

**Workshop on addressing sales and marketing
during the installation process
25th November 2010**

For this workshop, attendees were split into groups and asked to consider the following questions:

What might be considered acceptable and unacceptable uses of the installation visit, in terms of marketing and sales activities?

And

For those activities that might be unwelcome, what limits might be imposed?

A summary of the views expressed is set out below.

Group 1

Group 1 felt that the primary purpose of the installation visit was the installation of the smart meter and, while representing an engagement opportunity, it should be left to the customer to take the initiative to obtain a product or service by making a phone call or visiting a website after the installation visit. To this extent, they welcomed the agreement among ERA suppliers that no sales should be concluded at the point of installation.

The group discussed whether this should apply to the selling of in-home displays (IHDs) which exceed the minimum technical specification. Some supported an exception for higher-specification IHDs on the basis that this would increase convenience for some customers, negating the need for a further visit to upgrade the IHD. However, others were concerned about allowing suppliers to conclude sales of IHDs during the installation visit. Some group members felt that there could be a danger of customers purchasing upgraded models of IHD in the absence of a full understanding of the implications, cost and alternatives. This included a concern that customers may purchase upgraded IHDs without fully understanding those additional functionalities that might be lost if they were to change supplier.

In terms of information provision, it was suggested that a generic leaflet (potentially government produced) explaining the context of the visit should be provided. Additionally, generic information on use of the meter and IHD was felt to be necessary, potentially supplemented by branded information from suppliers. Some information on energy efficiency services and products and on the Green Deal was also felt to be appropriate. More tailored advice on energy saving was felt to be acceptable where requested by customers and where provided by a qualified person.

Some members of the group opposed any verbal marketing, and were keen that customers should not be subjected to a 'hard sell'. Others felt that verbal marketing would be acceptable for energy saving products. Some asked that suppliers be prohibited from offering incentives for installers to generate sales leads.

The group broadly agreed that customer consent should be obtained before suppliers are able to undertake sales and marketing during the visit. It was agreed that this consent should be gained from the person who would be present when the smart meter is installed. However, there was no conclusion reached over when or how it would be most appropriate to gain consent.

It was suggested that a follow up visit or phone call might be more appropriate for any sales and marketing. Suppliers would then be able to suggest products that might be suitable, given observations made during the installation visit. There was no consensus on how long it might be appropriate to wait after the installation visit before contacting the customer.

Group 2

Group 2 also expressed concerns about the potential for sales to be concluded at the point of installation, although IHDs were considered a possible exception to this. Consumer groups felt that to avoid misselling, suppliers should be prohibited from offering incentives to installers for sales of upgraded IHDs.

The group agreed that customers should be given information at the point of installation on how to operate the meter and IHD. They felt that such information, along with energy efficiency advice (possibly in the form of 'hints and tips'), should be consistent across all customers. The group also felt that it would be important to signpost customers to independent sources of advice, particularly with any information sent out with the appointment letter.

Beyond a certain level of basic advice, group 2 generally supported the concept of suppliers being required to obtain prior consent from customers before undertaking sales and marketing activity. Some members of the group voiced particular support for an "opt in" approach to consent.

It was noted that a number of other parties would have interests in which activities might be included as part of the installation visit. For instance, the Electrical Safety Council has requested an electrical safety checklist for each installation. Members of the group considered it important to find a balance between such activities and the need to avoid spending too long at a customer's premises.

A need for segmentation was discussed, with a different approach necessary for the vulnerable and fuel poor, as well as a different approach for the non-domestic sector. In particular it was felt that there should be extra support for vulnerable consumers.

Group 3

Group 3 members agreed a key aim of the visit to be to leave the customer with a positive experience of installation. Additionally, the visit was seen as important to help prepare the ground for the behavioural changes that will be necessary to deliver smart metering benefits.

The group generally felt that no sales should be concluded during the visit. However, some suppliers considered that they should be able to follow customer wishes and so sales should be permissible where explicitly requested by the customer. Again, there was some debate over whether or not the IHD might be an exception to any agreed restraint from sales, subject to certain protections being in place.

It was generally felt acceptable for suppliers to generate leads during the visit. However, there was some support from consumer representatives for setting a minimum timeframe between installation and the conclusion of a sale. It was felt that this would

enable customers to build their awareness before being sold to and enable them to shop around for the best deal. There was no consensus on what period might be appropriate.

Information provision was seen as an important component of the visit, necessary to 'demystify' the programme and to prevent any confusion, although there was no consensus over who should provide this information. Basic advice on how to use the IHD was felt to be important. It was suggested that installers use a basic script and should leave customers with a leaflet. Beyond that, most of the group felt that it would be better to signpost customers to suppliers' sales departments and to independent sources of information and advice. This could involve leaving information packs behind.

There was some support for the provision of marketing information in the form of leaflets, including on Green Deal products. However, there was less confidence that face-to-face marketing during the visit would be appropriate, except perhaps in the case of IHDs. Members of the group did not reach consensus as to whether it would be appropriate for suppliers to generate sales leads during the visit.

Most of the group supported a requirement for suppliers to obtain customer consent before engaging in any sales activity during the visit. There was no agreement on whether or not this should take the form of an "opt in" or "opt out" condition.

Next steps

- The programme will be holding a workshop to discuss the special provisions that may need to be made for vulnerable groups. This will be held on 20 January 2011.