

April 2019

Young Adult Members and Their Electric Cooperative

A Report on NRECA Focus Group Findings



Table of Contents

| | |
|----------------------------|----------|
| Background | 1 |
| Key Takeaways | 2 |
| Conclusions | 8 |

Background

From March through June 2018, NRECA held six focus groups with electric cooperative members in the 25 to 45 year age group. These young adult focus groups, held during the evening at electric co-ops across the country, were designed to determine perceptions of the co-op, needs, values, preferences and service expectations. They also aimed to determine levels of engagement among this age group, their perceived relationship with the co-op and what products, services, programs and/or communications from their co-op would increase satisfaction and engagement.

The co-ops selected to host these focus groups were chosen to represent a geographically diverse sample of NRECA's member co-ops, as well as diversity in the number of meters served and in the type of location (exurban vs. suburban vs. rural). The host co-ops were:

- Benton Rural Electric Association, Prosser, WA
- Butler Electric Cooperative, El Dorado, KS
- Idaho County Light & Power Cooperative Association, Grangeville, ID
- Logan County Electric Cooperative, Bellefontaine, OH
- Midwest Energy and Communications, Cassopolis, MI
- White River Valley Electric Cooperative, Branson, MO

Focus groups were facilitated by Patron Insight, a research firm based in Stilwell, KS. The conclusions in this report represent combined insights from Patron Insight and NRECA staff who observed the focus groups.

Key Takeaways

Despite the diversity of NRECA member cooperatives represented in the focus groups, several common themes emerged across the spectrum of participants. There were eight primary takeaways:

1. There was remarkable consistency between young adult member and Lexicon Project focus group findings.

NRECA's [Lexicon Project](#) aimed to determine what language best resonates when talking with our members about the cooperative advantage and the issues that matter most to our co-ops. In doing so, the research reveals several truisms about members' perceptions of cooperatives and what they value about our businesses. Nearly all of these sentiments were echoed in the young adult focus groups.

The fact that electric cooperatives are locally-owned, community-driven civic institutions is highly appreciated and valued among young adults. Young adults understand that this local focus is a positive differentiator compared to investor-owned utilities. Most focus group participants knew that their co-op was engaged in efforts to help the community, but they did not know the extent of that involvement in many cases.

Co-ops can leverage this opportunity – and young adults' affinity for local and civic-minded businesses – by highlighting that the co-op is operated by neighbors and by taking every opportunity to highlight community activities, including charitable contributions, sponsorships and community service projects, economic development programs and more. Co-ops also can connect with young adults by framing every program, product and service through the lens of how it makes life better for the members and the communities it serves.

The young adult focus groups also mirrored the Lexicon groups in finding that the traditional, history-focused story of the cooperative movement does not connect with this demographic. It does not engage them. Participants said they are far more interested in understanding what the co-op is doing for them now and how it is preparing for the future. Accordingly, to resonate with young adult members, co-op messaging needs to shift to a more forward-looking framework.

As was the case with Lexicon focus group participants, and with just a few exceptions, the young adult focus group participants identified primarily as “customers” rather than “members” or “owners” of their cooperative. They found this characterization perfectly acceptable. Some who did not initially identify themselves as members did note that annual capital credit checks served as a positive reminder that their relationship with the co-op is different than with most other businesses. Touchstone Energy research indicates that those who identify as members report higher satisfaction with their co-op. To achieve those results among young adults, the focus groups indicate co-ops will need to explore new strategies to convey the idea and impact of membership to young adult members.

2. Core values – and core services – matter most

The young adult member focus groups revealed that the core values that matter most to this age group include reliability, responsiveness, transparency, honesty and authenticity. They value these traits in companies they choose to do business with, and an overwhelming number of participants said their cooperative is living up to these values.

When it comes to reliability, they expect their cooperative to keep the lights on and to quickly restore power when there is an outage. They expect the cooperative to be responsive to calls to the office, to power restoration and to complaints and concerns. They expect speedy response times and for their co-op to communicate clearly and proactively, particularly in outage situations. In one focus group, members appreciated the co-op's text messaging program that provided updates on service restoration progress during the outage and a follow-up text to confirm that power had been restored.

Participants repeatedly highlighted the friendly, approachable nature of their co-op and its employees. Many focus group participants appreciated the transparency of their cooperative, though at least one participant noted a desire for the cooperative to be more transparent about its finances and how financial decisions are made. The desire for the co-op to be open about how its decisions are made was echoed in multiple groups.

The values and service expectations highlighted by young adult members are not unlike those of other age groups served by electric co-ops. They also are closely aligned to the cooperative principles. This indicates that messaging and communications tactics focused on reinforcing these values and principles likely will not only resonate with young adults but co-op members across the board.

The value placed on core services – keeping the lights on and promptly restoring service when there is an outage – points to the opportunity for co-ops to enhance their relationship with young adult members by touting accomplishments, even seemingly routine ones, in delivering on these expectations. Examples could include posts on social media about surviving a heat wave with no service interruptions or celebrating the full restoration of services after a storm. Also, when there is an outage, it is clear that the co-op cannot overcommunicate on the details of where it is, who is affected and a target time for service restoration.

These results also point to the fact that communications aside, the co-op must get the basics right first in order to effectively connect and have credibility with its members, regardless of age.

3. Young adults value co-op products and services but don't always know about them

During the focus groups, participants were asked what products and services the co-op could offer that would add value and, thus, engage them more. In many instances, the products and services named were actually already offered by their co-op. They simply were not aware of them. Here is a look at products and services that were of particular interest to young adult members:

- Focus group participants expressed a desire for any product or service that could help them save money on their energy bill and be more energy efficient, including demand response programs, predictive high bill alerts, beat the peak programs, home energy audits, efficiency rebates and other programs. Many participants said they would be perfectly willing to allow the co-op to occasionally control their thermostat if it meant they could save money on their bill. Several members also noted alternative billing options as a desired service.
- They also were interested in their cooperative having one or more renewable option as part of its fuel mix. Solar and wind were the most cited renewable sources of interest to participants. While some noted the return on investment of solar was too far in the future to seem tangible, the majority were highly interested in solar options. In more than one instance, members pointed to a desire for solar at the same time that active solar panels were located within sight of the co-op's headquarters where the focus groups were taking place.
- Participants wanted to see their co-ops engaged in the community through community service projects, member events, sponsorships and education programs in schools.
- Participants said they would like to see their cooperative have a strong social media presence and to share content that keeps them informed of co-op and community news during outages as well as throughout the year. Several pointed to a desire for content that answers common energy use questions, simply explains how things work or provides how-to advice for energy efficiency improvements that can be made at home.
- Participants also noted emails from the co-op, text alerts and an app as desired services.

The fact that so many of the products and services desired by young adult members are already being provided points to the fact that co-ops already have the tools to effectively engage this audience. They simply need to communicate about them in different ways. Co-ops cannot take for granted that their membership knows about or understands their offerings. Repetition of messages across communications platforms where young adults are most likely to engage, as well as framing products and services specifically around the values and interests of young adult members, are key to breaking through and increasing awareness and adoption.

4. Use multiple communications channels to reach young adults, and repeat your message often

Not surprising for this age group, participants in the young adult focus groups indicated a strong preference for digital, mobile-friendly communications from their co-op. Many noted the convenience of their co-op's mobile app, while those who didn't know about the app expressed a desire for one. When asked how they would prefer to receive communications from their co-op and on which communications platforms they would most likely engage, email, social media and text messaging were most often cited. As noted previously, text messaging was viewed as particularly valuable during outages. Facebook was the social media platform most cited.

Many also pointed to the co-op's website as an important source of information and expressed an expectation that the website be easy to navigate, mobile friendly and that information about products, services and key co-op news be clear and easy to find.

Despite their strong interest in digital communications, focus group participants also expressed significant interest in print communications from their co-op, particularly the co-op's statewide magazine. In fact, much of what the participants knew about their co-op they said they had learned from the statewide magazine. Several noted the usefulness of the content in the magazine, citing energy-related "how to" information and community news as being of particular interest.

Direct in-person communication also is important for this age group. Many focus group participants placed a high value on the option to come into the co-op office to pay their bill in person. They indicated this simple face-to-face engagement reinforces that co-op employees know them and that the relationship is personal.

This feedback points to a wealth of opportunity for co-ops to communicate value, reinforce core services and promote products and services across numerous communications channels that will reach young adult members. Because members – particularly in this age group – have so many interests competing for their time and attention, it is important for co-ops to utilize all available channels (as appropriate) to ensure their messages are seen. Co-ops should not be afraid to repeat messages multiple times across multiple channels—in fact, this pattern is encouraged. Content may be repurposed and tailored for each channel, but the more times a message is communicated, the more likely it is to break through.

5. Options, personalization and ease of use are important

When it comes to communications from their co-op, many focus group participants expressed a desire to be able to choose from a list of options for how they would like to receive information. This menu approach points to a strong desire for customized experiences and control over the level of engagement they pursue with their co-op. The desire for options was a recurring theme across many topics. Participants wanted options for how to pay their bill, as well as opt-ins for everything from text alerts to specific program updates based on areas of interest.

In many ways, focus group participants would like the co-op to tailor its outreach with them based on each member's specific needs and interests. They said they don't want businesses, including their utility provider, to waste their time marketing programs and services they aren't interested in. Providing opt-in opportunities is one way co-ops can address this desire for customization. Audience segmentation based on demographic and behavioral data is another. By leveraging data available from partner organizations, co-ops can target communications and tailor messages based on age, interest areas, past program participation and more.

Convenience and ease of use also were repeatedly cited as important. Any business with the co-op that could be handled through their smartphone was highly valued, as was the ability to easily track energy use or report an outage through the co-op app. Any product, service or feature that could make a participant's day-to-day life easier was viewed as a positive.

6. Meet young adult members where they are, and make it personal

Focus group participants expressed a strong preference for the co-op to meet them where they are – in their phase of life, on their preferred communications platforms and in the physical locations in the community they frequent. In fact, there was a strong desire for the co-op to “come to them” and to demonstrate the co-op’s community connection by being visible outside the co-op’s walls.

From involvement in community events like county fairs and sponsorships of local youth sports leagues to visible community service or economic development activities, focus group participants cited a number of ways their co-op was engaged – or should be engaged – directly in the community.

Additionally, since many of the participants are parents, they cited youth-oriented programs as being especially impactful. Those who knew about them cited the value of the co-op’s in-school education programs as well as the co-op’s participation in events showcasing career opportunities.

A majority of participants indicated that an increase in family-friendly activities – including making existing events more family-oriented – would likely increase their participation rate and engagement level with the co-op.

These findings point to an opportunity to enhance engagement with young adult members through programs like youth tour, in-school education programming and demonstrations, hosting field trips, participating in career fairs and other youth-oriented activities. They also point to the potential impact of making changes to key events like the annual meeting with an eye to young families and to seeking out alternative venues in the community to host engagement events.

Effective communication about these events – before, during and after they happen – across multiple communications platforms is key to growing participation and ensuring the value of these events is realized.

7. Young adults want to provide feedback – and to see evidence the co-op is listening

Coupled with the conversation surrounding the importance of transparency emerged a strong desire among focus group participants for the opportunity to provide feedback to their co-op. On a small scale, participants expressed a desire for an easy way to provide day-to-day feedback on service. Online and phone options were cited as the most helpful or desired.

On a larger scale, participants noted that, if they are truly members, the co-op should provide ways for them to impact the decisions that are made. Many cited a desire for an annual survey or a similar way for the co-op to gather feedback on existing and/or potential products and services, gain insight on member expectations. Some noted such a survey could serve as an early warning system to identify member-related challenges that may lie ahead. In-person feedback sessions also were cited as demonstrating openness and receptivity to member ideas.

But simply providing feedback mechanisms isn't enough. Focus group participants said that their co-op must show evidence it is listening and responding to the feedback provided by members. This does not mean the co-op has to enact every recommendation that emerges from a focus group or survey. But providing evidence that the co-op is listening by sharing survey results or communicating changes and announcing plans being pursued based all or in part on member feedback, is essential.

8. Broadband represents a significant opportunity to engage

NRECA acknowledges that providing broadband service to members is not practical or possible for every co-op. However, this report would be incomplete if it did not mention the tremendous potential for broadband service to engage young adult members. The six host co-ops for the young adult focus groups were in various stages of potential development of broadband services. Some were not providing it and did not have plans to. Others were in the discovery or build phase, and some had launched and begun to provide service to at least a portion of the membership.

At co-ops that were not considering offering broadband, it was not discussed. At co-ops where it was being considered or already was being offered, it was the single topic of conversation that most excited participants and elicited the most expansive positive feedback.

Focus group participants at co-ops that were considering broadband were clamoring for the service. Participants where it already was being offered raved about the advantages of the service and highly valued the co-op's role in stepping up to the challenge of providing this essential service in their area.

Broadband certainly does not make sense for every cooperative. But where it does, it represents a significant opportunity to enhance relationships with and alter perceptions among young adult members. It is, in effect, a game changer, with the ability to redefine the relationship between the co-op and its members. This redefined relationship has the potential to open receptivity and enhance awareness of additional co-op products and services that otherwise might not be known.

Conclusions

These young adult member focus groups reveal that electric co-ops already have the tools to enhance engagement with this age group. The cooperative principles align well with the values of today's young adult members, and co-op products, services and community development programs align with their interests and expectations. However, the fact that the majority of focus group participants did not know about all of these offerings or identify as members of a cooperative means cooperatives have to their story in new ways in order to engage this audience.

Adopting a more forward-looking cooperative story as well as a mobile- and digital-first communications strategy that overtly aligns products and services to community impact and the values, interests and characteristics of young adult members are ripe opportunities to increase engagement. If co-ops meet these members where they are, repeat their message and listen to member feedback, among other strategies, they can establish stronger relationships with this important segment that will form the core of their membership for the next several decades.