either higher or lower depending on their situation and attitudes.

We will continue work in 2014 to understand the specific needs of different groups, create more sophisticated segmentation (and use learnings from valuable segmentation already developed, such as the 12 customer archetypes developed by Ofgem and the Centre for Sustainable Energy) and build relationships with partner organisations to help those groups who are hardest to reach.

4.2. The general population we serve

The SMADB has a remit that spans Great Britain – hence, people in England, Scotland and Wales. In mid-2012 there were approximately 61.9 million people living in Great Britain (53.5 million in England, 5.3 million in Scotland, 3.1 million in Wales)¹¹ in 26.4m households.¹² According to the 2011 census, the average Briton is aged 39,¹³ has a gross disposable income of £16,034,¹⁴ lives in owned, rather than rented, housing and spends around 3% of their income on energy.

Yet, whilst this general picture is useful, it is important to recognise the complex fabric of the British population. Wide variation exists in the situation of different households, for example the difference in disposable income between households in the North East and those in London is almost £7000.¹⁵

4.3. General audience insights

We have identified some strong insights relating to how audiences think and feel about energy, energy suppliers and smart meters. These were strong themes emerging from both existing published research and the series of bespoke focus groups carried out by the SMADB to inform the development of this plan.

These insights have also been tested through quantitative research commissioned by the SMADB and carried out by YouGov, allowing us to understand how widely they can be applied, and to which consumer segments they are most relevant. Consequently we believe that they provide a sound underpinning for the engagement plan.

- 1. The cost of energy is a real concern to most consumers.** Over the last year, the price paid for domestic fuels in real terms has risen by 5.7%, with the average gas bill now £81 higher than in 2011 and the average electricity bill £26 higher.¹⁶ Over 9 in 10 adults think that gas and electricity prices will continue to rise in the next two years¹⁷ and they are increasingly concerned about their energy bills - a fact evidenced by

the coverage the issue has received in the national press and the effort people are already making to reduce their energy consumption.

- 2. People are making a concerted effort to manage their energy usage but are looking for more help.** Between 2005 and 2011, the average household's energy consumption fell by 21%,¹⁸ and indeed most people we spoke to in focus groups said that they had tried to modify their energy usage. However, attempting to work out which of their current actions use most energy is something that people struggle with and with which they require more support. 81% of adults feel that energy companies have a duty to help them reduce their bills.¹⁹ This need for support is compounded by the fact that in many households, responsibility for energy bills tends to fall on one person.
- 3. Control is the greatest desire that consumers have around energy.** All audiences we spoke to talked about the desire to have 'control' over their energy consumption as evidenced by the fact that nearly half of adults responsible for household bills check their bills once a month.²⁰ The strong need for control has driven the widespread take-up of prepayment solutions, often believed to be the only way to have clear visibility and control over energy usage (despite often carrying a premium in cost), with approximately 9.6 million people living in homes where they use prepay for their energy.²¹ The suggestion that smart meters can offer consumers control has been a very well-received message in the research that we carried out to inform this plan.
- 4. General ambivalence surrounds the idea of smart meters.** Not loved, but at the same time not hated, most consumers are yet to form a strong opinion on smart meters. Half of consumers are undecided about smart meters, being neither in support nor opposed to the technology.²² Householders appear to recognise that technology offers potential benefits, but also still have concerns about potential downsides. Positively, the concerns they raise – "installation will be a hassle", "what about my privacy?" – are largely theoretical matters requiring reassurance, rather than outright drawbacks.
- 5. Positivity surrounds the reality of smart meter usage.** However, the overwhelming majority of users of the first generation of smart meter technology are happy with their experience. They are positive about installation, usage and the benefits their smart meter brings in terms of saving money. Very few report negative experiences. Although it must be noted these users are likely to have actively chosen to install a meter in their home, and therefore are more likely to be in praise of the technology. Despite this, with personal recommendations holding considerable influence over consumer behaviour, sharing these positive testimonies will be an important part of the engagement process.
- 6. Levels of awareness can vary widely.** Consumers are undecided about smart meters because they lack information. Confusion exists over what smart meters are, what they do and the benefits they can bring. This lack of knowledge is highly correlated to age and socio-economic status. Indeed, awareness of smart meters is lowest among younger adults, with only around a quarter of bill-payers aged 18-24 having an awareness of the technology, compared to 61% of bill-payers aged 55-64.²³ Further, people are uninterested in finding out more about the technology, assuming information will be complicated and communicated in non user-friendly language.

However, research clearly highlights that the more information people have on smart meters, the more likely they are to be in favour of them.

- 7. Advocates are well-trusted sources of information.** In general, consumers mistrust information supplied by the Government and energy companies. They value the opinions and advice of friends, relatives and work colleagues, and those on the internet sites and forums they believe represent their way of living. Word of mouth is the main source of information about energy-related issues for 24% of consumers.²⁴ People value the voices of people “like me” who have had direct experience of smart meter installation and use in the ‘real world’ above the views of experts who they see as guilty of ‘spin’, not talking in consumer-friendly language and doing the right thing to make themselves look better.
- 8. Tangible, visible and immediate benefits are the most attractive.** People live in the everyday, they are concerned about the money in their pocket, their quality of life and the time they have in their day. Accordingly, the potential to save money and reassurances of a hassle-free smart meter installation are by far the greatest attraction to householders. Although shortage of energy for future generations is a concern for 7 out of 10 people,²⁵ helping the environment or building a ‘Smart Grid’ nation for the future are perceived as longer-term, additional benefits. The challenge is therefore to communicate these ‘big picture’ benefits in a way that makes them significant to consumers in the short-term.
- 9. Even seeing what you spend is useful.** The notion of being able to monitor your spending on energy in near real-time is compelling to most people. Nearly 8 in 10 adults would prefer their bills to be based on actual, rather than estimated, readings²⁶ and there is a sense that even being able to see what you are buying in real-time would enable you to change your behaviour. Evidence from the success of self-monitoring technologies such as Nike FuelBand suggests that showing people their own data as they generate it can work powerfully to change behaviours.
- 10. Consumers must feel empowered, not passive.** People do not like being told what to do. Research has shown the idea of a national roll-out can lead consumers to assume that they have no choice and can result in resistance or a lack of engagement. Educating consumers about the benefits of the technology to the point where they actively want a smart meter puts the user in a position of control.

4.4. Consumers with specific needs and those with vulnerabilities

The broad definition of a 'vulnerable adult' referred to in the 1997 Consultation Paper 'Who decides?' issued by the Lord Chancellor's Department, is a person:

*"who is or may be in need of community care services by reason of mental or other disability, age or illness; and who is or may be unable to take care of him or herself, or unable to protect him or herself against significant harm or exploitation."*²⁷

Various other definitions have been used by different government departments and arms-length bodies in the period since 1997. In some instances these can include groups as diverse as all adults over 65, all households with a child under 16 or anyone with low levels of literacy or numeracy.

In July 2013 Ofgem published a revised definition of vulnerability. They now define a person as vulnerable when that consumers' characteristics combine with aspects of the market to create situations where he or she is:²⁸

- 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

For the purposes of the smart meter engagement programme the SMCDB's objectives particularly highlight our responsibility to reflect the needs of low-income audiences and those using prepayment meters. We will also want to ensure that we properly focus our efforts on those defined more broadly as vulnerable in the energy context, as well as those who may have other specific engagement needs or requirements, such as people living in rented accommodation. We will also integrate into our detailed plans the need to support groups of consumers with low skills, learning disabilities and mental health problems. We would like to thank Learning Disability Wales/Mencap Wales/All Wales People First and the All Wales Forum of Parents & Carers who have already supported us in considering how in future we will ensure our materials meet the standards set out in their *Clear and Easy* best practice guide for the production of materials for people with learning disabilities. Below are just three issue areas/groups whose requirements we will also need to carefully consider:

Those who pay by prepayment. Consumer Futures estimated that 9.6 million or 13% of people live in a home that uses this payment method and this number is expected to rise.²⁹ The benefits of a smart meter for pre-payment customers will be different to that for other customers, as payment is planned rather than unplanned. As a recent report by Consumer Futures and Accenture states: "It is particularly important that prepayment customers access the wider benefits that smart technologies can bring as early as possible, as they are less likely to achieve the same energy savings as those customers using other payment methods."³⁰ As a result we may not want to emphasise 'real-time monitoring' of what you are spending, but rather will want to show prepayment customers that smart meters are worth accepting and using because of

the other benefits, such as the major benefits in terms of ease of making the payment.

Renters. Due to the fact that there is potential confusion between the responsibility of renters and those of landlords for arranging installation, audiences living in rented accommodation will need clear and specific messages and communication. Regardless of this confusion though, renters will be responsible for using smart meter technology and, even if the landlord tries to play a more proactive role, may also be responsible for being in at the time of installation. Therefore we need to make sure that our messages get through to them before this point so that we can maximise the usefulness of the smart meter for this audience.

Those in fuel poverty. The Government has recently revised its definition of fuel poverty. Under these new guidelines, a household is said to be in fuel poverty if they meet two criteria:

- Having required fuel costs that are above average (the national median level).
- If spending that amount, they would be left with a residual income below the official poverty line.

In 2011, the number of fuel poor households in England alone was estimated at around 2.39 million, representing approximately 11% of all English households. The number of households in fuel poverty is predicted to rise in the coming years. Whereas today, 1 in 4 households are living in fuel poverty, this is expected to rise to 1 in 3 by 2016.³¹

4.5. How some attitudes may differ amongst different groups of the population

Although we are wary of stereotyping groups, as a very general guide, we can establish through TGI how the attitudes of the different groups are broadly likely to differ from the general population.³²

We have looked at three groups of attitudes that have particular relevance to the smart meter roll-out programme:

1. The degree to which technology is welcomed and enjoyed.
2. Attitudes towards saving money.
3. The degree to which people like to feel in control of their lives and resources.

Less interest in technology. Deemed too expensive, too complicated, or simply something they have little exposure to in their daily lives. TGI data suggests vulnerable groups have a below average interest in technology. This lack of interest is most acute for those within vulnerable groups aged over 65, who are 21% less interested than average, and those who rent their property from their local authority, who are 12% less interested than average.³³ As these groups present a significant proportion of our audience (today 1 in 6 people in Britain are aged 65+),³⁴ caution must be taken not to over-emphasise the technological element of the smart meter roll-out when communicating with these groups.

Money matters more for the over 65s. Those aged over 65 are most likely to express an above average concern about money and saving. Roughly 1.5m of over 65s have an above average concern over money, suggesting that messaging about saving will be especially relevant for people in this age bracket in all our audiences. How they manage, spend and save their money is important to 88% of those aged 65+.

Control is important to renters. Renters, a group likely to have a lower income and fewer savings, demonstrate an above average index response rate when asked whether "being in control over people and resources" is important. Out of all of those who agree with the statement, 40% are renters, representing by far the biggest group. The ability of smart meters to enable householders to have greater control over their energy usage, and therefore spending, will have resonance with renters.

4.6. Communicating with sensitivity

Stakeholders who participated in the SMCDB's workshop events that helped to design this plan have highlighted several issues that we must bear in mind when communicating with vulnerable groups:

- We should carefully manage communication when it comes to encouraging a reduction in usage. Many are already cutting back on energy as much as they can without posing a health risk to themselves. We must be careful not to encourage further reductions if they cannot be made safely.
- By and large, prepayment users currently pay a premium compared to those who can pay by credit and the experience of using current prepayment technology has a range of other dis-benefits. Smart metering should lead to a range of benefits specific to prepayment customers. We must ensure that these segment-specific benefits are clearly communicated.

We will also be careful not to stereotype any groups, since clearly people who share some characteristics can also have different needs and attitudes. We will also work closely with partner organisations that represent different groups to understand how we can use their networks and communications channels to ensure access and to maximise trust and credibility in our communications.

4.7. Addressing non-domestic customers

Licence conditions establishing the SMCDB state that we must assess the efficiency of extending any communications activities to non-domestic micro-business customers. Typically, business-to-business campaigns use a very different communications strategy to consumer campaigns, so in general terms, it is unlikely that our overall engagement strategy will extend automatically to incorporate non-domestic customers. The exception to this will be some ways in which the SMCDB will be able to communicate with businesses which are run from home offices. For these businesses, where the same electricity and gas meter is being used to manage consumption for both the business' use and that of the domestic household, it may be particularly efficient to extend campaigns to include them.

These decisions will be made on a case-by-case basis.

5. The role of branding

5.1. Overview

Branding will play an important role in driving consumer engagement with smart meters. The brand of centralised engagement activity will be used both to drive the development of consumer campaigns and to make the roll-out programme itself coordinated and ubiquitous. Based on our research to date, we anticipate that the brand will build on the concept of 'control', with the brand's values clearly positioning it as a consumer champion.

5.2. What role can branding play?

The consumer energy market is cluttered with a myriad of different organisations. These range from those in the public arena (e.g. DECC, Ofgem) to trade associations (such as Energy UK) and, of course, the energy suppliers themselves. The landscape is confusing to consumers. There is a clear need for a trusted, consumer-facing voice to provide impartial help and advice in relation to the roll-out.

There are some strong consumer organisations already doing important work to convey information to consumers such as Citizens Advice, Consumer Futures (soon to merge into Citizens Advice England & Wales and Citizens Advice Scotland), and even organisations such as Mumsnet and the advice sections of traditional media. These organisations will be invaluable in helping us convey the desired messages, but none provide a brand capable of leading all coordinated communication about the smart meter roll-out.

Therefore, we believe there are significant advantages in creating a specific consumer-facing brand for the smart meter roll-out programme.

A new and bespoke brand will enable the following benefits:

5.2.1. A single-minded focus on smart

The 'smart story' is complex and multi-layered. We believe success will need a bespoke brand that exists to take the lead in conveying the smart metering message. In doing so, we can ensure the core messaging, values and imagery associated with the brand are designed to meet the needs of the range of audiences, specifically in relation to smart.

5.2.2. Creation of iconic imagery and brand assets

The behavioural model we have identified indicates the role of both social norming, and 'observability' (i.e. seeing the technology being used by other people around me) in shaping decision-making. Creating a strong brand identity (e.g. logo, iconography, 'look and feel') that can be used in conjunction with all smart meter communication will increase the salience and visibility of the programme and this, in itself, should aid the consumer engagement effort.

There is much to be learned from programmes, such as digital switchover and Change 4 Life, where partners are actively encouraged to use the core brand assets in their communications. This has successfully helped to build awareness and credibility of the programmes and is why we recommend adopting a similar model for the smart meter roll-out engagement brand.

5.2.3. Partnerships with a wide range of different organisations

As already discussed, there are many organisations with an interest in the smart metering programme. If the programme is to be successful the brand must be able to work in conjunction with the Government, the energy providers, consumer groups, and others. This will be most easily achieved through the creation of a bespoke brand that is designed with the quality of being able to co-exist comfortably with all of these organisations.

5.2.4. Perceived expertise and impartiality

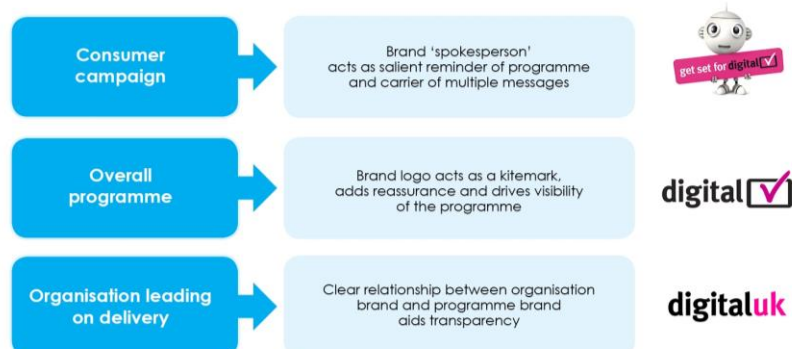
Success will be dependent on the smart metering technology brand being perceived to have credible expertise in smart metering, coupled with impartiality.

5.3. What are we branding?

Key to the success of the roll-out programme will be the development of a consumer-facing campaign to carry the smart meter message to consumers. A brand will be needed to increase awareness of the campaign and help to integrate messages across many touch points.

However, we also believe that there will be significant benefits to branding not just the consumer campaign, but also seeing the brand shared across the overall roll-out programme. In much the same way that the digital switchover campaign used 'Digit Al' as the consumer face of the engagement campaign and the digital 'tick' to symbolise the switchover, we anticipate that the brand iconography will be used both in the engagement campaign, and more generally to help make the roll-out feel coordinated, ubiquitous and accessible. Finally, the SMCDDB's organisational brand should take its lead from the name and iconography given to the roll-out programme. Hence there should be a clear and visible relationship between the organisation and the consumer-facing brand that represents the roll-out. To illustrate, below is the example of how this was achieved in the campaign/programme/organisation branding of digital switchover:

Brand architecture: three levels of branding



5.4. Towards a brand framework

To define and guide the development of the brand, we will create a brand framework that sets out:

- The consumer insight on which the brand is founded.
- The brand's core purpose or role that it plays in consumers' lives.
- The values that underpin and drive the brand's behaviours.
- The supporting facts that give the brand credibility.

Further research will be carried out in early 2014 to refine the brand thinking, but based on our research, the brand framework will be built on the following elements:

5.4.1. Consumers need help to change their behaviour and control their energy bills

A key finding from our research was that consumers are keen to change their behaviour but need real help to do so. The information that they currently receive on their bill or on their existing meter is difficult to understand. Coupled with strong suspicions relating to energy company motives, it means that existing information stops short of being perceived as helpful.

5.4.2. The brand's purpose should be to help put consumers in control

All strong brands have a single-minded thought or benefit at their heart: think of Volvo and you think of safety, think of Apple and you think of innovative technology. The same needs to be true for this brand: although the story is multi-layered, the brand must present a simple and appealing 'way in' to the smart meter story.

Given the clear findings from consumer research, our hypothesis is that the smart meter technology brand should have the concept of 'putting you in control' at its heart. This reflects the overriding consumer benefit of the technology and therefore, the most important message that we need to convey. It also speaks to the SMCDDB's role as a consumer champion, ensuring the roll-out puts consumer needs first and foremost, that consumers are empowered with the information they need to 'say yes' to a smart meter, and that they fully understand how a smart meter can help them lower their energy usage and better control the cost of their bill.

5.4.3. The brand's values should be those of a consumer champion

Whatever market they operate in, brands perceived as consumer champions generally have a consistent set of values that underpin their behaviour. Although further research will be required to finesse the brand model, we anticipate that the brand's values will include:

- **Expertise:** the brand values knowledge and expertise, and uses them to be a credible spokesperson on the issue.
- **Empathy:** the brand looks at the world through the eyes of a consumer and is able to demonstrate real empathy with consumer concerns, issues and beliefs.
- **Independence:** the brand is free to express impartial views and opinions.

- **Positivity:** smart metering will result in many benefits for consumers; therefore, the brand is positive and optimistic about the future and the role of smart meter technology within it.

5.4.4. The SMCDB's formal independence and corporate structure provides the foundations for the brand's credibility

The SMCDB is independent of both the Government and the energy companies but has representation from both on its board, as well as strong representation from consumer groups. This combination of expertise at board level, combined with formal independence, can act as the foundation of the brand's credibility. This corporate structure allows it to be an organisation clearly able to act in consumers' interests, whilst remaining part of the smart meter programme as a whole.

5.4.5. Summary of draft brand framework

Smart metering technology draft brand framework

Consumer insight	Increasing energy prices, and strong suspicions about energy company motives mean customers are crying out for real help to change their behaviour, reduce their energy usage and therefore lower their bills
Brand purpose	To put consumers in control of their energy usage
Support	Champions of innovative smart metering technology that gives consumers the help they need to change their behaviour. An independent organisation set up by Government, the energy companies and consumer groups to help consumers understand how smart technology can help them. Working in partnership with all interested parties to ensure consumer needs are at the heart of the roll-out programme
Brand values	Expertise, empathy, independence, positivity

5.5. Brand assets: how the brand will come to life

Once the brand framework is confirmed, it will be used to guide the development of a set of assets that will be deployed across all the brand's communication and touchpoints. It is likely that these assets will include:

Brand name: the programme will require a simple and ideally self-explanatory name that can be used by all commentators when they refer to the smart meter roll-out.

Brand logo/icon: the brand will be visually represented through a logo or icon that can be used to signify the smart meter roll-out.

Campaign identity and endline: the brand will be at the heart of the creative campaign ensuring there is synergy between the roll-out programme logo/icon and the

consumer engagement campaign. It is also likely that an endline and call to action, analogous to “get set for digital”, will be developed.

The brand model, assets and the consumer engagement campaign identity will be developed in 2014.

6. The roles for communication

6.1. Overview

The newness of innovations tends to cause uncertainty (i.e. will benefits outweigh costs?). The overall role for communication is to help people clearly recognise the benefits of smart meters both before and after installation. The starting point is positioning the smart meter as a positive innovation. The behavioural model and audience insights also identify roles such as creating a sense of social change, reassuring concerns and creating a brand with consumer and third party partner appeal.

6.2. Principles for defining the role for communication

The role for communication has been guided by the following principles:

6.2.1. Fulfilling the objectives of the SMCDB

The SMCDB's objectives set out the task to communicate with the public as a whole and with specific groups. They cover the need to build confidence ahead of installation and create an understanding of what smart meters are and how they can help change the way we use energy in our homes. This is a multi-dimensional task, which demands a multi-dimensional approach.

6.2.2. Applying learnings from the behavioural model

Based on extensive evidence of how people decide to adopt an innovation, the behavioural model highlights the specific pieces of information which are particularly influential.

6.2.3. The independent position of the SMCDB

In a sector rife with complexity (bills, tariffs), anger (prices, profits) and unmet expectations (switched but not saved) consumers will very likely ask of the SMCDB "why should I believe you?". In planning its communication, the SMCDB must anticipate and demonstrate an understanding of consumer needs and concerns by making information accessible, relevant and easy to understand.

6.2.4. Engaged before = engaged after

We know from recent research with smart meter users and from innovation adoption studies that the more engaged consumers are before smart meter installation, the more likely they are to continue to use the smart meter once it has been installed and to change their pattern of energy usage. The more people learn, the more relevant a smart meter becomes.

6.2.5. Roles for communication

We believe there are five important roles for communication:

1.

Position the smart meter as a positive innovation

Innovations prompt us to question the current state of things and say: "I can see how this could be better". The role here is to create a sense of positive anticipation, using the language of newness and linking smart meters to the opportunities offered by smart energy.

2.

Create a sense of social change

We look to each other to assess the value of an innovation: "How many other people are using it? What do they think of it? What are they doing with it?". Our communication will seek out ways to socialise smart meters, making them visible and stories of their use shareable.

3.

Provide reassurance

"What will happen to all this new data you have about me? Do I want another electronic gadget in my house? What will this cost me?". Roll-outs in other countries have demonstrated a role for communication to anticipate consumers' questions and provide clear and credible reassurance.

4.

Develop smart meter know-how

Understanding how smart meter technology works and what it can do for you will help it become an energy saving ally. The role here is to generate information and activities that build this know-how in households across Great Britain.

5.

Create a brand and a brand partner programme

Everyone in Great Britain will have the opportunity to have a smart meter. So everyone in Great Britain will need to hear about smart meters and what it means for them. A brand will help create an identity that is recognisable, meaningful and shareable. It will enable us to partner to create engagement programmes that reach different consumers.

6.2.6. Co-ordinating the communication activities of the SMCDB and energy suppliers

It is vital for successful consumer engagement, and to ensure maximum value for money, that the SMCDB works closely with energy suppliers to ensure that communication activities complement and reinforce each other. In the table below we set out our assumptions of the different focus areas for the SMCDB and for energy suppliers and where communication might overlap:

SMCDB	Both	Energy Supplier
Smart meters available to everyone in Great Britain	What smart meters are and how they work	Smart meters available to their customers
Benefits to consumers & the country	What to expect before/during/after installation	Benefits of smart meters for their customers
Roll-out timings 2014-2020: what proportion of the country, by when	Share reassurance on concerns (e.g. data privacy, health, cost, switching)	Timing of installation appointment for specific areas/customers
Establishing simple, standard category-wide language		Specific household related issues (e.g. parking, meter accessibility)
Commission independent reports, guidance and expert advice on smart meter technology and practices		Discussing specifics of installation
Developing resources for specific groups (e.g. elderly, prepay, renters)		On-going advice on energy usage, specific to the household

6.2.7. Being responsive to consumer and third party feedback

The length of the roll-out and the changing needs and expectations of consumers means that the role for communication and communication tasks will need to adapt accordingly. We will review the engagement programme on a regular basis to evolve the roles for communication, in particular taking into account consumer feedback and feedback from expert stakeholder groups.

6.3. Communications activities

Given the role for communication that we have set out above and the SMCDB's overall objectives, we have defined some of the potential communications activities below.

We will review and refine these activities on a regular basis and focus on those that we believe will deliver the most impact.

- 1** **Position smart meters as a positive innovation:**
 1. Create a marketing campaign using the language of newness
 2. Create partnership programmes
 3. Create a smart meter technology exhibition
 4. Have presence at key consumer events
 5. Commission experts to brief the media and consumer groups about the current and future benefits
 6. Sponsor app development
 7. Involve school children through class experiments, lesson plans, games and books

- 2** **Create a sense of social change:**
 1. Increase visibility: create an icon whose ubiquity will show the nationwide nature of the spread of smart meters
 2. Create website map and installation counter to track roll-out progress
 3. Encourage and share 'Smart Stories': blogs, conversations and testimonials of people's smart meter experiences
 4. Explore potential of smart meter beacon towns to exemplify the benefits
 5. Explore potential story lines in TV dramas
 6. Develop a survey of home energy hopes/innovations for 2020
 7. Encourage tip sharing on websites, in the media

3 Provide reassurance:

1. Website video and downloadable fact sheet on what to expect before, during and after installation
2. Input into a consumer care telephone line and email response service to answer questions on smart meters
3. Ensure SMCDB staff are knowledgeable on specific needs and concerns for different groups (e.g. prepayment, elderly, rural-dwellers)
4. Commission and reference independent studies and standards
5. Identify independent experts to share knowledge and experience
6. Monitor media articles, web forums and comment sections and respond to concerns
7. Develop factsheets on health, data privacy, consumer protection, etc.

4 Develop smart meter knowhow:

1. Develop clear and consistent language for key terms (e.g. smart meter, in home display etc.) with input from energy suppliers and other stakeholders
2. Deliver workshops and briefing sessions on the technology, roll-out plans, consumer experiences so far to media and third parties
3. Enable trialability: pop-up shops, community events, appliance retailers, interactive smart meters/displays on website, etc.
4. Create a welcome pack with hints, tips and games (e.g. encouraging target setting, smart humour cartoons)
5. Encourage comparison and competition amongst friends, families and neighbourhoods

5 Create a programme of brand partner engagement:

1. Create a brand that partners are happy to use and share.
2. Build strong partnership marketing programmes with brands and consumer groups.
3. Provide a community event toolkit to give consumer and community groups the knowledge and resources to talk about smart meters.

7. Messaging

7.1. Overview

The core message of the consumer engagement programme is that smart metering puts us in control. Nearly 3 in 4 adults responsible for energy bills feel they have little or no control over their energy usage and there exists an overwhelming desire to remedy this as, with control, comes the potential for reduced wastage and therefore, costs. By giving us the insight we need to change our behaviour, smart meters grant us the greater control over energy that we desire.³⁵ To cut through, we will need to frame the message to reflect the existing cultural context, reassure consumers that there are 'no catches' and also tailor our message to reflect specific needs.

7.2. Messaging principles

The smart metering and smart technology story is a complex one. For example, there are numerous potential benefits to the user, but also some real and potentially damaging barriers to uptake. There are many 'voices' in the market but, as yet, a lack of clear and consistent language. Our messaging approach therefore, needs to recognise the complexity of the issue, but provide a clear and structured framework within which the story can be told in the most compelling way.

Our current views on messages have been developed with the input of research with consumers and contributions from expert stakeholders. We want to further test and refine these messages through more work in early 2014. The messaging below will undergo further testing and refinement.

7.2.1. Framed by the current context

Messages are never received 'objectively'. Their interpretation is dependent on previous experience, existing beliefs and the prevailing cultural narrative surrounding the issue in question. Given the strength of public feeling around energy, our message needs to be framed in a way that acknowledges, and is consistent with, consumer perceptions of these issues in order to create a strong sense of personal connection and relevance to the issue.

7.2.2. Promoting benefits vs. managing barriers

Insight from both the behavioural model and from international experiences underlines the importance of focussing on the positive benefits of smart metering in order to drive engagement. However, in order for the benefits to be 'heard' it is also important that the potential negative messages and barriers (e.g. the cost of installation or data security issues) are managed proactively. Our messaging approach therefore, needs to adopt a twin approach – selling the benefits and attacking perceived barriers.

7.2.3. Balancing national vs. personal benefits

Although consumers need to know how smart meter technology will benefit them as individuals, to ensure that industry commentators, the media, consumer stakeholders and politicians present a unified, positive front, our messaging must put the personal benefits within the context of a bigger and broader positive impact to the nation.

7.2.4. Longer term vs. immediate, everyday benefits

The conundrum with smart meter technology is that many of the biggest and most compelling benefits, such as the ability to switch to a cheaper tariff based on a recommendation calculated on a year's worth of data, or the additional control that will be possible through the roll-out of a smart grid and the uptake of smart appliances, vary as to when they will be real. The full package of consumer benefits for which the smart meter is a key enabler does not all appear at the start of mass roll-out. Yet we will be asking consumers to take up 'today' the technology that will make these benefits possible. Our challenge is to balance the longer term vision and promise, with benefits that the consumer can access and enjoy at the moment they receive smart meter technology.

7.2.5. The importance of language

Today, too much of the language of energy is complex, impenetrable and inconsistent. But to ensure our message cuts through and is understood, we will need to use simple terms that are self-explanatory and which draw on existing positive perceptions and associations. In much the same way that the mobile communications category has simple generic terms, such as 'smart phone', 'handset' and 'pay-as-you-go' but manufacturers create their own branded versions of these, so we will aim to create the standard, generic terms for the smart metering category to aid consumer understanding and engagement.

7.3. The overall message is about control

If there is one word that sums up the message that we need to convey it is 'control' - smart meters let us control our energy use. This is true both for consumers, where new meters will give them the ability to better control the cost of their energy bills by letting them see how to cut out wasteful use of gas and electricity, and for the nation, where the roll-out of smart meters, and the subsequent development of increasingly smart homes, will let us use our resources more efficiently. Offering consumers greater control draws on the existing social and cultural context since it reflects current consumer perceptions of the lack of transparency around pricing and suspicions of the motives of energy companies, resulting in a strong feeling of being out of control.

Furthermore, 'control' can be used to refer both to the here and now (i.e. see what you're spending) and to the future (i.e. take control by being supported in switching in a way that is significantly easier or living in a world where smart appliances help to automate your household taking greater control of costs).

7.4. Contextualising messages

The core message is around control, and the way in which this will help consumers change their behaviour in order to reduce wastage and save money. However, there are three other messages that can be used to create a powerful context of desirability and inevitability in the overarching narrative that will frame the programme – in other words to answer the question "Why is it so important we do this now?".

7.4.1. Cutting energy use to benefit the planet

Many members of the public from across our audience groups share a growing sense that there is a need for all parts of society (individuals, government, energy industry) to play a role in protecting the common environment against the ill-effects of pollution, climate change and resource depletion.

7.4.2. Preserving energy for future generations

At the same time as saving money by reducing energy waste, everyone will be able to do their bit to help global and British energy supplies last longer so that future generation will have what we had in our lifetimes. Indeed, the shortage of energy for future generations is a concern for 7 in 10 adults.³⁶

7.4.3. Paving the way for a smarter future

Smart meters and smart technology pave the way for smart appliances. Smart meters are a key enabler of these future technologies. These new appliances will be more energy efficient and can be controlled remotely by the user, offering further potential cost savings and the potential to take advantage of cheaper tariffs.

It is important that both of these messages are used only as support for the core area of 'control'. Neither is sufficiently compelling on its own, but can add an additional layer of positive emotion when used in conjunction with the core message.

7.5. The consumer connection

Acknowledging existing attitudes and beliefs about energy will help the overall message cut through strongly and feel relevant to British consumers.

7.5.1. Saving energy to reduce cost is already on the agenda

The cost of gas and electricity bills is causing concern to most families. As a result, members of the public told us that they are already changing their energy consumption and behaviour in order to reduce their usage and therefore, their bills. Clearly there is already a high degree of consumer engagement with the issue, albeit largely negative, so any technology that can be seen to help consumers do this will be pushing at an open door.

7.5.2. Consumers are resigned to ever increasing prices

It is anticipated that domestic energy prices will continue to rise. There is some understanding of why this may be the case (i.e. growing competition for a finite commodity) but many are left feeling annoyed and fed up, but resigned to the situation.

7.5.3. Existing information is not perceived as helpful

As consumers seek to get more control over their energy usage, and, therefore, their bills, there is a strong desire for more help. However, the information they are currently being given in their bills, from their current meters, and an array of tariffs on offer, does not necessarily help them get the control they need. This is partly because of the lack of transparency in the information itself (e.g. the language of 'kilowatt hours'), but also perceptions of energy companies, which make consumers suspicious and feel further out of control.

7.5.4. Consumer want help taking action

Although all would prefer to see the prices charged by energy companies go down, consumers recognise this is very unlikely to happen. Consequently, they believe it is down to the individual to reduce their own energy use. But, help from both the energy companies and the Government (both of whom are regarded as having a duty to help in this regard) is required and will be welcomed.

7.6. Unpacking the core message

The 'control' message has several layers, each of which can be used to help justify and embed the overall benefit of control. These should help consumers understand how smart meters help to put them in control of their energy use.

7.6.1. Smart meters help you change your behaviour

The key way in which smart meters put consumers in control is by giving them the information they need to change their behaviour, thereby enabling them to reduce energy usage/waste.

7.6.2. See what you spend in near-real time

The in home display/other monitoring tools help by providing a near-real time read out of energy being used. This information is in pounds and pence, so consumers can see exactly what they are buying.

7.6.3. Your energy bills will be based on accurate readings

The new meter will use smart technology to send your meter reading to the energy supplier automatically, so your bills will be based on accurate data reflecting exactly what you have used. In the future, you will also be able to choose to share that data with third parties, such as switching websites. They would be able to help with services, such as recommending the best deal based on your actual rather than your estimated usage.

7.6.4. Get more out of switching

Although switching is generally understood to mean switching between energy suppliers, smart meter technology will provide consumers with the information they need to access three types of switching benefit: switching between suppliers, switching between tariffs with the same supplier, and switching between payment methods (e.g. prepayment vs. Direct Debit). Each of these switching options could help consumers realise cost savings.

7.7. Providing reassurance

Given the suspicion that surrounds energy companies, and the lack of trust in many public initiatives, several reassurance messages will be required in order to give the positive benefits maximum chance of cutting through.

7.7.1. Openness, honesty and transparency are critical

We must be clear that it is not just the nation and the consumer that will benefit from smart meters, but energy companies too, both in the more trusting relationship that they will be able to build with customers, and also in the cost savings that are likely to result from dealing with fewer customer complaints. A further issue that must be

explained (positively) is the somewhat counterintuitive argument that an energy company would want their customers to reduce their energy use, and, therefore, their bill.

Explaining this openly and honestly will help deal with consumer suspicions, as will using a clear and direct tone to communication.

7.7.2. There are no known health issues with smart technology

Some groups have raised health-related concerns around smart meters, based on a number of claims that are not supported by facts. These concerns have not taken hold amongst the public at large, and clear evidence from medical health authorities should help deal proactively with any concerns. Furthermore, drawing analogies between how data is transmitted by the smart meter in relation to other accepted forms of technology, such as Wi-Fi, could help manage and dispel any residual concerns.

7.7.3. You can control your data

Consumers will need some reassurance that their data will not be shared with third parties without their knowledge. We will also need to reassure consumers that the data network employs the latest security measures, and they are in control of who has access to their data. Helping consumers understand that their data is actually a key part of helping them take control will go some way managing privacy-related concerns.

7.7.4. The technology comes at no up-front cost to you

The new technology will be available with no extra up-front cost to consumers. This is in contrast to the experience of most consumers during digital switchover, when most consumers did have to pay an up-front cost to buy a new TV or set-top box. Smart meter technology will be installed and maintained by the energy companies, just like they do with your existing meter.

7.8. Tailoring the message for different groups

The messages defined above are of broad relevance to all consumers. However, as indicated by the behavioural change model, the most compelling way to 'sell' a new innovation is to communicate the relative advantage it offers to an individual. Based on this thinking, we believe there are opportunities to tailor the broad message of control to reflect more specific 'relative advantages' for different groups, which will maximise their engagement with the overall programme.

The following table sets out some examples of how we believe the overall message could be tailored to reflect different audience needs; we will be developing this further as we move into implementing our activities:

Relative advantage conferred by smart meter technology	Tailored message	Audience groups for whom this could be relevant
Seeing what you're spending gives you a fairer way to manage shared bills	Pay only your fair share	Renters/those in shared accommodation where the bill is divided between several parties
No need to let unknown individuals into the home to read meters; no need to access meters in inconvenient locations	Helps you keep your home secure	Elderly; those with disabilities; those nervous or anxious
More convenient way to pay/you can see how much energy you have left before meter runs out	Top up where and when it suits you	Those on prepay tariffs
Makes switching tariff easier/quicker/ more effective	Makes it easier to find the best tariff	Cost conscious, frequent switchers
Makes it easier to adopt energy efficient behaviours	Makes it easier to 'do your bit'	Environmentally conscious consumers
Helps you understand the relative contribution of different energy behaviours to the cost of your bill. The impact of this will grow over time with the introduction of smart appliances in to the market	Helps you see how lots of little changes can make a difference	Cost conscious, those who've already made significant changes in behaviour
IHD provides visible and constant reminder of energy usage	Helps you put good intentions into action	Energy disengaged
Meters with smart technology will work with next generation appliances	Help you upgrade your home for a smarter future	Technophiles, environmentally conscious

7.9. The importance of language

Getting the language right will be a critical part of the success of the roll-out programme.

A number of expert stakeholders who attended the workshops held by SMCDB to inform the development of this plan gave us useful pointers on language. There is still much work to do in this area, which will continue in 2014, but research to date identifies the opportunity for the SMCDB to embed simple, positive language to help explain the different elements of the roll-out programme in a generic fashion.

Element of programme	Questions or issues	Potential language and/or useful analogies
Meter installation	Is 'meter' a loaded term with connotations of being monitored/measured? Installation sounds potentially difficult and time-consuming. Installer or technician might not be the most consumer friendly title	Reframe as meter 'upgrade' or 'update' to focus on better service/ functionality
Existing meter	Currently no sense among most consumers of the need for change or upgrade	'Dumb' meter – embeds necessity for change
	Works best when set in the context of 'dumb' meter or when analogy drawn with other smart technology	Draw overt comparison with smart phones as an example of smart technology that is desirable and where benefits are better understood
Smart meter roll-out programme	No consumer friendly language agreed	Create name for programme (cf 'digital switchover')
In home display	No agreed generic term that makes the link with smart technology overt	Create generic name for display
The infrastructure	No simple explanation of the technology that will enable smart metering, plus potential for health concerns to grow if poorly understood as 'radiation'	Draw analogy with safe and well understood technology such as 'Wi-Fi'
Smart appliances	When smart appliances become more widely available, we could work with manufacturers to use point of sale opportunities to help create a sense of ubiquity and momentum behind the roll-out	Create language such as 'smart enabled' (cf 'HD Ready') for smart appliances and apps
Utility descriptor	'Gas' and 'Electricity' are household terms, Energy is potentially harder to visualise	Use consistent, readily-understood language such as 'Fuel', 'Gas' and 'Electricity'

8. Channels

8.1. Overview

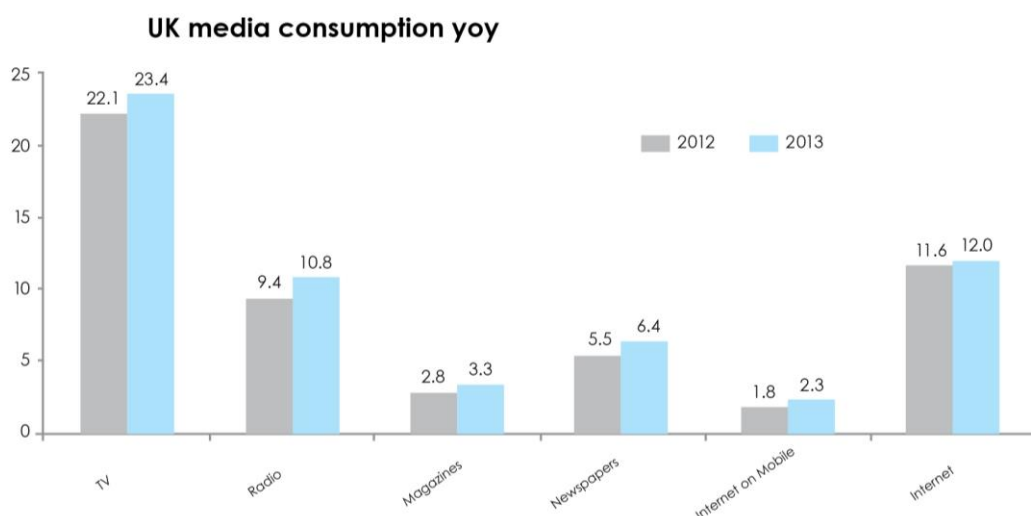
The media landscape has been transformed over the last ten years by the growth of digital media. However far from killing off conventional channels, TV still takes the majority share of our media consumption and other traditional channels, such as outdoor and direct marketing, continue to grow. The 'paid, owned, earned' framework provides a useful way to navigate this landscape and identifies the need for the smart meter engagement programme to use a wide range of channels to reach and engage all of its target groups. Partnerships in particular, are likely to be very important in reaching vulnerable audiences.

We shall conduct more detailed channel analysis and planning in 2014. The information in this chapter sets the context from which we will start that analysis.

8.2. The changing media landscape

The potential to communicate with people has expanded exponentially over the past few years. The media landscape has exploded and the number of channels and media formats available to marketers has fragmented. Gone are the days of only television, print and outdoor. Now organisations can choose to communicate via online display (both interactive and static), social media platforms, interactive digital out of home, YouTube adverts, experiential events, as well as all the traditional channels, which have also diversified with the advent of digital media. This explosion in channels has not just resulted in us switching one channel for another; we are simply consuming more of everything.

MEDIA CONSUMPTION ACROSS THE SPECTRUM HAS GROWN IN THE SHORT TERM

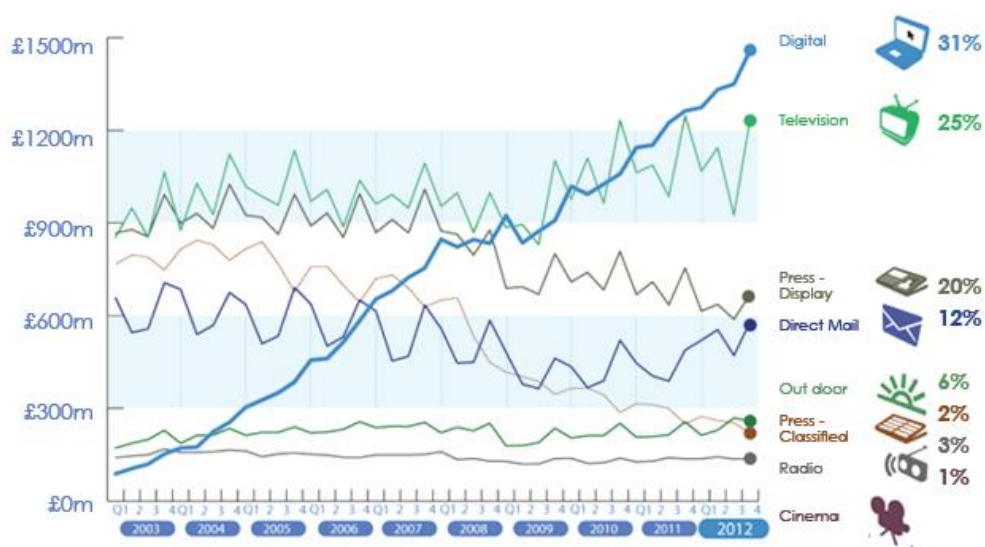


Source: Vizeum UK

8.2.1. The rise and rise of digital

Unsurprisingly, the most striking change over the last decade has been the growth of digital channels. The average consumer now spends about 17 hours a week consuming digital media. UK adult users claim to visit 19 websites in a typical week, with this figure rising to 27 for AB households. On YouTube alone, over 1 billion minutes of video are viewed each week.³⁷

This increase in consumption is driving a huge increase in marketing spend in digital channels. Since 2011 digital has commanded the highest share of all spend, accounting for 31% of total spend in 2012. Nevertheless, thanks to its ability to reach a very high proportion of the population and emotive power of the medium, TV continues to be a very important channel accounting for 25% of all media consumption. Press advertising, although declining steadily since 2007, still accounts for 20% of spend.



Source: Vizeum UK

8.2.2. Smart phone penetration is changing how we access media

The growth of smart phone ownership has dramatically changed the way that people consume and access media content. Smart phone ownership has risen from 44% to 54%, and 86% of smart phone users now use their mobile phone to go online.³⁸

8.2.3. Social networking is a regular pastime for the majority

Social networking continues to grow at a pace with 64% of adult internet users now having a social networking profile. Recent growth in social media adoption is driven by over 55 year olds. 35% of 55-64 year olds now have profiles compared to 24% in 2011. The growth in social media usage has fed the dual screening trend, with many television viewers going on social media platforms such as Facebook and Twitter whilst watching a television programme.

8.2.4. The growth of dual screening

A notable trend in recent years is the growth of dual screening – having the TV on, while also using a laptop, tablet, or smart phone to access the internet. Latest research shows that the majority of British viewers have tried dual screening with 86% of smart device owners having used their phone, tablet or computer while watching TV.³⁹ The two

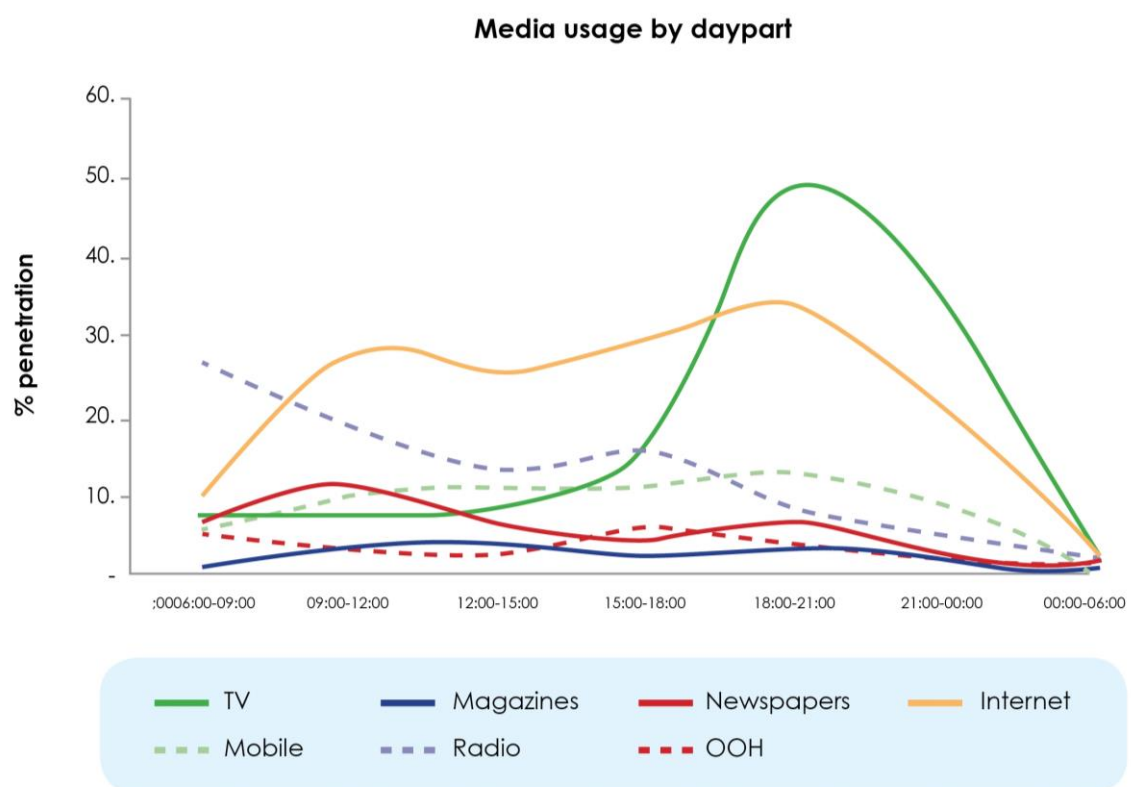
channels have evolved a symbiotic relationship, each making the other more valuable and more engaging to the consumer. In a recent survey by Red Bee Media, one third of the smart device owners admitted that they are more likely to watch a show live rather than on-demand if there is significant social buzz around that programme.⁴⁰ Far from killing off TV, digital (particularly social channels) have re-energised TV viewing.

8.2.5. TV still takes the largest share of consumption

Despite the rise of digital, perhaps surprisingly, television still accounts for the highest proportion of media consumption in the UK, taking up 23.4% of all consumption across the year. Latest data from BARB shows that British people watch an average of 4 hours of television a day.⁴¹ Internet comes in second with 12% of all consumption, followed by radio (10.8%), newspapers (6.4%) and magazines (3.3%).

8.2.6. Media consumption still varies considerably by day part

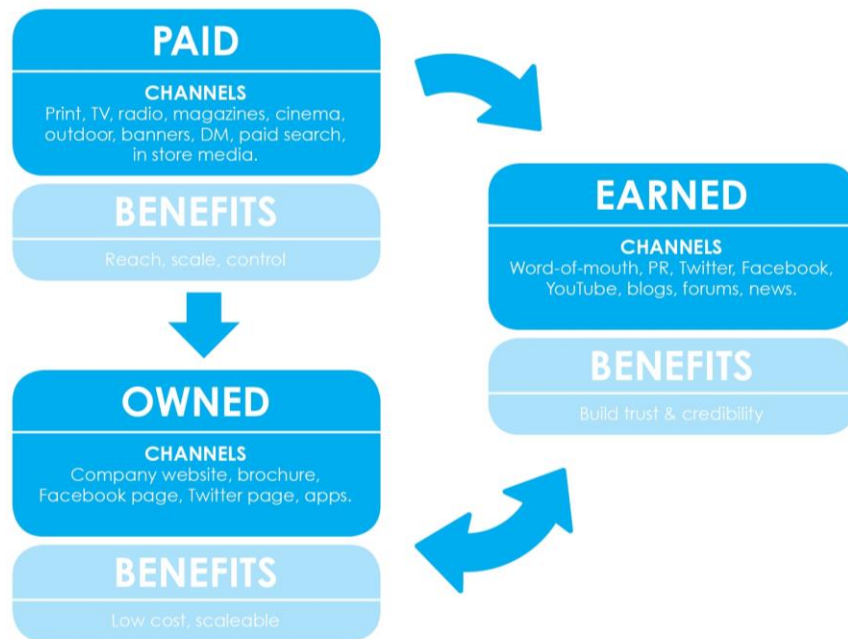
Although the internet dominates daytime media consumption, there is still a clear variation in media use throughout the day. We still like to wake up to the radio (most people's medium of choice between 6am and 9am), and wind down at the end of the day with television (the preferred choice after 6pm).



Source: Vizeum UK

8.3. Paid, owned and earned: a planning framework

In order to navigate this complex media landscape, many marketers use a useful framework of 'paid, owned and earned' channels to enable them to plan when and where they should place communications.



8.3.1. Paid media

What is it? Paid media is what many think of as 'traditional' media, (e.g. television, press, online display and outdoor advertising). Paid media typically drives people to owned channels, therefore, it is important to make sure that owned channels are prepared first.

What is it good for? Paid media is especially useful for broadcasting a message to a wide audience and engaging people on an emotional level. It can be valuable in showing that a nationwide mass-movement is taking place.

8.3.2. Owned media

What is it? Owned media are assets that an organisation owns. This could be a company's website, email channels, their packaging or their social media properties (e.g. Facebook or Twitter presence). They are lower in cost than paid for media, although they do require set up and on-going maintenance costs.

What is it good for? They typically provide the contact point between consumer and business and, as such, need to truly represent and communicate the brand.

8.3.3. Earned media

What is it? Earned media can be defined as the dissemination of messaging for free via a variety of sources. The most common forms of earned media are usually PR and word-of-mouth (WOM). Word-of-mouth is typically linked to social media – where people are talking and having conversations with each other – however, most WOM happens offline, with only 5% of conversations happening online.

What is it good for? Earned channels are good, in and of themselves, because they prove that a brand is being talked about and catching people's attention. They can be monitored to understand how the message is spreading organically and used to spot opportunities and threats.

8.4. Paid, owned and earned channel breakdown

PAID					OWNED				EARNED	
Digital	Television	Radio	Press	Outdoor	Website	Social Media	Contact Centre	Direct Marketing	PR	Word of Mouth
Top-line: Paid search accounts for most spend (54%), followed by display advertising (24%), and classified advertising (16%) Mobile advertising increasing + 148% YOY. Driven by penetration of smart phones	Top-line: Most profitable advertising medium Video on demand is opening up this channel and enabling marketers to target a more captive audience	Top-line: 47 million adults listen to the radio every week (90% of UK population) Radio accounts for 1/4 of average adult's time spent with media across the day	Top-line: Although press circulations are declining, this is still an important channel. The Sun has a circulation of 2.2 million Press formats are diversifying into digital formats: iPad, website, mobile	Top-line: Outdoor grew by 5.9% last year Digital revenues now account for 21.5% of total outdoor spend	Top-line: Website needs to reflect information and look and feel of other channels	Top-line: The reach of social media is increasing all the time. 64% of adult internet users have a social networking profile 72% of adult users visit social networking websites daily	Top-line: Important owned channel, particularly for older consumers who prefer not to use other channels of communication	Top-line: DM and email being used more frequently by marketers DM is an important fulfilment channel Opportunity to create CRM programmes	Top-line: Blogs, articles, news: enables you to frame the story around your brand and minimise misinterpretation	Top-line: 95% of conversations about brands occur offline 84% of consumers say that they trust WOM recommendations from their friends and family most
Key strengths: Ability to target consumer segments very precisely. Highly accountable. Can test a wide range of messages and executions against different audiences	Key strengths: Proven strongest medium for creating "deep, long held brand associations"	Key strengths: Radio offers an extra peak of listening in the morning to compliment the evening peak that television offers	Key strengths: Digital press formats provide more in-depth segmentation of audiences, (e.g. average age of mobile app readers is 31 vs physical paper readers whose average age is 57)	Key strengths: New digital formats enable greater targeting and interactivity	Key strengths: Highly trusted medium (69% of people trust owned channels most after word of mouth)	Key strengths: Can target younger groups and people based on interests and 'likes' Content sharing platform-build story around brand	Key strengths: Strong point of contact for vulnerable consumers	Key strengths: Can include a lot more detail in DM and email – more informative than other channels	Key strengths: Positive PR helps build trust and credibility among our audience	Key strengths: Most trusted communications

8.5. Channel principles

A key task for 2014 will be to create a more detailed channel plan, exploring the most effective ways to engage our audiences. In creating the plan we will apply the following principles:

8.5.1. Consider broadcast channels to build momentum quickly

To build awareness of the roll-out and create the sense that the roll-out is an important national programme, we will consider the need to use broadcast media. Coordinated use of paid for media and national consumer PR will help to create the sense of momentum required to kick-start the programme. This is an approach that has been used by many national programmes, including Digital UK, Change 4 Life and tobacco control.

8.5.2. Use targeted media to get tailored messages to the right audience

Different channels will work to reach different audiences. Whilst almost everyone is exposed to television, we can use more targeted media to support and underpin the use of national broadcast channels. In doing so we will be able to communicate more tailored messages to specialist groups.

8.5.3. Maximise owned and earned channels

The diversifying media landscape presents many different ways to reach people, and paid for broadcast media is still the quickest and most reliable way to reach a large proportion of the population. However, we will always aim to maximise our reach and engagement through owned and earned channels (e.g. website, social media, partnerships) to ensure our channel mix is as cost-effective as possible.

8.5.4. We will invest in partnership marketing

One of the approaches pioneered by Change 4 Life has been partnership marketing. A concerted effort to build long-term strategic partnerships has resulted in strong and effective relationships with a range of commercial and not for profit partners. These have proved very effective at both reaching vulnerable groups (through organisations that target audiences know and trust) and doing so highly cost-efficiently. We believe a similar approach would work well for the smart meter roll-out, since partnerships can also help us to build trust and credibility amongst harder to reach audiences.

8.5.5. We will participate actively in online forums and discussions

People are increasingly looking to each other for advice and guidance before trying something new (note proliferation of customer reviews on online retailer sites). Seeing where smart meter content is appearing and where the issues around the roll-out are being discussed, and joining in where appropriate, is an important part of a responsive approach to communication and can help build credibility with opinion formers.

8.5.6. Embed learning from analogous programmes into our thinking

Previous mass public communications campaigns, such as that executed by Digital UK, have already been useful for us in trying to understand how to communicate to multiple audience segments. In fact, Digital UK itself borrowed from other public campaigns such as stroke awareness in developing its channel strategy. We can learn

much from this type of campaign, and the approaches that they found to be most effective, while recognising the challenges that are unique to smart meter roll-out.

8.5.7. Test, learn, refine

Our engagement plan will need to evolve as the roll-out progresses. We will embed a 'test and learn' culture to ensure that we always review success and aim to optimise activity. We will learn through regular campaign tracking research, and investigate the potential for econometric analysis to help us optimise the effectiveness of our media mix and budget allocation.

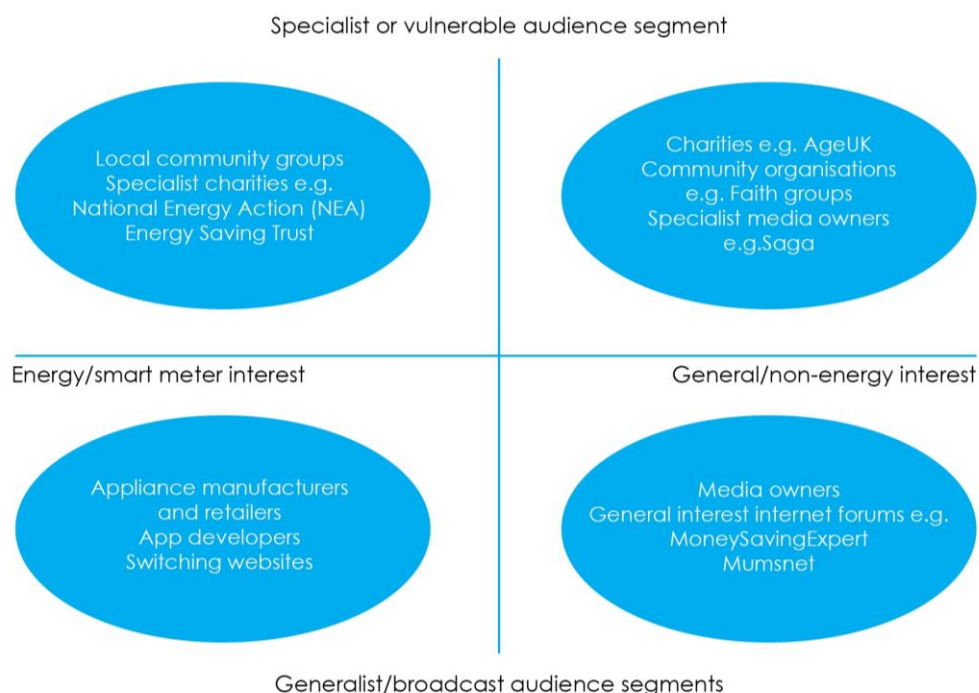
8.6. Reaching vulnerable groups

In 2014 we will carry out further, more detailed work to understand the most effective media channels for reaching vulnerable groups. In many cases, conventional paid for channels may work well. However, we anticipate that we will need to upweight communication in some channels to ensure we reach and engage specific groups.

8.6.1. Partnerships

As noted above, partnership marketing is likely to be a critical part of the engagement programme. Partners are likely to be particularly valuable in helping us reach specific audience groups who are harder to reach or engage through conventional media. By working closely and strategically with a range of commercial and not for profit partners, we will also seek to build visibility, momentum and perceived scale behind the roll-out.

Positioning map indicating potential partnerships that will be explored



9. The phasing of the engagement plan

9.1. Overview

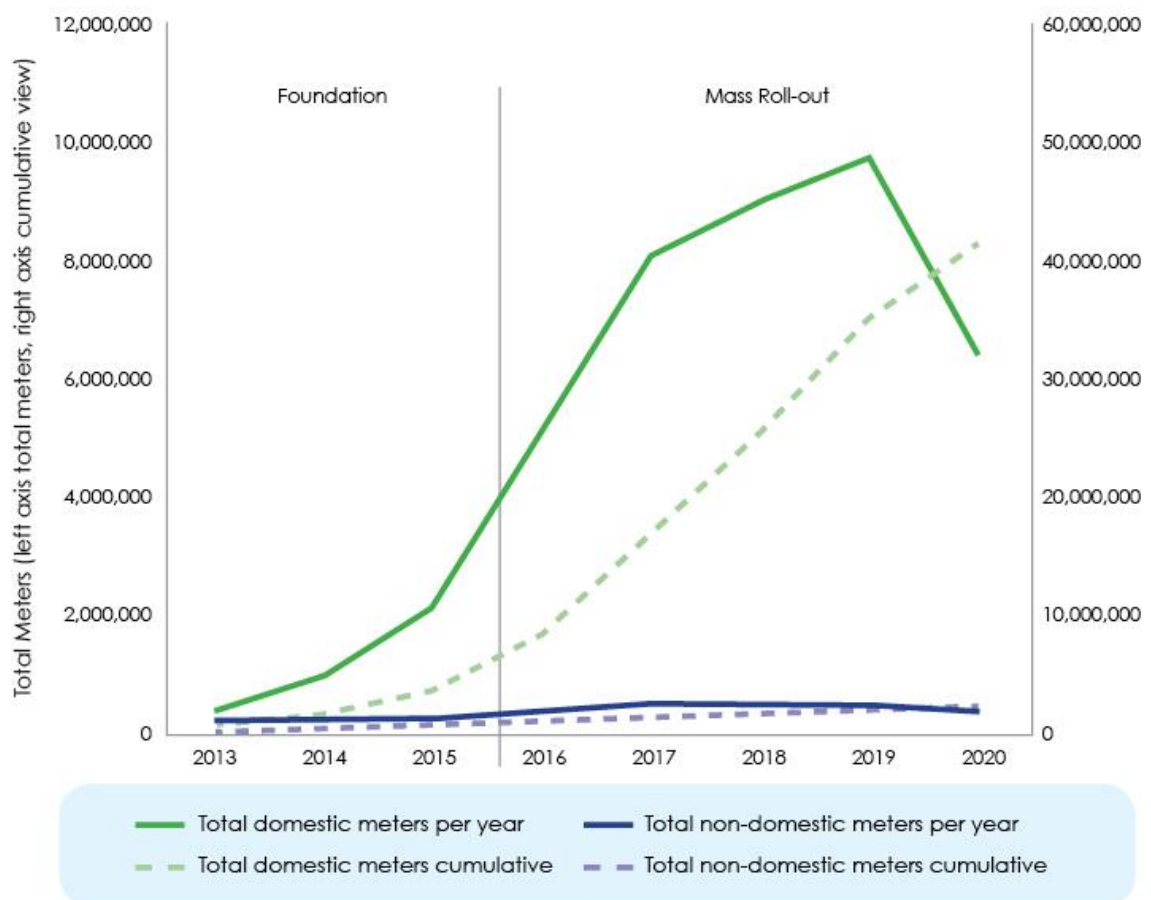
The phasing of the smart meter roll-out programme presents several challenges for engagement: we must build and maintain momentum, keep our message fresh and interesting, and ensure that we do not leave anyone behind. To do this we will need to adopt sensible and pragmatic ways to help us phase our messaging, targeting and budget to best reflect the needs of consumers throughout the roll-out period.

9.2. The phasing challenge

The smart meter roll-out will take place between now and 2020 with mass roll-out commencing towards the end of 2015.

Our latest understanding of planned numbers of domestic and non-domestic smart meter technology installations in homes (and to non-domestic micro-business customers) across Great Britain, throughout the seven years of roll-out is outlined below:

Planned installations of smart meter technology (year by year and cumulative total) between 2013 & 2020



As we set out in chapter 1, these plans show that there are some installations planned in the 'foundation' stage of roll-out (before Autumn 2015), but a significant ramp-up in installation numbers will occur from the start of mass roll-out in late 2015. From that point onwards, until the end of the programme, it is intended that every year tens of millions of householders will accept an installation of smart meter technology in their homes and become users of that technology.

This presents several challenges for the phasing of engagement activity:

- **The roll-out will not follow a regional pattern:** unlike programmes of a similar scale (e.g. Digital UK), we will not be able to rely on taking the engagement programme from region to region and 'hothousing' each area over a concentrated time span as the roll-out will happen gradually throughout the whole of GB across the seven year period.
- **The engagement programme will be active throughout the country over a seven year period:** as a result of the gradual nature of the roll-out we will need to work hard to maintain momentum and engagement throughout this period to ensure the message does not become tired.
- **There are likely to be different segments of consumers at very different stages of awareness, knowledge and engagement at any one time:** they will, therefore, have different communications needs which we will need to address.

9.3. Principles for phasing

9.3.1. Engagement phased ahead of roll-out

In order for the roll-out to progress according to plan, the engagement programme will need to build knowledge and positive intent sufficiently ahead of time to allow installation targets to be met. It is likely, therefore, that the engagement programme budgets will follow a similar shape to the roll-out schedule, but will be brought forward by a period of around 12 months.

9.3.2. Creating informed partners and media from the beginning

Before we start communicating with the public, we need to brief our partners and the media; the people and organisations that the public will look to and hear from, beyond SMCDB, on smart meters. Targeted briefings and education on smart energy and smart meters will precede public engagement.

9.3.3. Keep it simple

There are many messages associated with smart meters and we want to phase them in such a way that people build a good understanding of what is happening.

9.3.4. Balancing benefits now with benefits tomorrow

Smart meters are the technology that will help us be more in control of our energy. The control will start with seeing what we are spending and being able to take decisions armed with that new level of information. But over the next few years, as technology and the energy network evolve, our control will expand. These new developments will give us opportunities to refresh and reinvigorate our message as roll-out progresses. The

promise or vision of what the future holds can also help us create a positive context for smart meters from the start.

9.3.5. Communicating progress

As noted in the innovation decision process, seeing who else has a smart meter will be important to give a sense of how widespread and normal having a smart meter is. Providing these updates throughout the roll-out will be helpful to this end, and will also help to build a sense of momentum behind the roll-out.

9.3.6. Celebrating milestones

To help keep the engagement programme fresh, and to maintain momentum it is important to celebrate milestones along the way – whether that is the official start of mass roll-out, the first 10 million meters fitted or completion of the programme in 2020, when c50 million smart meters will have been installed. Communicating these milestones and what they mean for Great Britain and for its people will recognise the success of the roll-out, all involved and any impacts on our energy behaviour consumption levels.

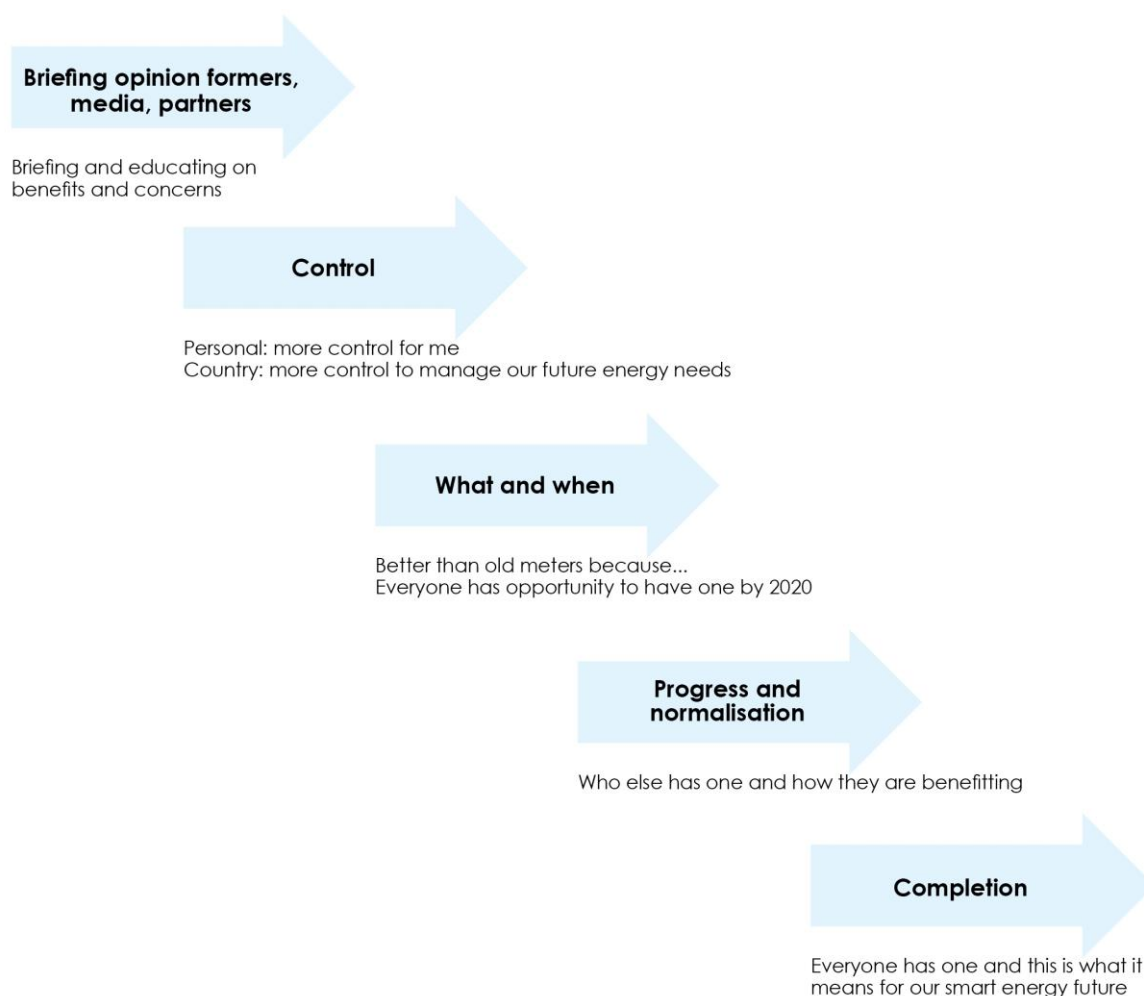
9.4. Phasing our message

The central message of the smart meter engagement programme will focus on how smart meters put consumers in control. However, to keep this message fresh and relevant, we will explore different ways of framing it. For example:

- At the start of the programme we will focus on the bigger picture – control for the individual and for the nation.
- The beginning of mass roll-out offers the opportunity to ‘launch’ an exciting and new technology to help put consumers in control.
- Once mass roll-out is underway, the emphasis may shift to demonstrate how early adopters have benefitted from the control that smart meters offer.
- Towards the end of mass roll-out, when smart appliances or more innovative tariffs offer further ways to help control energy use and lower costs, we may focus on these developments as new incentives to ‘say yes’.

As noted above, we will also use milestones in the roll-out programme, or the broader energy market, to enhance the relevance and resonance of the message.

Diagram showing potential phasing of messaging during the roll-out programme



9.5. Phasing our targeting

The behavioural model that underpins our thinking is based on the assumption that smart meters should be positioned as a new innovation. The model suggests that an innovation will be adopted first by those who are predisposed to innovations and who can see a clear relative advantage in it (early adopters) and only later, once the innovation has been normalised, will the late majority follow.

Our early messaging is therefore likely to be of most relevance to people nationally and within local communities who shape opinions, while later on during the roll-out, broader communication will need to engage the majority.

We have a duty to engage low income and prepayment customer groups to ensure that no one gets left behind. So, as well as the core campaign, we will also need to put in place programmes of communication designed to provide more in-depth support and help for those who need it. These are likely to carry on throughout the roll-out period.

10. Planning budgets

10.1. Overview

The focus for 2014 will be on building the foundations that will underpin the roll-out programme. We will carry out further research to ensure our thinking is robust and evidence based, create more detailed channel plans and develop the brand and campaign identity for the engagement programme. We will build our website, explore contact centre options and ensure basic information is made available to those who seek it. We will also start developing relationships with both media stakeholders and the partners that we hope will play an important role in the programme. We will publish our detailed plans for 2014 alongside this plan.

In 2014 we will carry out the detailed work required to develop budget recommendations for 2015 onwards, across the currently envisaged cycle of the roll-out programme. We will pay particular attention to the requirements on the SMCDDB to constantly demonstrate efficiency and value for money in all our activities.

In this chapter we give an indication of what the work to develop 2015 onwards budgets will entail.

10.2. Development of 2015 onwards budgets

10.2.1. Further insight and research

We commissioned qualitative and quantitative research to inform the development of this engagement plan, as well as drawing together existing published data. We plan to supplement this existing insight to have a more detailed sense of the scale of activity required from 2015 onwards:

- An audience segmentation study to help us better understand the behaviours and attitudes of our target groups in relation to smart meters.
- Bespoke qualitative research amongst our vulnerable groups to understand better their attitudes and behaviours in relation to smart meters.
- Social media monitoring to help us understand the sentiment and comment around the roll-out programme.
- Creative development research to help us identify the most motivating and engaging brand and campaign identity.

10.2.2. Developing partner relationships

Long term, strategic relationships will be a critical part of successful engagement, particularly in order to reach the vulnerable groups. In 2014 we will explore the key partners with whom we need to work and begin discussions with them as to what levels of resource will be required to create and execute these partnerships. As discussed in chapter 8, partnerships are likely to span a broad range of commercial and not for profit organisations with reach and credibility across and with our audiences.

10.2.3. Developing the brand and campaign identity

In 2014 we will work with agency partners to develop the brand and campaign identity for the smart meter programme, and the key assets that will be used throughout the engagement programme. We will follow a best practice process to develop these creative assets, involving consumers (through research) and consulting with stakeholders.

This work will drive the strategic and creative output needed to persuade GB households to switch to smart meters. Major media buying will not take place until 2015 (although there may be some small scale media buy in 2014), however the work on developing branding and communication themes will further help us to understand the exact role of different elements of future media buys, and, thus, the scale of media spend that will likely be required.

10.2.4. Detailed channel planning

In parallel with the development of the brand and campaign identity, we will also plan our approach to channel planning in more detail, scoping out the role for each channel and the most effective mix to reach our target audiences.

Our channel planning will be informed by analysis including the extrapolation of potential costs for consumer engagement produced by DECC, as well as analysis by channel planning experts. To start this, Vizeum (one of the UK's leading channel planning and buying agencies) has analysed spend on communications by energy companies in 2012 (+inflation), the average yearly spend on communication by energy companies,⁴² the spend by comparative campaigns, such as Digital UK, and spend by companies engaging within low interest categories. Within each of these groups, Vizeum has divided all spend into three tertians, with the top tertian representing the most spent on average and the bottom tertian representing the least spent in this group on average.

	Utilities 3yr avg.	Utilities 2012+inflation	Comparative advertisers	Average
Tertian 1	£9,200,000.00	£10,000,000.00	£2,300,000.00	£7,166,666.67
Tertian 2	£23,200,000.00	£29,000,000.00	£7,000,000.00	£19,733,333.33
Tertian 3	£37,300,000.00	£48,000,000.00	£11,700,000.00	£32,333,333.33

Source: Vizeum UK

An average has been calculated for each tertian across all groups over three years to 2012. The average for the bottom tertian is £7.1m, for the middle tertian it is £19.7m and

for the top tertian it is £32.3m. However, at this stage, this simply informs planning to come, rather than in any way binding it.

10.2.5. Budget distribution

The most up to date thinking on media considers the traditional advertising media (paid for media) as only a part of the overall armoury on which brands can call. The other two key areas comprise 'owned media' which are the channels that a brand controls itself, such as websites, physical locations and, of course, the advocacy of its own people. The third area is 'earned media', comprising the coverage that is created by PR, social media and the coverage created by opinion formers.

How the balance between elements should broadly change:



Source: Vizeum UK

The above chart shows how the phasing of the three different channel types complement and work with each other, and how the effort and spend will be concentrated across the campaign life.

Owned channels need to be prepared before any broadcast activity, as this is where the communications will drive people. They provide the contact point between consumer and brand, and, therefore, it is vital that they truly represent the character and tone of the organisation.

Paid channels will be the most effective at raising awareness quickly and helping to make smart meters an understood entity, which people can envisage. This will be of prime importance in the early stages of the campaign and the media budget should reflect this.

Earned media, such as free PR, is an output of paid and owned activity. Due to the lack of awareness around smart meters (compared to a household brand, for example) earned media will not be created without an effective paid for and owned media strategy.

10.2.6. Media and PR

A key early part of the engagement process will be to get media commentators and opinion formers on side. We will start this work next year, proactively reaching out to commentators and opinion formers in online and offline media. We will also put in place reactive messaging and fact sheets to ensure that we can respond to any queries surrounding issues such as health, data privacy and consumer protection.

10.2.7. Establishing the website and exploring contact centre options

A key part of the engagement process will be providing an information service for consumers seeking more information about all aspects of smart meter roll-out. To this end, we will establish a consumer facing website in 2014.

As part of our planning in 2014, we will also explore the most cost-effective options for providing a customer contact-centre service. We will ensure that such a service will only be created in a way that plays a genuinely valuable role alongside existing contact centres provided by consumer groups and also existing energy company contact centre services.

10.2.8. Engagement pilots

We will explore the role of engagement pilots in partnership with energy suppliers to see if they could be valuable in allowing us to test various aspects of the engagement programme.

The range of possible avenues of exploration through the pilots programme is wide but our early focus is likely to include:

- Defining the most effective channels through which to upweight support for vulnerable groups
- Exploring the impact of 'hothousing' consumers through experiential channels that give them opportunities to see smart meters in action and get a feel for how they work
- Understanding which organisations work best as delivery partners in helping us communicate to particular customer groups most effectively
- Getting a 'real life' response to some of the campaign materials we create

We will need to reflect the costs of pilot activity in our future plans, in particular those in 2015 and 2016.

11. Implementing this plan

This plan sets out the SMCDB's initial analysis of the task, and the approach that we will take to tackle it.

As we enter 2014, we will start to execute this plan, with our initial focus on the additional research, planning and development activities needed to create the fuller picture of the actions that we will take over the lifetime of the smart meter roll-out and build the necessary foundations for those actions.

This plan also becomes a living and evolving guide to our approach. We will continually assess the need to develop and amend this plan, and will report back on why any changes may be needed, and how we are going to action those changes.

This plan was informed by the contributions of many stakeholders and experts, who gave up their time to help us shape it. We will continue to work with these stakeholders, and many others, as we implement actions, but also to secure on-going feedback on the plan as a whole.

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³ Groups were held in October and November 2013 in Livingston, Hackney, Liverpool, Cambridge, Cardiff, Birmingham, Brighton and Shrewsbury. A poll of 6000 people was carried out by YouGov in November 2013.

⁴ For further information please see: <http://britainthinks.com/>.

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³³ TGI is a research study carried out by TNS/BMRB among c25,000 adults within the UK. It allows us to compare the attitudes and behaviours of different population segments.

³⁴ Office for National Statistics. 2011 Census - Population and Household Estimates for England and Wales, March 2011 20 July 2012. Available at: http://www.ons.gov.uk/ons/dcp171778_270487.pdf [accessed on 29/09/13].

³⁵ Findings from quantitative research commissioned by the SMCDB and carried out by YouGov in November 2013 involving 6000 participants.

³⁶ Findings from quantitative research commissioned by the SMCDB and carried out by YouGov in November 2013 involving 6000 participants.

³⁷ For further information please see the bibliography.

³⁸ Ofcom (2013) Adult's media use and attitudes report.

³⁹ For further information please see: <http://www.redbeemedia.com/insights/dual-screen-white-paper-series-paper-2-dual-screen-consumers>.

⁴⁰ For further information please see: <http://www.redbeemedia.com/insights/dual-screen-white-paper-series-paper-2-dual-screen-consumers>.

⁴¹ For further information please see: <http://www.thinkbox.tv/research/tv-nation-ad-nation-attitudes-behaviours-and-motivations-summary/>.

⁴² This average is calculated by analysing the yearly spend of the 'Big Six' energy suppliers over the last three years (2011-2013) within a spend range of <£5m to ≤ £50m. The spend of each supplier has then been categorised into "Bottom tertian", "Mid tertian" and "Top tertian" (those that fall into the "Top tertian" spend the most), and a yearly average has been calculated for each of these tertians based on spend for the last three years. The data for this comes from Nielson, via Vizeum Media.