

Marketing Society Awards 2014

Marketing for Sustainable Consumption
British Gas & Smart Meters

Executive Summary

Business Problem: Smart Meters

All Energy companies have an obligation to fit Smart Meters in all their customers' homes by 2020. But British Gas are leading the way in rolling them out across the UK as well as creating new tools and services around the product that helps their customers understand what they are using, ultimately with the aim of reducing energy consumption. British Gas passionately believes that Smart is the biggest opportunity we have to completely transform the relationship consumers have with energy.

Objective: Raising Awareness & Driving Engagement in Smart Meters

However at the beginning of 2013 there was still a lot of confusion about Smart Meters, what they were, how they worked, and what they do. This was negatively impacting customer take up of Smart Meters so we ran a TTL marketing programme throughout H2 2013 to drive up awareness and understanding, as well as engagement and take up of Smart Meters.

Results:

Our multi-channelled marketing approach shifted awareness and understanding of Smart Meters by both British Gas and non-British Gas customers by 7 percentage points. Working in consultation with a behavioural scientist, Dr Robert Metcalfe, our test and learn direct marketing campaigns changed no-access rates and response rates substantially, achieving highs of 21% response rates.

We also changed the way in which we engage customers. By creating personalised reports based on half hourly reads of customers energy consumption, we were able to show customers what they are using by appliance and provide personalised tips on how to save. Explaining the benefits of these half hourly reads and subsequent reports to customers achieved an opt-in to half-hourly reads to 84%.

By the end of 2013 we reached the 1 million milestone. 1million Smart Meters installed across Britain's homes and businesses – more than any other energy supplier. Even more significantly a survey of customers in October 2013 found that 79% of customers using both the Smart Meter and In-Home Display were more aware of their energy consumption and 9/10 were taking steps to reduce their usage.

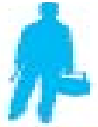
The Smart Meters rollout is being run on an unprecedented scale



Over **1,000,000**
smart meters now in Britain's
homes and businesses



Every 2 mins
We install a Smart Meter



1,200
trained Smart Energy Experts
upgrading nationwide



Over 45,000
Customers interviewed to help
us improve our offering



Almost 100%
of smart bills are based on
actual meter reads



+40%
Improvement in NPS vs
standard

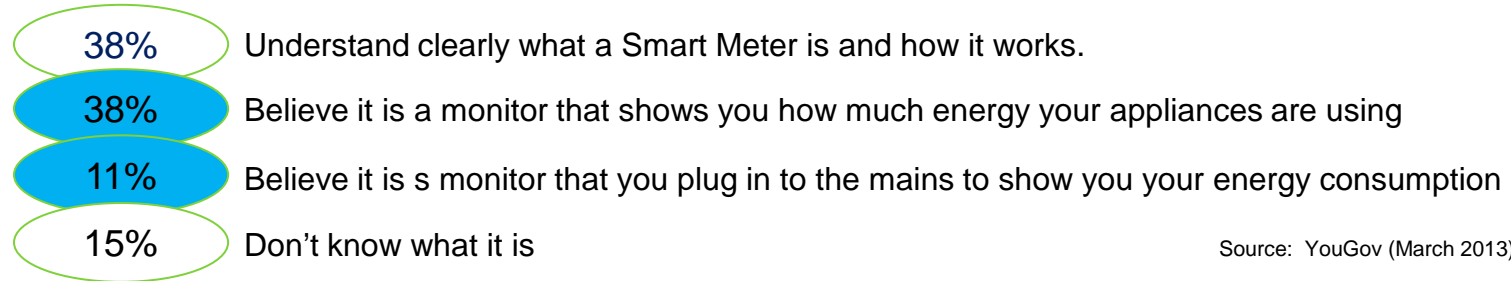
Smart Meters are the most significant energy innovation in recent history and will make the biggest difference to everyone's consumption of energy. As customers become more aware of what they use, they will be able to judge whether they can make any changes to their consumption and save money. British Gas passionately believes that the sooner customers have Smart Meters the better it will be for customers, society and the environment. That is why we are leading the roll-out. But to keep the pace up, we need to drive greater customer engagement in Smart Meters.

At the start of 2013 Smart Meters were still barely understood

Only 49% of bill payers said they'd heard of Smart Meters; 5% claimed they had one

Source: Consideration from Smart Campaign pre-test, June '12 (UK homeowners responsible for a decision about energy in their household)

These figures reflected consumer confusion around Smart Meters



Source: YouGov (March 2013)

In fact DECC research at the time showed limited shifts in any metrics since Wave 1

However the same research also showed a **clear link between those with greater knowledge of smart meters and interest in having a smart meter installed**

Source: Quantitative Research into Public Awareness, Attitudes, and Experience of Smart Meters: Wave 2 (DECC March 2013)

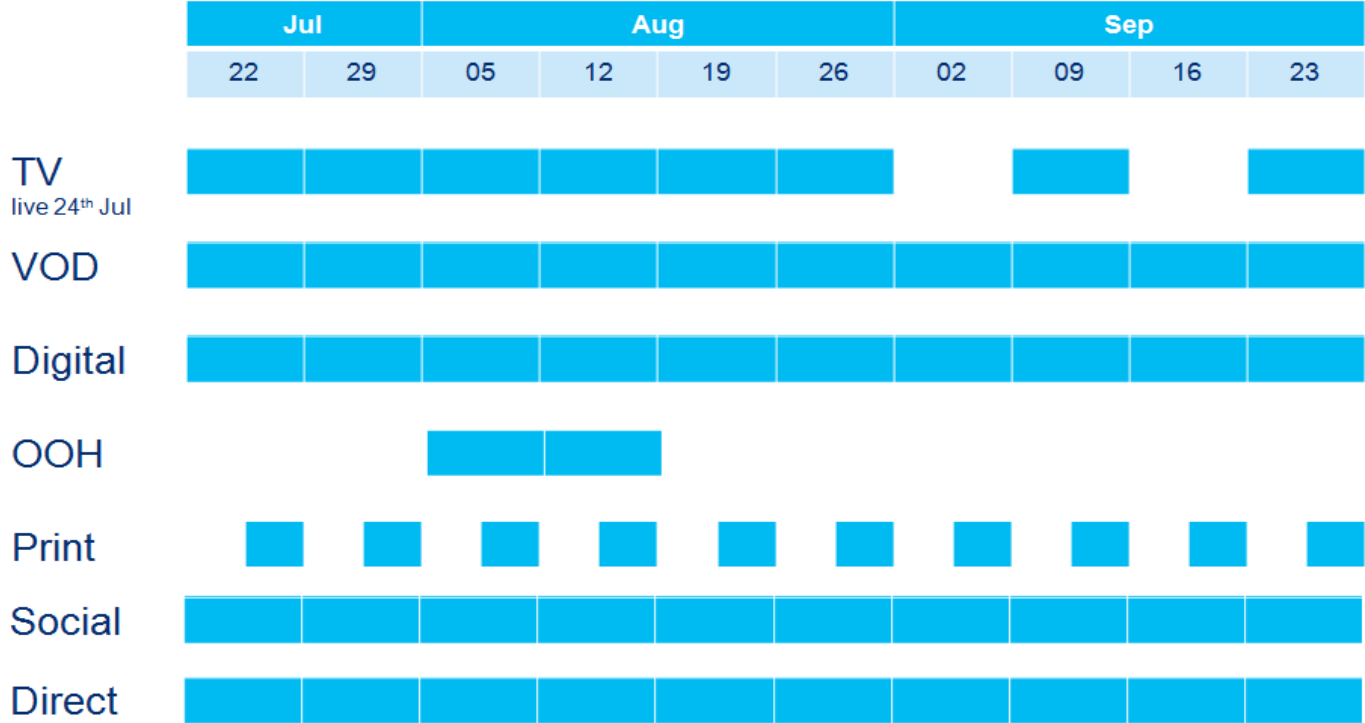
Our challenge was to drive awareness in order to drive interest

- #1 Increase awareness of Smart Meters
- #2 Drive greater understanding and engagement
- #3 Help customers to manage their energy consumption

This would help to transform our customers' relationship with energy, helping them to better manage consumption

We started by launching a national multi-channel campaign in July

A long-term fully integrated campaign would ensure maximum awareness of smart meters and their benefits



ATL was used to drive awareness of the roll out



V/O: At British Gas we're revolutionizing the way our customers see their energy. We're upgrading you to smart meters, providing you with an energy breakdown, so you can see what you're spending on things like lighting and heating. And you'll get accurate bills, without having to submit meter readings. You'll never see your energy in the same way again. British Gas. We do more to look after your world.



- This was the first ever TV ad to focus on raising awareness of Smart
- We targeted moments of engagement and including appointment to view programming, amplified at weekends
- Media included TV, Radio, Press, Digital, Direct, PR & Social Media
- Customers were directed to register their interest in Smart

Impactful formats help pushed this awareness

Digital Out Of Home



Press Cover Wraps



Interactive and education digital formats



The ATL advertising out-performed against a number of brand metrics, with 60% of customers saying they wanted to find out more about smart meters (a 20% point uplift on average)

This was supported by targeted social media activity to engage consumers

Mumsnet



Netmums



- A dedicated smart meter hub encouraging people to explore the benefits of Smart Meters
- 22k unique hub visits
- 9k competition entries
- 350 thread interactions
- 76% positive sentiment

- A dedicated "90 Day Energy Plan" hub, highlighting benefits of smart meters
- 13k page views
- interactions with 1700 mums
- 7 minute dwell time on Energy Plan thread

We engaged a combination of professional and consumer bloggers

Consumer Bloggers



5 mums recruited to have smart meters, who then blogged their experience, including how they saved energy



"I've tapped it out of curiosity quite a few times, as well as specifically for this challenge, and it's been interesting seeing the difference on days when the whole family is at home"

Mumsnet member



The 90 Day Energy Plan: 4 Mums recruited through Netmums to have their homes fitted with Smart Meters. Over the following months they blogged about their experience



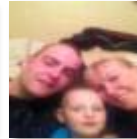
Evie



Emma



Penny



Cheryl

"We had our Smart Meter installed - only took a couple of hours and a really interesting device. Seeing the cost per day/hour on the monitor makes me think twice about leaving the lights and TV on"

Netmums member

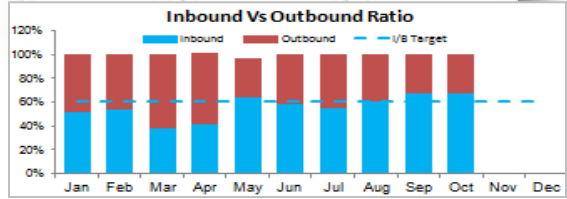
Professional Bloggers



"My boys are showing an interest in smart meters too, which is fantastic as they are the next generation"

A Strong Coffee

And in direct we targeted specific customers to improve take up



To make sure we maximised take up, we ran a series of tests.

We tested creative, channel mix (DM v OB v email), calls to action (direct to IB v Online App Booking), and layout design (having consulted with a leading behavioural scientist, Robert Metcalfe).

- Our Direct Mail targeting has achieved an average response rate of 21% - the segmented versions achieved a 30% conversion rate
- Our email invitation for a Smart Meter, including a video demo, had a click through rate 46 percentage points higher than average
- As a result we changed the inbound vs outbound call mix



To improve the journey experience we also created 7 FAQ videos



From <date> you'll be able to see what you spend on your energy.

Dear Bob,

Get ready for the energy revolution.

One of our Smart Energy Experts will be with you shortly to explain your meters. Once installed, you'll be able to see your home's energy in a completely new light. With automatic, accurate readings and personalized Smart Energy Reports, you'll know exactly where and when you use energy — giving you the power to manage your energy more efficiently and possibly save money.



What will smart meters do for me?



How do I get smart meters?

- These videos featured an actual Smart Energy Expert in order to build engagement and trust
- The videos were launched on YouTube
- During the campaign we had over 120,000 combined views
- We have also launched an email which goes to customers ahead of their install to keep them engaged in the process and minimise no access rates

And to help customers realise the benefits we developed the Smart Energy Report



Our **Smart Energy Report** goes to the majority of smart customers on a regular basis – either via email or letter .

The report gives customers a breakdown of their energy usage by lighting, heating, cooking, appliances and hot water.

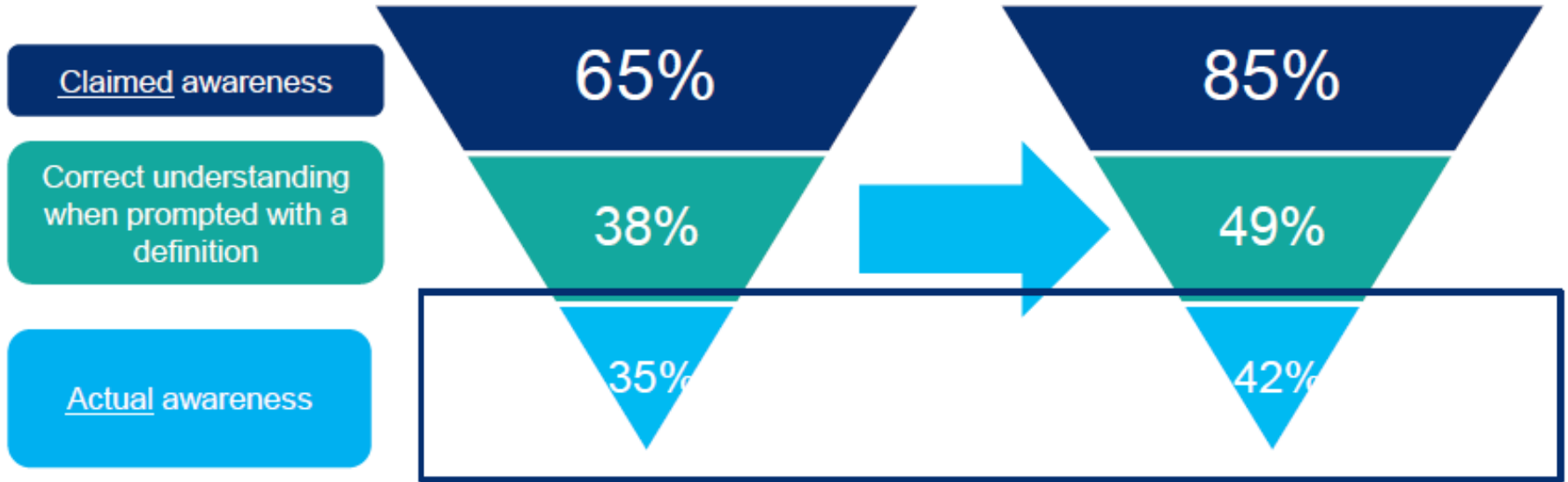
It also drills down to historic usage , comparing usage to other households, as well as providing personalised tips.

We interviewed customers who receive the Smart Energy Report: 80% said they read it and 76% said it was useful

The average dwell time on the Smart Energy Report on the website is **17 minutes**

By the end of 2013 actual awareness increased by 7 percentage points

Awareness & Understanding of Smart Meters



We measure awareness of consumers on a regular basis (2.5k BG/non-BG consumers per quarter so 10k pa). We are careful to measure actual awareness which checks consumers have the correct understanding about Smart Meters

Customer engagement has increased as people have learnt more

- ➔ 375% increase in registrations of interest at britishgas.co.uk/smart.
- ➔ Over 120,000 combined views of youtube installation journey videos
- ➔ 87% of Smart customers feel the Smart Energy Report is informative
- ➔ 67% feel the Smart Energy Report also helps them to manage their usage
- ➔ 79% of those using the In-Home Display are more aware of their consumption
- ➔ 9/10 were taking simple steps to reduce usage
- ➔ 40% have tackled wider issues within the home

But the biggest improvement is in customers understanding of their usage



smart meter customers can see how their energy efficiency efforts are reducing their energy consumption.

40%

have been encouraged to tackle wider energy efficiency issues in their home since having a smart meter installed. Including:



Installing insulation



Turning off appliances when not in use



Energy efficient light bulbs



Energy efficient appliances



79%

of customers using their smart energy monitor are now more aware of their energy consumption.



9/10

British Gas smart meter customers are now taking simple daily steps to reduce their energy use.

Such as turning off appliances when not in use.

64%

of those people identified savings of up to:



(6% of average British Gas dual fuel bill)



54%

of those using their smart energy monitor have saved money off their energy bill.



Team

British Gas Marketing:

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Smart:

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Thank you