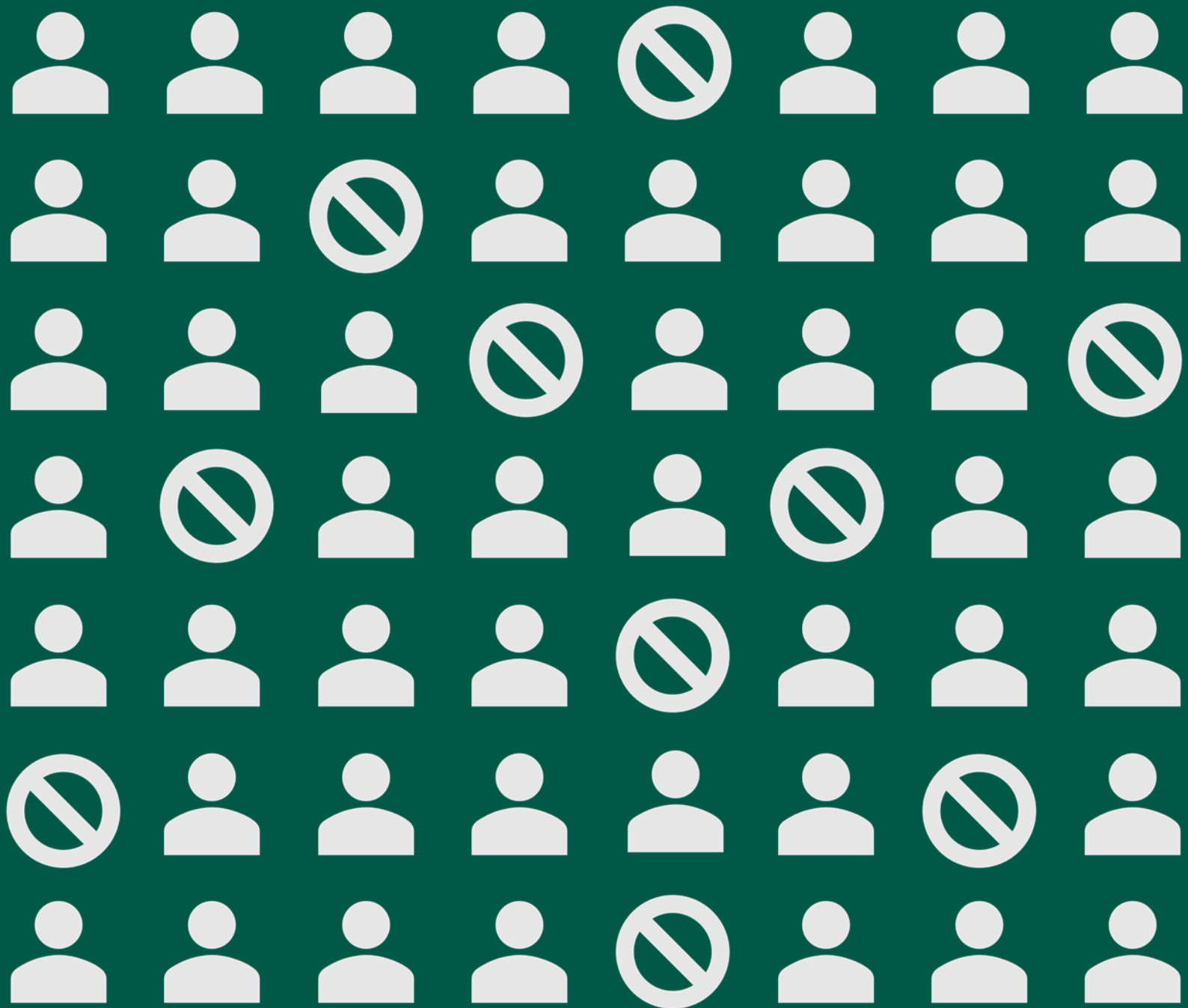


# OFGEM

## Understanding Direct Marketing Objectors

March 2020

REVEALING REALITY



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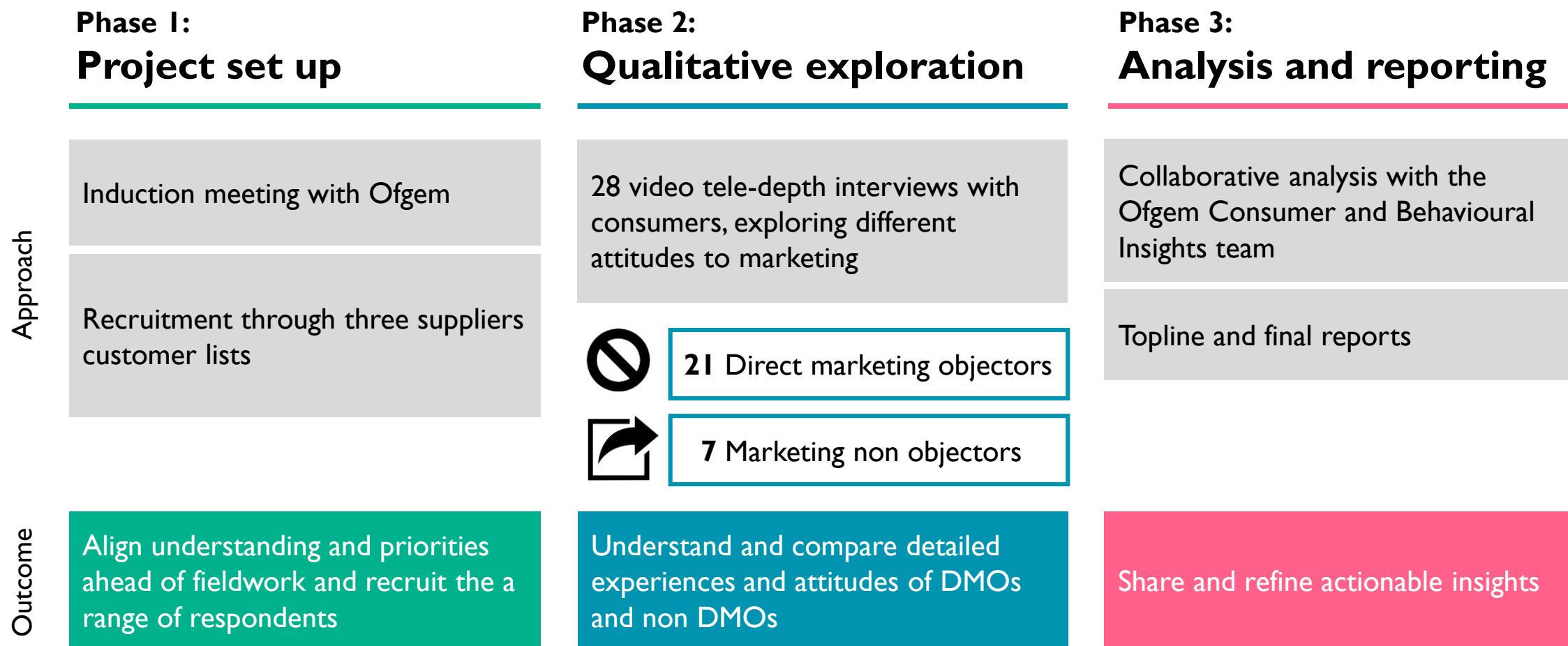
# About the project

## Research objectives

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- Understand DMOs' levels of engagement in the energy market and identify potential barriers to further engagement;
- Explore the reasons why they opted out of marketing and capture their attitudes to marketing (i.e. how they feel about marketing communications and what counts as marketing for them);
- Explore the customer experience of the opt out process;
- Establish how well existing prompts to engage would work for this audience and the need for different message, format or channel.
- The fieldwork for this research was undertaken between **November and December 2018**.

# Our research approach



# Our sample

- **28** respondents
- A range of **attitudes to marketing**
- A range of awareness levels and switching experiences with both **tariffs & suppliers**
- A range of geographical locations across **England, Wales** and **Scotland**
- **Vulnerable** respondents (i.e. low income)
- A range of **payment methods** (i.e. Direct Debit, Standard Credit and Pre-payment Meter)



# Findings at a glance

- Most of those listed as DMOs were not aware of their status, and some felt they could be missing out on useful information.
- There were no clear differences in the way DMOs and non-DMOs approached marketing. They shared many similar attitudes and behaviours.
- Most consumers were suspicious of suppliers motives, and did not trust them to act in their best interest.
- Consumers responded more positively to marketing that came from companies they had a longstanding relationship with or whose products they needed at the time. However, they were much less favourable to communications where consumers didn't feel they directly benefitted from the information.
- For this reason, many preferred prompts to engage where Ofgem, as a trusted organisation, was clearly recognisable as the sender.

# Engagement in the energy market

## Summary

- While many respondents said they hadn't switched suppliers in the past 18 months, others were regularly comparing prices and switching, even among those that were DMOs.
- While for many regularly switching broadband or TV provider was an established routine, that was often not the case when it came to energy.
- Those that hadn't switched energy supplier recently were not always sure whether they were on a good deal, but they were uncertain how to navigate choice on price comparison websites.
- Many respondents distrusted suppliers and were sceptical of their intentions when sending communications.
- Many consumers did not want to share any more personal information with suppliers than it was necessary for them to set up their account and provide their service (e.g. name, bank details, email address).

Please note. To ensure the anonymity of the research participants, the names used throughout this report are fictitious.

# Many respondents were sceptical about the market and did not trust their supplier to act in their best interest

Many of the respondents expressed scepticism towards the energy market and were generally suspicious of suppliers' motives when offering deals. They perceived their relationship with their providers to be transactional, and preferred to receive as few communications as possible from them.



## Deborah, 59, DMO

Deborah did not trust that her energy supplier would suggest the best deal for her, and even doubted that they would set up her account correctly. She made sure to regularly chase them on the phone to make sure any issues were resolved.

*"I just don't think they would do the right thing"*



## Charlie, 52, DMO

Charlie thought that suppliers ultimately wanted to make money off consumers. He was sceptical about any attempts to 'help' customers save money. While he did not doubt that he would spend less on promoted deals, he felt cynical about them and thought that they were just promoted to get consumers not to switch.

*"Ultimately they are just trying to make money from you"*



## Cecilia, 65, DMO

Cecilia saw the arrangement with her energy supplier as purely contractual, and would not use the term 'relationship' to describe it.

*"I get a service and pay my bills, that's it"*

# Many said that they had not compared energy prices or switched supplier/tariff in the past 18 months

However, most of them felt they were paying the right amount and considered themselves too lazy to shop around for better deals.



## Bethany, 28, DMO

Bethany was a single mum with two children and struggled financially. While she was keen to find a good deal when it came to clothing and her home, she did not perceive shopping around in the energy market as a priority. She felt that energy bills are something that just needs to be paid, unless they are excessive.

*“I don’t compare. I feel like it’s not a priority for me with all that’s going on”*



## David, 57, DMO

David said he was “comfortable” with the current deal from his supplier. He said that he knew he might not be on the best deal but he preferred to avoid the hassle of looking for better ones.

*“I’d rather avoid the hassle of having to change [supplier] to be honest”*

# However, some regularly compared tariffs and shopped around, even among those listed as DMOs

While not many recalled, or seemed particularly interested in receiving offers from their supplier, a few respondents were happy to receive these from price comparison websites (PCWs). They found promotional communications from PCWs helpful to navigate the market and some had actively opted-in to receiving them.

## Ernest, 80, DMO

Ernest was not confident in his price comparison skills and was quite suspicious of lesser known suppliers that he felt “go bust everyday”. However, he had a look at different deals when he was notified of his tariff’s end.

*“I compared other prices and looked for the longer term fixed”*

## Mary, 50, DMO

Mary used comparison websites, for example she compared her electricity and gas at least once a year. She would then contact her supplier, present them with the better deal she found and ask them to give an equivalent one or she would move to another provider.

## Frank, 32, DMO

Frank was generally not happy to receive marketing as he thought he would seek information himself if needed. However, he regularly received emails from Money Supermarket, and he read them from time to time to get an overview of the market.

*“I read articles from Money Supermarket, and thought ‘switching is a good move”*

# Sharing and receiving information



# Many didn't want to provide any more personal information than was needed to set up their contract

Many didn't want to share more information than would be necessary for suppliers to provide their service. By that they generally meant their name, address, email and bank details for payment (if they had direct debit). Some were concerned that any additional information would be sold to unrelated third parties, or that their contact details would be used for unwanted communications.

Some respondents were more open and didn't see any problem with sharing personal data, so long as information was used in line with the contractual agreement. However, while happy to share information about themselves, they often drew the line at divulging information about their wider family (e.g. their children).

## Edward, 29, DMO

Edward was not keen on sharing information with his household service providers. He was mostly concerned about receiving unwanted messages by sharing his personal data and was particularly careful about not sharing his phone number, as he perceived texts as particularly intrusive.

*"I don't want personal information to be shared with these companies. They need the basic information"*

## Clive, 42, Non-DMO

Clive was not concerned about the information he shared with his supplier. He felt sharing personal data with service providers was standard practice and fine, as long as it wasn't about his children.

*"As long as they don't do anything to get me upset it's fine. But I would never give any information about my children"*

# Many were happy to get information about their account (e.g. bills and updates), but had mixed feelings about receiving further communications

Many respondents saw receiving bills or information on their account as natural and part of the supplier's contractual duties. They initially described not wanting to get any further communications, whether promotional or informational. This however changed for some when discussing their thoughts and experiences of the market and potential savings they could make in more detail.

## Leo, 32, DMO

Leo was unaware of his DMO status, and said he wouldn't mind if his supplier sent him notifications on his contract and potential deals he could get. He would however be suspicious if emails sent by his supplier were not explicitly about his account (e.g. deals relating to the wider customer base, without reference to his current tariff).

*"I assumed they just didn't send me anything. I wouldn't mind getting emails from them if it was about my contract or getting a better deal"*

## Greg, 66, DMO

Greg initially said that he would not want to receive communications from his supplier that did not directly refer to his account. However after some thought he said he would not mind getting information from his supplier that could help him save money. He would still consider the communication as marketing, but he would read the email or letter.

# Barriers to engagement



# Disengaged consumers felt switching required more time and effort than savings were worth

Consistent with our previous work on sustained engagement, disengaged consumers said they didn't switch because they didn't want to waste time and effort for little or no perceived gain. Some said they were happy with their current deal, or that they were not sure they would make a big enough saving by switching. These respondents often did not trust suppliers, thinking they were all offering the same deals to take advantage of consumers. Others admitted not knowing how to choose between different tariffs or suppliers.

## **Lesley, 55, Non-DMO**

Lesley had been with her supplier since 2009, when one of their sales team knocked on her door. She hadn't thought about changing supplier since, because she doesn't like the "fuss" of doing so. She felt it took too much of her time and effort.

*"Life's too short. I don't have the time to go through the fuss of changing supplier"*

## **Greg, 66, DMO**

Greg rarely changed energy supplier and commented that he had only switched a couple of times in his life. He argued that while he didn't feel he was getting value for money with his current supplier, all energy companies were the same and that he didn't see the benefit of calling to change supplier all the time. He was much more likely to switch with his other household providers. For instance, he was keen to switch phone provider when his contract was due to end to get the best deal.

*"They're all the same. I don't see the point of calling them up to change all the time"*

## However, it appeared they were not confident in their ability to switch, and were not routinely making time for it

While not wanting to spend time and effort to switch were popular answers, it seemed more likely that disengaged respondents were ultimately not confident in their abilities to effectively compare prices in the market. Many were not sure how to narrow down choice to select the right deal, and often struggled to understand the language used to describe different tariffs. Also, switching energy tariff was not part of their ‘habits’, which contributed to them feeling like they had no time for it.

### Cecilia, 65, DMO

At the time of the interview, Cecilia had been with her supplier for eight years. She was not sure she was on the best deal as she found it difficult to understand the terms of her tariff. She used comparison sites, but admitted finding it quite difficult to understand what the best deals were.

*“I would go on their website, there is an option to see if you could get a better deal. I feel like I don’t have enough information”*

### Amy, 32, DMO

Amy had been with her supplier for a few years and was unhappy with the service she had received, as she felt it was difficult to communicate with them and resolve issues she had had. She had tried to look for a better deal in the past, but found it difficult to understand what would be the best deal for her.

*“I’ve been on a few price comparison sites before, but I gave up... I didn’t know what the best deal was”*

# Many respondents had a different perception of energy in comparison to other household services



## Energy



## Other household services

Similar attitudes towards sharing the minimum amount of information

For some, distrust in both categories and feeling they are only interested in retaining clients

Energy is a necessity, needs to be paid and changes are made if price unreasonable

Brand loyalty is not rewarded in the energy sector

Many consumers unfamiliar with terminology

Other services often seen as a choice, attitude to switching is more proactive

Loyalty to certain suppliers (e.g.TV) is rewarded

More accessible language

# Attitudes towards marketing

## Summary

- Consumers saw marketing mostly as messages **promoting offers** on products or services.
- When exploring their feelings in detail, it appeared that consumers were concerned by the **quantity** and **aggressiveness** of marketing communications, rather than by receiving them at all.
- While some respondents said they were opposed to the idea of receiving marketing, in practice they judged communications on a case by case basis, and some were subscribed to multiple brands sending them regular marketing.
- **Most consumers listed as DMOs were not aware of their status**, and some were concerned about potentially missing out on useful information.

# For most, marketing was associated with offers, adverts, and feedback on customer experience

Most consumers associated marketing with offers and advertising, the types of communications where “they’re trying to sell you something”. Some also perceived giving their opinion or experience of a service as marketing.



**Lesley, 55, Non-DMO**

*“Anybody promoting their services”*



**Amy, 32, DMO**

*“Something that is trying to get your attention, selling a product and requiring you to go to them”*



**David, 65, DMO**

*“A message with a large visual impact which aim is to try and increase the customers’ share or investment in the company”*



**Deborah, 59, DMO**

*“Companies trying to entice you in some way or persuade you to buy something”*



**Jacob, 35, DMO**

*“A sales push...trying to sell you something you might not need ”*



**Ernest, 80, DMO**

*“Companies asking you how to make their services better”*

# Many expressed negative feelings towards marketing, while others thought it could sometimes be useful

Many did not feel positively about marketing initially, describing it as “useless” and “annoying”. However, others felt that albeit sometimes annoying, marketing was “necessary” for companies, and that it was at times useful to inform certain purchases.

Some consumers expressed different feelings depending on the ‘type’ of marketing they thought they were getting. They didn’t mind offers tailored to their needs they could take advantage on to make a saving on something they cared about.

## Deborah, 59, DMO

Deborah described marketing as “companies trying to entice you in some way or persuade you to buy something”. She mentioned a previous experience of being contacted several times by a double-glazing company, who kept telling her how much she could save with them. She ended up having to block their number.

*“I don’t trust these companies, sometimes they have a hidden agenda”*

## Simon, 45, DMO

Simon described marketing as “a nuisance”, feeling it was often an attempt to sell them something that they hadn’t asked for.

*“It’s an attempt by a company to part you from your money. If I didn’t ask for it, it’s spam”*

## Leo, 32, DMO

Leo described two types of marketing; “irrelevant” and “well thought out”. He didn’t mind the second kind, which was often personalised to him and his previous searches. An example he gave of this was adverts on Facebook which alerted him to deals about car parts, something he was interested in purchasing at the time.

# Many did not differentiate between direct and indirect marketing

The majority of consumers did not care whether communications were addressed directly to them or not. They would decide whether to read something mostly based on the sender, and on whether the message was relevant to them.

A minority felt that despite attempts not to share information with service providers, many had their consumers' data and that online adverts were targeted, even though seemingly undirected.

 **Greg, 66, DMO**

*“It wouldn’t matter to me whether it had my name on or not. I’ll make up my own mind pretty quickly”*

 **Clive, 42, Non-DMO**

*“Realistically, all adverts are for you nowadays, especially when you go online”*

# Many would rather take ownership of searching for offers than receiving unsolicited ones

A few respondents said they preferred to seek offers and deals themselves if needed, rather than receiving them automatically. They did not want to engage with communications they did not find useful, particularly if these were intrusive (e.g. getting a phone call).

## **Simon, 45, DMO**

Simon said he did not have time for emails he hadn't asked for from companies he didn't know and would never open them. He liked to make his own decisions and do his own research into the right deal.

*"I've got thousands of unopened emails in my spam folder. I won't ever open them, they're a waste of my time. I didn't ask for them"*

## **Charlie, 54, DMO**

Charlie considered himself a very 'savvy' shopper and said that his friends would often ask him about any good deals that they should know about. He was also one of the few in the sample that were aware of their DMO status. He did not want to be 'sold' anything, but wanted a good deal.

*"I don't want to be sold to. If I want something then I will find it for a good price"*

## **Lewis, 42, Non-DMO**

Lewis said that he really disliked marketing, especially phone calls. He preferred to contact companies himself if he had a problem or needed anything from them. He said he wanted to enjoy 'his time' when he got home from work, and did not want to be bothered.

*"If I have a problem then I will get hold of them. It shouldn't be the other way around"*

## However, even consumers who described themselves as “annoyed” at marketing were not necessarily outright objectors

Most consumers seemed to be more annoyed by the *idea* of marketing in general, as they appeared to associate it with ‘pushy’ offers. However, when exploring their behaviour in more detail, it became clear that they often judged messages on a case by case basis, and were not opposed to *certain* marketing communications – which will be explored on pages 24 to 27 of this report.

Many consumers were mostly concerned by the **quantity** and **aggressiveness** of marketing communications, rather than by receiving them at all.

### Adam, 60, DMO

Adam expressed a strong dislike for marketing and said he actively ensured he would not get any. However, during his interview, it became clear that he received several offer communications a week from various companies. He described his inbox as being “flooded” with emails but did not take any action to avoid it. Also, despite being a DMO on paper, he did not remember opting out of emails from his supplier.

### Amy, 32, DMO

Amy made it clear she didn’t want to be “harassed” by the quantity of marketing communications, despite liking to receive information from her suppliers. She used to opt out if she thought she was getting too many, and preferred to look at deals in her own time. She didn’t mind sporadic marketing emails relevant to her situation, and directly addressed to her.

# Positive vs. negative marketing



# Most consumers were accepting of marketing from companies they had a longstanding relationship with

Most consumers seemed particularly inclined to receive marketing from services they had an ongoing relationship with. They were loyal to these companies, and appreciated receiving offers they could take advantage of.



## Simon, 45, DMO

Simon was unaware of his DMO status and said he received offers from his supplier, often trying to sell him additional services. He did not have a problem with this, as he expected it. He had a contract with a supplier and he saw receiving different kinds of communications from them as a natural.

*“Well, I have a contract with them so I expect it”*



## Sean, 72, DMO

Sean was a frequent flyer, and often travelled to and from South Africa for work. Despite claiming to not like marketing at all and insisting that he always opted out when given the chance, he received weekly emails from a particular airline, promoting new flight offers and asking for feedback on their service.

*“I’ve been flying with [airline] for years, and I will occasionally look at the offers, or give them my experience”*

# They also did not mind marketing from known brands, whose products they needed at the time

Similarly, consumers were accepting of marketing for items they needed at the time (e.g. home décor offers after they just moved house or flights when planning a holiday), particularly from companies they could recognise. They saw these offers as beneficial to them and therefore welcomed them.

While brand recognition was an important element for people to see marketing as legitimate, it seemed to be subordinated to need, as many respondents would still appreciate discounts for something they required despite it coming from companies they were not familiar with.



## Lesley, 55, Non-DMO

Lesley didn't mind marketing because she felt it was useful for her to find out about deals from companies that she used. She disliked phone marketing calls from companies she didn't know, and said she would unsubscribe from emails from companies she only used once or twice.

*"I'll unsubscribe from companies I've only used once, but it's good to have emails from companies I'm with for the longer term"*



## Jacob, 35, DMO

Jacob said that he would opt out whenever given the chance, for instance he said that he got an annoying email from a retailer which got him to opt out of further contact. However, he later spoke about a helpful email offering him a discount on some things that he had been meaning to purchase for a while.

*"I got an email, it offered me a discount which was really helpful"*

# However, they were suspicious of promotions that did not seem to be in their best interests

Most respondents had negative attitudes towards communications they felt benefitted suppliers more than them. They generally identified these communications as marketing immediately. This was different from other messages that, even if were technically promotional, were considered more informative (e.g. offers tailored specifically to them based on their behaviours or needs).



## Simon, 45, DMO

Simon considered anything from a company with a private self-interest to be marketing, and was suspicious of it. He felt that if he wanted to go out and buy something, he would look information up himself. To him marketing was just any “salesy comms” that he didn't ask for.

*“Even if they are supposedly trying to help you, it’s disingenuous... they will try to make money from somewhere”*



## Jane, 40, Non-DMO

Jane differentiated “informative material” from “marketing material”. She felt informative was more in the interest of the consumer, as opposed to marketing which was centred around the interest of the business.

*“It really depends who it’s from, if they care more about you or themselves”*

# Opting out of marketing in the energy sector



# Most of those identified as DMOs did not recall opting out, and may have become DMOs by default

While some remembered opting out of marketing, the majority of respondents recruited as DMOs did not remember taking action to avoid receiving marketing from their energy supplier.

These consumers potentially became DMOs by default when GDPR came into place by not **opting in** to receiving marketing communications.

Also, some of them tended to opt out of marketing whenever given the chance, and perhaps that was not a moment many seemed to remember, as it was an habitual behaviour.

## Sarah, 28, DMO

Sarah didn't remember objecting to marketing from her supplier. She said she usually defaulted to opting out upon signing up because she preferred to look for offers herself whenever needed. However, she said that she usually did not pay much attention to the process.

*"I don't really pay much attention to it. I usually just untick the boxes when I sign up to something"*

## Darren, 72, DMO

Darren didn't think he had opted out of marketing from his supplier at the beginning of his contract. He received an email once GDPR was in place and since then he started "taking action" and became more active in his choice of opting in or out of communications.

*"GDPR made me aware of it. Before that I think I was getting marketing from all sorts of companies."*

## Edward, 29, DMO

Edward did not remember opting out, but felt he might have done it because he usually does. He guessed that he could have done it at sign-up, but could not be sure.

*"I'm not exactly sure when I did it, but I am guessing it would be at sign up, I normally tick to not receive marketing"*

# Some DMOs felt they were actually missing out on potentially useful information

When they found out they were listed as marketing objectors, some of those unaware of their status expressed concern that they would not receive information from their supplier that they might find useful, such as potential deals at the end of their contract.

## **Deborah, 59, DMO**

Deborah described being used to receiving emails from her supplier about her contract coming to an end, which told her where to find the best deal for her. She said that she did find these useful, despite her negative view of marketing in general, because they helped her make the decision about which supplier to go with next.

## **Henrietta, 76, DMO**

Henrietta was surprised to find out about her status with her supplier as she could not remember opting out. She wasn't paying much attention to the messages she received from her supplier, but felt that there might have been something interesting she did not receive because of that.


# Reactions to prompts to compare deals in the market

## Summary

- Respondents were asked to review some potential prompts from suppliers to determine if they considered them marketing and whether it was something they would appreciate receiving.
- For most consumers, sender and tone were generally important elements to how they perceived prompts.
- The vast majority of respondents did not think prompts bearing the Ofgem logo were marketing, as opposed to those showing only a supplier logo.
- Consumers regarded Ofgem as a trusted organisation with their best interest at heart, and messages from it as informative, rather than commercial.
- However, some were sceptical when energy suppliers were also mentioned.

We showed respondents some communications designed to get them to compare prices in the market, hypothetically from their supplier and addressed to them.

We asked them how they felt about them, if they thought they were marketing and what they would think upon receiving them.

**Your supplier** 

<Name> <XXXXXXXXXX>  
<Address>  
<Address>  
<Address>  
<Address>  
<Postcode> <Date>

<Supply Address: Mr John Sample, Sample Street, Sample Town, Sample County SA15 1PL>

**Find out about a cheaper energy deal**


Dear <Mr Sample>

For more than 3 years, you've been on one of the most expensive types of energy deals. Ofgem, the independent energy regulator, has told energy companies like us to tell their customers how to switch to a cheaper deal – it's easy to do.

**Who can help me to switch?**  
Ofgem has asked the independent price comparison service **energyhelpline** to negotiate an energy deal especially for a group of [REDACTED] customers in your situation – people who've been on a type of deal for at least 3 years called a 'standard variable tariff'.

People typically save around £200 over a year when they switch from this type of tariff. In a few weeks, energyhelpline will send everyone in this selected group of [REDACTED] customers a letter showing how much you personally could save.

**What do I need to do now?**  
Nothing. Just wait for energyhelpline's letter and decide then if you want to switch.



Your supplier sends energyhelpline your details


energyhelpline negotiates the new deal

energyhelpline sends you your saving

You decide if you want to switch

If you choose to switch, energyhelpline will explain in its letter how to do it. It's straightforward.

**ofgem**  
Making a positive difference for energy consumers

**Your supplier** 

Customer Name  
Anywhere Street  
Somewhere  
Anyshire  
AB0 1CC

DD Month Year

Dear <customer>

**Check Your Energy Deal**

We recently wrote to you asking to share your energy consumption information with the energy regulator, Ofgem, to allow you to use their new switching service.

You can now start to save money by using Ofgem's new **Check Your Energy Deal service**.

Visit [www.ofgem.gov.uk/checkdeal](http://www.ofgem.gov.uk/checkdeal)

Check Your Energy Deal will show you the three cheapest deals that you can switch to in a hassle-free way. It will take just 60 seconds to find out if you're on an expensive energy deal.

All you need to know is your address, and that we are your supplier.

If you'd like assistance using this service, please contact:  
• Northampton Citizens Advice on **0300 323 9980**  
• Or visit us at **Citizens Advice, Guildhall, St Giles Square, Northampton, NN1 1DE**

Yours sincerely,  
[REDACTED]

**Check your energy deal**

Visit Ofgem's new Check Your Energy Deal service to find out if you're on an expensive energy deal.

[www.ofgem.gov.uk/checkdeal](http://www.ofgem.gov.uk/checkdeal)

# Sender and tone were generally important elements determining how consumers perceived prompts

Most respondents saw letters from suppliers (i.e. not bearing the Ofgem logo) as marketing, because they thought they were trying to promote their offers. Conversely, many felt prompts which carried the Ofgem logo were more informative than promotional, and they would therefore not class them as marketing.

 **Adam, 60, DMO**

*“This one from Ofgem reads better than the other because I do not like (supplier). Ofgem are at least trying to help me.”*

 **Mark, 59, Non-DMO**

*“The one with the Ofgem logo is more credible, for what I consider Ofgem to be. I know it sounds weird, but with the logo it’s not marketing.”*

# Many consumers were unaware of Ofgem's role in the energy market

Prior to the research, many consumers in the sample were unsure of the function Ofgem had in regulating the energy market. Some of them were aware of the regulator's existence, but could not explain what their role entailed. However, some knew of Ofgem's work and trusted them to protect consumers.

## **Deborah, 59, DMO**

When asked about communications with an Ofgem logo, Deborah said that she knew lots of people who didn't know what Ofgem was, or what it did. She would wonder whether Ofgem were gaining something from the communication or whether they were biased. She would be wary.

*"Ofgem aren't very visible, so its difficult to know whether they are biased or not."*

## **Sarah, 28, DMO**

Sarah said she had not noticed the Ofgem logo, when shown the communication. When asked, she said she would probably ignore it as she isn't familiar with Ofgem so wouldn't think to take much notice.

*"I'm not really sure who Ofgem are so I wouldn't take much notice"*

## **Greg, 66, DMO**

Greg was unfamiliar with Ofgem at the beginning of the interview. Once being told about their role and what they did he felt that if they were to send him a communication he would reply because he might get a cheaper deal.

*"Yeah, now knowing who they are, I'd think they were probably going to give me a better deal"*

# Most consumers preferred communications where Ofgem was immediately recognisable as the sender

When consumers were aware of Ofgem and understood their role, they said they would rather receive the letters with a visible Ofgem logo. They felt this made it clear the letters came from the regulator, making them more **“reliable”** and **“official”**.

## David, 65, DMO

David would always pay attention to a communication from a government agency and felt a sense of duty and responsibility upon receiving one. He would trust Ofgem because he felt it had his best interest at heart.

*“Of course I would open it and I would take the information seriously, it’s the regulator”*

## Edward, 29, DMO

Edward thought that the letter with the Ofgem logo had a “more official purpose” and that it was less commercial than the others he was shown.

*“They’re more trustworthy, like the Ombudsman and Ofcom. They have control over suppliers’ behaviours to protect consumers, it’s not marketing”*

## Clive, 42, Non-DMO

Clive felt the logo on the letter indicated the sender. Therefore, having the Ofgem logo clearly communicated the prompt was an official communication.

*“Visually saying “we are Ofgem” makes a difference. That’s different than having the supplier ‘in partnership’ with Ofgem. Otherwise it’s confused where it’s coming from”*

# However, consumers were sceptical when suppliers were mentioned

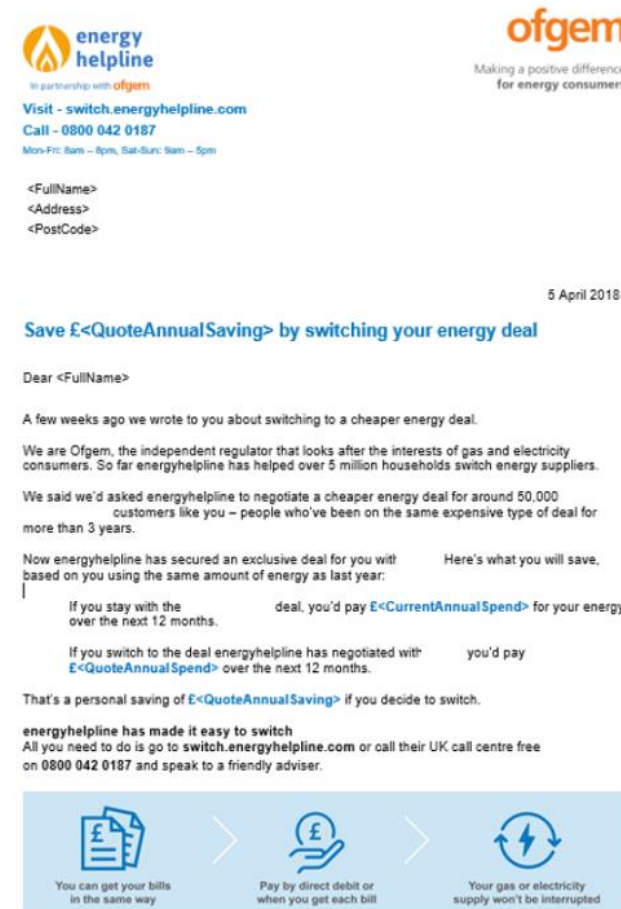
Ofgem's role as a trusted actor protecting consumers could be undermined for some consumers when specific suppliers were mentioned in the text. Some consumers felt Ofgem were promoting them directly and that there might be an hidden agenda behind the communication.

 **Charlie, 54, DMO**

*“The one from energy helpline mentions a contract with (supplier) in it. I’m not sure about that, does that mean that are just working on behalf of (supplier)?”*

 **Jane 40, DMO**

*“I’d be a bit suspicious about why they wanted to give me a better deal in the first place”*



**energy helpline**  
In partnership with **ofgem**  
Visit - [switch.energyhelpline.com](https://switch.energyhelpline.com)  
Call - 0800 042 0187  
Mon-Fri: 8am – 8pm, Sat-Sun: 9am – 5pm

<FullName>  
<Address>  
<PostCode>

5 April 2018

**Save £<QuoteAnnualSaving> by switching your energy deal**

Dear <FullName>

A few weeks ago we wrote to you about switching to a cheaper energy deal.

We are Ofgem, the independent regulator that looks after the interests of gas and electricity consumers. So far energyhelpline has helped over 5 million households switch energy suppliers.

We said we'd asked energyhelpline to negotiate a cheaper energy deal for around 50,000 customers like you – people who've been on the same expensive type of deal for more than 3 years.


Now energyhelpline has secured an exclusive deal for you with based on you using the same amount of energy as last year. Here's what you will save,


If you stay with the deal, you'd pay £<CurrentAnnualSpend> for your energy over the next 12 months.


If you switch to the deal energyhelpline has negotiated with £<QuoteAnnualSpend> over the next 12 months. you'd pay

That's a personal saving of £<QuoteAnnualSaving> if you decide to switch.

**energyhelpline has made it easy to switch**  
All you need to do is go to [switch.energyhelpline.com](https://switch.energyhelpline.com) or call their UK call centre free on 0800 042 0187 and speak to a friendly adviser.

 You can get your bills in the same way

 Pay by direct debit or when you get each bill

 Your gas or electricity supply won't be interrupted

# Conclusions

## Summary

- There were no significant differences in the way DMOs and non-DMOs approached marketing. Many of the attitudes and behaviours described above were shared across both groups.
- Marketing communications seemed to be differentiated based on who benefited from them. The general perception was that negative marketing communications would profit companies, whereas positive marketing communications could benefit consumers.
- Also, some consumers would not consider communications benefitting consumers as marketing at all.

# **Whether DMOs or non-DMOs, respondents were mostly concerned about who would benefit from them, when assessing communications**

Many of the attitudes and behaviours to marketing described above were displayed by both consumers listed as DMOs and non-DMOs.

For both groups, beliefs about what is and isn't marketing ultimately seemed to go back to who stood to benefit from it. If it looked like a commercial entity stood to gain from the communication, respondents often interpreted it as marketing. If it was information that would benefit consumers, and not a specific supplier, it was broadly not considered marketing, or even if seen as marketing it was seen in a more positive light.



# Appendix I

## Recruitment considerations and caveats

- At the start of the project it was assumed that all consumers labelled as DMOs on the suppliers' lists had at one point objected to receiving marketing. However, as the research progressed it became clear that many 'DMOs' were not aware of this status and could not recall opting out. Having not opted in to marketing, it's possible that some were defaulted to DMO status when GDPR came into effect.
- Throughout this document we refer to these consumers as DMOs, however, it is worth highlighting that **their status with suppliers might not reflect their intentions or knowledge.**
- While the project aimed to include the views of consumers who were particularly negative towards marketing and engagement from suppliers or other organisations, consumers whose details were shared by suppliers had necessarily previously consented to take part in market research. For ethical reasons it was possible only to interview customers who were DMO **but** had not opted out of being contacted for market research, which may not be fully representative of all DMO consumers.
- Some data within the supplier lists was found to be out of date or incorrect. Six respondents had switched energy supplier between list compilation and when the research was conducted, although there was no evidence that this had any impact on findings.
- As the research team had no access to the current communications used by suppliers to prompt consumers to compare different tariffs or suppliers, the prompts referenced in the document are proxy communications received by Ofgem. They were modified and replicated in different versions for respondents to test.

# Thank you

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