OPERATION KHANYISA
Customer Compliance Approach (CCA)

A new innovative behaviour change approach to improve revenue recovery and energy protection

October 2016
Electricity Theft: A Global Threat

The Context

FEATURES AMONG TOP 10 CRIMES GLOBALLY

Globally billions are lost each year due to electricity theft and equipment failure.

Electricity is the third most stolen commodity following credit card information and vehicles.

FORMS OF ELECTRICITY THEFT

• Illegal connections & electrifications
• Meter tampering & bypassing
• Illegal prepaid electricity vending
• Infrastructure theft
• Non-payment

-$200\text{ billion p.a.}$
-$6\text{ billion p.a.}$
-$20\text{ billion p.a.}$
-$4.8\text{ billion p.a.}$
A national survey was conducted to determine the level of awareness of, attitude to and beliefs about electricity theft.

- 96% Believe that electricity theft is wrong.
- 74% Recognise electricity theft as a problem.
- 33% Acknowledge electricity theft in their community.
- 13% Believe consumers are responsible for doing something about it.
- 16% Believe that they would be caught.
- 14% Believe that they would get prosecuted.

However, only…

Awareness campaign

Compliance campaign

The power is in your hands.
Eskom Response to the Challenge

Energy Losses Management Programme (ELP)

1. Audit, measure and fix customer installations
2. Ring fence electrical networks to balance energy delivered
3. Implement tested technologies
4. Ensure sustainability
5. Communicate to and educate internal & external stakeholders: Operation Khanyisa
Interventions to Combat Energy Losses

**Technical Losses**
- Power Factor Correction
- Designing for optimal losses

**Data & process issues**
- Customers not on system
- Non-buying customers
- Terminated points advancing
- Customer network link
- Unallocated Transactions
- Billing Estimations

**Metering Infrastructure Problems**
- Energy Balancing
- Meter Audits
- Disconnections
- Tamper fines
- SGC changes
- Revenue Recovery
- Social Marketing (Operation Khanyisa)
- Arrests & prosecution
- Split/Smart metering
- Electrification

**Meter Tampering, Illegal Connections & Illegal Vending**
- Meter replacements
- Meter Corrections e.g. CT Ratio
- Revenue Recovery
Generic Features of Social Marketing

What is social Marketing
Social marketing is the use of commercial marketing principles and techniques to improve the welfare of people and the physical, social and economic environment in which they live. It is a carefully planned, long-term approach to changing human behaviour.

Steps of a social marketing campaign
1. Set objective
2. Define Your Audience
3. Determine the Message
4. Identify Platforms
5. Identify Benefits
6. Identify Challenges
7. Identify Evaluation Measures and collect data
8. Test and Refine
9. Evaluation report
## Social Marketing Successful Case Stories

<table>
<thead>
<tr>
<th>Steps</th>
<th>Anti Tobacco “Truth Campaign”</th>
<th>USAID Slum electrification and reduction</th>
</tr>
</thead>
</table>
| Set objectives | Reduce youth tobacco use by changing the attitude of Florida teens about tobacco and the tobacco industry.  
Reduce the availability of and youth access to tobacco products.  
Reduce youth exposure to second-hand smoke.  
Increase youth empowerment through community involvement | To develop and test new approaches to improvement of electricity services  
Reducing bad debt  
Increasing personal safety and physical environment  
Regulator and rate payer acceptance |
| Audience       | Teens – middle and high school 12 – 17 years                                                   | Residents of Paraisopolis, San Paulo, Brazil                                                            |
| Message        | Be the generation to end smoking                                                              | Transforming electricity consumers into customers                                                       |
| Evaluation Measure | Surveys, monitoring,                                                                      | Pre & Post surveys data collected  
Questionnaires                                                                                         |
| Platforms      | Television and print ads, billboards, posters, the Internet, program sponsorship, merchandise, youth advocacy groups and youth events, entertainers as ambassadors | Door to door marketing  
Stakeholder meetings  
NGO’s  
Community events |
### Social Marketing Successful Case Stories Cont...

<table>
<thead>
<tr>
<th>Steps</th>
<th>Anti Tobacco “Truth Campaign”</th>
<th>USAID slum electrification and reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td></td>
<td>Increased revenue collection</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More efficient use of electricity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reduced electricity related incidents</td>
</tr>
<tr>
<td>Challenges</td>
<td>Research showed that despite their knowledge and awareness, teens still saw smoking as rebellious and self-identifying Big Tobacco is laws and influence</td>
<td>• Only a year in length</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Financial assistance to the project</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Customer registration and area mapping and connecting new customers</td>
</tr>
<tr>
<td>Test &amp; Refine</td>
<td>Ongoing</td>
<td>• Pilot project</td>
</tr>
<tr>
<td>Collect data</td>
<td>Yes and ongoing</td>
<td>• Data was collected all the way through</td>
</tr>
<tr>
<td>Evaluation Report</td>
<td>1997 36% of teen population smoked 2016 7% of teen population smoke today</td>
<td>Electricity related incidents decreased from 67 to 2 in a comparable period</td>
</tr>
</tbody>
</table>
Setting Operation Khanyisa Objectives

- To support Eskom’s strategic business imperatives of operational and financial sustainability by influencing the voluntary behaviour of SA consumers to use electricity legally, safely, responsibly and efficiently through:
  - Building awareness about the problem of electricity theft
  - Educating and informing South Africans about legal, safe and efficient electricity use
  - Mobilising South Africans to report and prevent electricity theft
  - Building partnerships to deal with electricity theft and promote self governance

The Pillars of the Campaign

1. **A PRO-ACTIVE INTEGRITY-BASED PROGRAM**
   Focus on leadership, values and civic morality, mobilising all South Africans to take a stand against electricity theft,

2. **A COMPLIANCE PROGRAM**
   Focus on improved enforcement (detection, investigation and prosecution), self-regulation, audits, reporting / tip-offs.
Operation Khanyisa Target Audience

Customers
- Large power users
- Non-residential small power users
  - Desired behaviour: self regulation; legal power use through good governance
- Residential small power users
- Prepaid users
  - Desired behaviour: connect legally, report undesired behaviour; become advocates for legal electricity usage

Local Government
- SALGA
- Municipalities
- Metros
- COGTA
  - Desired behaviour: support the campaign and become advocates for legal electricity usage

Law enforcement
- National Prosecuting Authority
- SAPS, Hawks
- Criminal Justice System
- Metering auditors
- Investigators - Eskom, munics
  - Desired behavior: Enforce legal behavior, arrest, prosecutions and convictions

Employees, contractors, vendors
- Desired behaviour: Live up to values of Eskom; report undesired behaviour; become advocates for legal electricity usage

Business Sectors
- Organised business
- Sectors Business, Industry, Commerce, Agriculture, Small business
  - Desired behaviour: self regulation; legal power use through good governance

SA Public, Media, Schools
- Desired behaviour: report undesired behaviour; become advocates for legal electricity usage
Use electricity **legally**
- electricity theft is a crime punishable by law

Use electricity **safely**
- illegal connections kill

Use electricity **efficiently**
- be smart, save electricity and use what you can pay

Keep our country **powerful**

The message was creatively rolled out with two brand refreshes
Identified and Used platforms for Operation Khanyisa

Through the Line

Above the line:
TV, radio, print, OOH advertising

Below the Line:
PR, Social mobilisation, traditional, social media, content marketing, events, Expos, community outreach, Partner programme. Stakeholder engagements. Internal communications and activations
Digital
Social Media
YOUR SMS CAN KEEP BUSINESS IN BUSINESS.

Report electricity theft anonymously.

SMS 32211 (R1/SMS).
Outdoor
Challenges Facing Operation Khanyisa

- Negative perceptions about Eskom brand
- Grappling with the politics of the day
- How to activate and support key partnerships - this is not always easy
- Perception that culprits won’t get caught or prosecuted
- Capacity constraints
Benefits of Operation Khanyisa

- Less electrocutions
- Less outages improved productivity
- Prevent cost subsidising
- More efficient use of electricity
- Increase revenue collection
- Infrastructure improvement for economic growth
## Operation Khanyisa Evaluation Criteria Data Collection

<table>
<thead>
<tr>
<th>Compliance</th>
<th>Social mobilisation</th>
<th>Partnerships &amp; Stakeholder</th>
<th>Events &amp; Expos</th>
<th>Employee/Contract or Engagements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audits</td>
<td>Households visited</td>
<td>Partners acquired</td>
<td>Number attending</td>
<td>surveys</td>
</tr>
<tr>
<td>Disconnections</td>
<td>No per household</td>
<td>Events and or members leveraged</td>
<td>Numbers through the stand</td>
<td>News updates</td>
</tr>
<tr>
<td>Arrests</td>
<td>Surveys and</td>
<td>Articles published in partner platforms</td>
<td>Each expo has own close out report</td>
<td></td>
</tr>
<tr>
<td>Prosecutions</td>
<td>Closeout reports</td>
<td>Number of engagements</td>
<td>Speaking Opportunities</td>
<td></td>
</tr>
<tr>
<td>Tip offs</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

All sub campaigns are supported by ATL/BLT or TTL advertising

All sub campaigns are supported by media both traditional and online and are measured by articles and AVE values.
**Test and Refine**

**Refocus campaign on behaviour-change methodology**
- Sustainable behaviour-change
- Crime prevention: perception management
- Active citizenry
- Move social mobilisation from education to include compliance

**Follow localised approach to implementation and build national presence from ground up**
- Provincial focus on implementation
- Strong on-the-ground mobilisation across all sectors move
- Social mobilisation incorporated the compliance leg

**Significantly reduced reliance on national advertising to avoid stop/ start impact when issues impact on national advertising**
- Targeted regional advertising during CCA interventions
- Limited national traditional advertising
- No more big traditional national campaigns

**Drive compliance through the Customer Compliance Approach (CCA)**
- Standardised enforcement approach across OUs
- Facilitate self-regulation and prevention
- Legal power use certification in business sectors

**Sustainable behaviour-change**
**Crime prevention: perception management**
**Active citizenry**
**Move social mobilisation from education to include compliance**
**Provincial focus on implementation**
**Strong on-the-ground mobilisation across all sectors move**
**Social mobilisation incorporated the compliance leg**
**Targeted regional advertising during CCA interventions**
**Limited national traditional advertising**
**No more big traditional national campaigns**
**Standardised enforcement approach across OUs**
**Facilitate self-regulation and prevention**
**Legal power use certification in business sectors**

Compliance Snapshot across the three provinces

- Meter Audits Conducted: 5592
- Arrests: 20, Court Cases: 10, Convictions: 1
- Customers Disconnected: 552
- Over 100 local youths employed
- Additional Monthly Revenue: R404,000
- 11 Radio stations
- Investigations: residential 11, businesses: 50
- Customers Disconnected: 552
- AVE: R1 889 753.57
- Readership Reach: 8 790 483
- Fines issued: R468 000
- Households Educated: 6 333
- Customers Disconnected: 552
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- Readership Reach: 8 790 483
- Fines issued: R468 000
- Households Educated: 6 333

- Rammolutsi/Freestate
- Freedom Park/Platinum Village North West
- Bolobedu/Ga Kgapan/Limpopo

10 Print Publications
46 Interviews
12MMA Losses have reduced from 7.12% to 6.43%
(1728 GWh, R1.4bn) pa

Revenue Recovered (Including Tamper Fines) millions

Revenue Recovery of R 618 million
Operation Khanyisa Key Learnings

- It is very important to pair technical interventions (i.e. audits, investigations, split metering implementations etc.) with social marketing (awareness and education) campaigns to create buy-in and overcome community resistance.

- Social marketing campaigns have to focus on making the message personal i.e. how these issues (e.g. electricity theft) directly and indirectly affect everyone in the long run (e.g. in the form of legal consequences, safety consequences, supply availability and hence productivity, inability to fund future infrastructure upgrades etc.).

- Hotspot site selections must be taken into consideration site access, customer affordability, loss levels and measurement data availability.

- Careful consideration must be given to timing, duration & momentum of the campaign.

- Implementation of all aspects in an integrated fashion to achieve the required behaviour-change, using technology, the law and social mobilisation.
Operation Khanyisa Key Learnings

• Internal and external stakeholder support for campaign from start to finish (no stop-starts as it negatively impacts implementation). Internally the campaign has lost momentum.

• Sustainability of the campaign is dependent upon active monitoring to prevent customer default, community ownership of campaign and continued customer education/media presence and visibility.

• Ensure that future surveys are consistent to the initial survey to ensure accurate measurement of behavioural change.

• Keep up with current trends and target market sentiments; look for new ways of communicating with your target audience (e.g. leverage off digital marketing platforms).

• Strong measurement needs to be included into the campaign – a way of measuring success.

• Strong evaluate measurement to be in place before the campaign is launched in order to accurately evaluate the process.
Tell me and I forget, teach me and I may remember, involve me and I learn.”

- Benjamin Franklin
Operation Khanyisa: Customer Compliance Approach

Customer Compliance Approach (CCA)

**OPERATING UNIT AUDITS** (Eskom audit teams per schedule)

- Agree approach
- Brief Eskom teams
- Business & residential customer audits in target
- Tamper fines, disconnections, reconnection fees, revenue recovery calculation
- Final warning letter
- Track buying behaviour

**OPERATING UNIT AUDITS** (Eskom audit teams per schedule)

- Brief local SAPS
- Brief local NPA
- Join Eskom audit teams
- ‘Rattle the customer’
- Gather info re runners, etc;
- Customer affidavits
- Shake-up runners, etc, investigations, arrests
- Criminal cases
- Spot checks

**OPERATING UNIT AUDITS** (Eskom audit teams per schedule)

- Link with local municipality, ward councillors, community leaders
- Business & residential customer visits
- Educate: elec theft, legal use, risks, energy efficiency, FBE, IBT, legal vending, buying with cell, budgeting for power

**OPERATING UNIT AUDITS** (Eskom audit teams per schedule)

- Build campaign visibility and continue education, awareness through community & regional print, radio, TV, OOH, mobile advertising
- PR, social media
- Publicise result of audit, enforcement action, updates
- Build campaign visibility
**Timeline of Implementation**

<table>
<thead>
<tr>
<th>1 - 3 WKS</th>
<th>6 WKS</th>
<th>1 WK</th>
<th>ONGOING</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAKEHOLDER ENGAGEMENT</strong></td>
<td><strong>AUDITS/ INVESTIGATIONS</strong></td>
<td><strong>LOCAL RECRUITMENT &amp; TRAINING</strong></td>
<td><strong>CUSTOMER EDUCATION</strong></td>
</tr>
<tr>
<td><strong>Eskom Dependent:</strong></td>
<td>Commence Audits Community media engagement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statistics on area, buying patterns etc – benchmark info</td>
<td>• Review CV’s</td>
<td>Site activation with inclusion of PR big idea</td>
<td>Recognition Ceremony for community field agents with stakeholders</td>
</tr>
<tr>
<td>System in place to track &amp; measure success</td>
<td>• Call for Interviews</td>
<td>Door to door customer engagement</td>
<td>Certificates presented</td>
</tr>
<tr>
<td>Hotspot area</td>
<td>• Conduct Interviews with candidates</td>
<td>On-the-ground 1 day per week team management</td>
<td>Achievements presented</td>
</tr>
<tr>
<td># homes in area</td>
<td>• Selection workshop with identified Team (Agents &amp; Leaders) (1 day)</td>
<td>Weekly progress telecon meeting with Eskom OU/Teams (Review data collected)</td>
<td>Media invited</td>
</tr>
<tr>
<td>Audit team/roll-out schedules</td>
<td>• Size of team dependant on # of households per area</td>
<td>Weekly raw data report provided</td>
<td>Media release issued</td>
</tr>
<tr>
<td>Project team responsibilities</td>
<td>• Training workshop (contracts, targets, reporting tools) (2 days)</td>
<td>Weekly progress management discussion with Eskom</td>
<td></td>
</tr>
<tr>
<td>Tamper fines, disconnection fees &amp; reconnection fees agreed</td>
<td>• Capacity building with Eskom Team and stakeholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protection Services support</td>
<td>• Toolkit</td>
<td></td>
<td>Continuous audits at intervention sites</td>
</tr>
<tr>
<td>Availability to meet to ensure no delays</td>
<td></td>
<td></td>
<td>SMS campaign</td>
</tr>
<tr>
<td><strong>Operation Khanyisa</strong></td>
<td></td>
<td></td>
<td>Local media</td>
</tr>
<tr>
<td>Investigation team assigned Mapping of area</td>
<td></td>
<td></td>
<td>Paid Media</td>
</tr>
</tbody>
</table>

- **PREPS**
  - Brief Local municipality, Ward councillors and community leaders on CCA programme & request assistance
  - Request for CV’s of potential Field agents
  - Regular updates & engagement
  - Assistance in identifying local suppliers

- **STAKEHOLDER ENGAGEMENT**
  - Brief Local municipality, Ward councillors and community leaders on CCA programme & request assistance
  - Request for CV’s of potential Field agents
  - Regular updates & engagement
  - Assistance in identifying local suppliers

- **AUDITS/ INVESTIGATIONS**
  - Commence Audits Community media engagement
  - • Review CV’s
  - • Call for Interviews
  - • Conduct Interviews with candidates
  - • Selection workshop with identified Team (Agents & Leaders) (1 day)
  - • Size of team dependant on # of households per area
  - • Training workshop (contracts, targets, reporting tools) (2 days)
  - • Capacity building with Eskom Team and stakeholders
  - • Toolkit

- **LOCAL RECRUITMENT & TRAINING**
  - Site activation with inclusion of PR big idea
  - Door to door customer engagement
  - On-the-ground 1 day per week team management
  - Weekly progress telecon meeting with Eskom OU/Teams (Review data collected)
  - Weekly raw data report provided
  - Weekly progress management discussion with Eskom

- **CUSTOMER EDUCATION**
  - Recognition Ceremony for community field agents with stakeholders
  - Certificates presented
  - Achievements presented
  - Media invited
  - Media release issued

- **RECOGNITION**
  - Recognition Ceremony for community field agents with stakeholders
  - Certificates presented
  - Achievements presented
  - Media invited
  - Media release issued

- **SUSTAINED**
  - Continuous audits at intervention sites
  - SMS campaign
  - Local media
  - Paid Media
  - Eskom customer days
  - Ward council meetings
THANK YOU

REPORT ELECTRICITY THEFT ANONYMOUSLY TO SMS 32211 (R1/SMS)