

4. EDS FROM CUSTOMER'S PERSPECTIVE

The customers play a very important role in ensuring the success of EDS. With the improved level of education and growing awareness on their consumer's rights it is natural that their requirements and concerns must be properly identified and addressed accordingly.

4.1 Problem Associated With EDS

Basically, there are three reasons why the customers are reluctant to accept the system, namely :

4.1.1 Advance Payment

This feature of the system receives the most critics from the customers. The customers are hesitant in paying first before getting the service. However, if we look under CEBM, the customer is already paying in 'advance' in the form of deposit, and it is definitely higher than the 'advance' under EDS by as much as 10 times. For a typical household, the customer is required to pay a deposit of about RM 300.00 to be retained by TNB as long as he is enjoying the electricity supply. But under EDS, the customer's deposit will be reimbursed and he in turn needs only to pay in advance of about RM 30.00 for every purchase of the card.

4.1.2 Reliability of the system

EDS has been in use for almost a decade. Throughout those years, the system has undergone various changes and improvement. The reliability of EDS is proven with the performance guarantee of 25 years as compared to the existing conventional meter of 15 years. The system has

been put to test under very severe conditions and has survived all the tests. Besides, 24-hour customer service centres will be made available to assist the customers in problem related to EDS.

4.1.3 Convenience

Long queues and congestion are some of the inconveniences that cannot be tolerated by the customers. The customers expect better services with EDS and this can be made possible with the energy dispensing centres. Various strategic premises will be used for EDCs including petrol kiosks, 24-hour convenience stores, etc. Those places are regularly frequented by customers and are normally opened until late hours making them very convenient for the customers.

4.2 Customer's Response to EDS

TNB has so far undertaken 2 customer surveys in order to gauge the customer's response to the system, namely :

- Survey on the feasibility of EDS in Malaysia
- Survey on the customer's acceptance of EDS at Shah Alam's Pilot Project

4.2.1 Survey on the feasibility of EDS in Malaysia

The survey was carried out in the Klang Valley for a duration of 2 weeks from 2nd February 1994 until 18th February 1994. The sampling was taken randomly among the domestic customers only. The sample size totaled 4094 comprising 2909 questionnaires that were distributed by the meter readers and 1185 questionnaires that were conducted as

interviews by clerks at the district offices. The complete report and analysis of the survey is given in Appendix 3.

The summary of the findings is tabulated in Table 4.1. Some important conclusions can be drawn from this survey including :

- The customers who responded to the survey, agreed by a majority of 73% with the EDS.
- Irrespective of locations, type of premises, average monthly electricity bill or profession category the majority of the customers are keen on having this metering system
- The customers who were unsure in their response were mainly those who did not understand the system based on the short explanation on the covering letter of the questionnaire.
- The customers who disagreed seems to have disagreed based on their perception on the functions of the system and not on monetary issues. This is because, when reduced rates were offered to those who disagreed, only a small number changed their minds in deciding to accept the system

Based on the survey findings, the overall response is one of positive acceptance to the EDS.

4.2.2 Survey on the customer's acceptance of EDS at Shah Alam's Pilot Project

In order to complement the customer's survey conducted earlier, a pilot project was proposed for one year in Shah Alam. Beside testing the technical competency of the system, the pilot project also serves to study

**Table 4.1 Summary Of The Customer's Survey On
The Feasibility Of EDS**

BASIS OF COMPARISON	AGREE %	UNSURE %	DISAGREE %	ERROR %
Location	73	19	8.2	0.1
Type of Premises	73	18	8.5	0.1
Average Monthly Electricity Bill	73	19	8.6	0.1
Profession	73	18	9	0.1

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and monitor customer's response and feedback on the system. 300 customers in Shah Alam were selected and installed with EDS manufacture by AEG of South Africa. The dispensing center is located at TNB's Shah Alam office. The project went on smoothly from September 94 till September 95. Throughout the tenure of the Pilot Project, very little technical hiccup was encountered. Only 3 out of 300 meters faced some technical difficulties. It was found later that only 1 fault is genuine while the rest are due to personnel incompetency. Customer's response to the use of EDS was carried out at random. The detail report on the customer's acceptance of EDS at Shah Alam is given in Appendix 4.

The summary of the findings is tabulated in Table 4.2. Some important conclusions can be drawn from this survey including :

- Majority (96.3%) of the respondents would like to continue using the EDS rather than the conventional meter
- With regards to the ease of meter usage, about a quarter (25.8%) of the respondents found it difficult to load the card into the meter. The affected respondents had to try a few times before the card was accepted.
- As far as the ease of card purchases is concerned, less than half (47.7%) of the respondents have problems in buying the card. The reasons are being attributed to outlets not open until late at night and outlets far away from customer's home.

Both surveys indicate an overwhelming support for EDS. Minor problems expressed by the customers are operational in nature and can be resolved quite readily.

**Table 4.2 Summary Of The Customer's response
on the use of EDS at Shah Alam's Pilot
Project**

SURVEY PARAMETERS	YES %	NO %
Ease of Use	99.2	0.8
Ease of Loading The Card	74.2	25.8
Problem in Buying The Card	47.7	52.3
Ease in Understanding The Pamphlets	96.2	3.8
Preference Over The Conventional Meter	96.2	3.8

4.3 Strategies in Gaining Customer's Acceptance

There are two aspects of strategy implementation which are very important in gaining the customer's acceptance of EDS, namely marketing strategy and strategy implementation.

4.3.1 Marketing Strategy

The marketing plan must be jointly undertaken by TNB and the local vendors and be packaged in such a way that will attract the customers into using the system. Pertinent features of the system including energy budget, hi-tech system, efficient meter must be highlighted. Other factors which have adverse effect such as advance payment must be countered with the plus point of the system including deposit reimbursement from TNB, lower advance, etc. The marketing effort must be geared towards educating and convincing the customers and to be in tandem with other strategic initiatives.

Basically, 3 phases of promotional activities are required, namely :

- Awareness stage
- Convincing stage
- Reinforcement stage

4 promotion tools will be used including advertising, sales promotion, public relations, and personal selling to ensure customer acceptance of the system. The awareness stage involves making the customers understand what EDS is and how the system can benefit them.

Advertising can be very useful at this stage. Newspaper advertisements,

broadcast ads, billboards display, etc. are some of the powerful tools that can be used to create awareness among the customers. The use of EDS can be associated with modern life, convenience, and improved efficiency and cost control.

The next stage is the convincing stage. This is a follow-up stage after awareness. Customers need to be educated on the system in order to convince them into using EDS. Customer's concerns such as advance payment, technical matters, availability of adequate infrastructures, etc need to be addressed at this stage. Personal selling and public relations are two important tools that can be adopted during this stage. House to house visits, seminars, sponsorships, trade shows, etc. are some of the promotional activities that can be carried out.

The third stage is the reinforcement stage. TNB has decided to implement the system based on choice. This mean that the customers can opt for the EDS meter or conventional meter. There is a need at this stage to ensure the existing customers to continue using the system and to influence other customers into using the system as well. Sales promotion in the form of rebates, added features, exhibits, and demonstrations is a powerful promotion tool at this stage. The success and benefits enjoyed by the EDS's customers can be measured and highlighted to other potential customers. The budget for promotional activities is another important aspect in marketing. It is estimated that the marketing cost is around 3-4% of the sales. The amount will vary according to the stage of the activities and will be monitored from time to time.

4.3.2 Strategy Implementation

The implementation of EDS must be undertaken gradually to ensure adequate infrastructure be made available. This is important to instill customer's confidence in the system. In other words, the dealers and energy dispensing center must be adequately available with the increase in number of customers to avoid congestion and delay in attending to their needs. In addition, customer service center must be provided with enough area of coverage to ensure customers are look after adequately. Proper coordination between TNB and local vendors is very critical at the early stage of implementation in ensuring the success of the system.