

Retailers using network marketing sign NEM's code of conduct

Retailers who use network marketing to sell power and natural gas have agreed to a code of conduct through NEM that will prohibit some typical marketing techniques. "NEM's network marketing companies have agreed that their independent representatives will not use telemarketing or door-to-door sales techniques for the purpose of acquiring customers," said NEM President Craig Goodman.

2 stories in 30 seconds

GDF Suez Energy

signs the Phillies: Marketer GDF Suez Energy Resources will provide power to the Philadelphia Phillies baseball team. The deal is for two years.

First Choice allows

pay by smart phone: First Choice Power customers on prepaid plans can now pay by smart phone through its new QuickPay service on an easy-to-use mobile site, said the Texas retailer yesterday. The firm is the first to offer such a payment method for prepaid customers and it was also the first to offer a prepaid plan through smart meters.

[\[Comments\]](#)

The change was not meant to disparage telemarketing and door-to-door sales, said NEM, as the association and many marketers consider such practices to be part of normal business and many state regulatory bodies permit them.

Network marketers came together on the code because of the speed at which they can move when they come into a state. "When these social networking companies come into a state they are able to educate consumers that they have a choice in matter of days with no PR budget --so they are fulfilling an enormous public policy interest and they are doing it with acquisition costs that are so low that they are creating a new business model in the industry," Goodman told us yesterday.

An important point that differentiates NEMs broader code of conduct for marketers in general and the network marketers -- or social networking marketers as Goodman calls them -- is oversight. These representatives are not under the same supervisory model as non-networking marketers. While most marketers can directly control their sales staff that sell door-to-door or via phone sales, but network marketers are a bit freer to sell to friends and family.

The network marketing code of conduct says that:

- Independent representatives of network marketing firms shall not use either telemarketing or door-to-door sales techniques for the purpose of acquiring customers;

- A network marketing firm shall ensure its independent representatives have received enough training and information about the nature of the product and the terms and conditions of its sale along with all market-specific regulatory compliance requirements;

- Network marketing firms shall set up and keep a clear channel of accountability for the actions of its agents;

- Any marketing materials used by an independent representative of a network marketing firm shall be pre-approved by such firm;

- A network marketing firm will use a verifiable quality control process to ensure the integrity of consumer enrollments.

Signatories of the code of conduct include ACN, Ambit Energy, Ampeg, North American Power, Stream Energy, UCI and Viridian Energy. Goodman also noted that the Network Marketing Code of Conduct would be incorporated into a broader, general industry code of conduct.

[\[Comments\]](#)

JD Power finds shifting focus in power utility customer approval, *from page two*

JD Power customer satisfaction ratings

East region - large	Midwest region - large	South region - large	West region - large
Con Edison	Detroit Edison	Entergy Louisiana	San Diego Gas & Electric
Public Service Electric & Gas	Duke Energy	Entergy Arkansas	Xcel Energy
East region - midsize	Midwest region - midsize	South region - midsize	West region - midsize
Southern Maryland Electric	Omaha Public Power	Jackson EMC	Clark Public Utilities
Penn Power	Indianapolis Power & Light	Santee Cooper	Snohomish County PUD
Central Vermont Public Service	Kentucky Utilities	NOVEC	Colorado Springs Utilities
Rochester Gas & Electric	Louisville Gas & Electric	Sawnee EMC	Idaho Power
Western Massachusetts Electric	Wisconsin Public Service	CoServ	Tacoma Power
Metropolitan Edison	Dayton Power & Light	Seco Energy	Seattle City Light
New Hampshire Public Service	Toledo Edison	EPB	Tucson Electric Power
Delmarva Power	Vectren	Xcel Energy - South	Intermountain Rural Electric
Atlantic City Electric	Empire District Electric	Clay Electric Cooperative	Avista
Centarl Hudson Gas & Electric	NIPSCO	Mississippi Power	NorthWestern Energy

Midsize is any firm handling 125,000 to 499,999 residential customers

Large utilities are those that have 500,000 or more residential customers

Source: JD Power & Assoc