

# *2012 ACSI Incentive Survey*

## Socorro Electric Cooperative

Prepared by:



**TSE Services**

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Cooperatives

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## ***AT A GLANCE***

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What is this report?

- An analysis of current attitudes of cooperative members
- A critique of our performance as service providers
- An assessment of the cooperative's core operations performance
- A sounding board for members of electric cooperatives

What will I find inside?

- Member ratings on overall satisfaction
- American Customer Satisfaction Index score and discussion
- Cooperative ratings on a variety of service and image attributes
- Drivers of loyalty, engagement and member satisfaction

Who should read this report?

- Senior executives and board directors
- Communications, member services and marketing professionals
- Operations and engineering professionals
- Any key stakeholder dealing with cooperative members

How can my cooperative use this report?

- Refine marketing and communication strategies
- Establish strategic direction for implementing system improvements
- Prioritize opportunities to improve satisfaction and member engagement scores

## **EXECUTIVE SUMMARY**

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### ***Member Satisfaction, Engagement and Key Driver Performance***

- Touchstone Energy cooperatives continue to generate high levels of satisfaction among residential members as verified by the **American Customer Satisfaction Index**.
- Socorro Electric Cooperative's ACSI satisfaction and retention scores fall significantly below all the major utility sector benchmarks provided in this report including aggregate scores for investor-owned utilities, municipal electric companies, non-Touchstone Energy Cooperatives, and Touchstone Energy Cooperatives nationally. Socorro Electric Cooperative also trails the Cooperative Difference benchmark group and the country's best investor-owned electric-only utility (Entergy) by a statistically significant margin.
- Member satisfaction is closely tied to concerns about core services such as providing reliable power, outage restoration and handling problems, followed closely by performance on cost containment and value.
- Achieving higher levels of member satisfaction is increasingly tied to economic factors including member perceptions related to cost and value issues.
- Educating members about rising energy costs and our efforts to mitigate them is a critical communication path. Actions and messages that reinforce the cooperative's goal to provide electricity at the lowest possible cost and demonstrate value are key priorities.
- While cooperatives achieve high levels of satisfaction overall, opinions differ among demographic segments. Younger members consistently provide lower satisfaction ratings than senior members.
- Significant opportunities exist to increase **Member Engagement** by communicating our 'cooperative difference' especially among our youngest consumers.



Touchstone Energy<sup>®</sup>  
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## 2012 Member Satisfaction & ACSI Survey

### ***INTRODUCTION***

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For nearly a decade, Touchstone Energy Cooperatives has partnered with the American Customer Satisfaction Index (ACSI) to help rural electric cooperatives gain a better understanding of member satisfaction. Hundreds of Touchstone Energy Cooperatives across the country have taken advantage of this satisfaction measurement service.

Although the program has been highly successful, a significant number of Touchstone Energy Cooperative members have yet to use the program. In 2012, Touchstone Energy Cooperatives offered a complimentary assessment of member satisfaction and an ACSI score for up to 25 cooperatives who had never received one.

Although brief in nature, the research effort helps participating cooperatives identify key drivers of satisfaction, loyalty and engagement and show where we fall short of member expectations. The research findings provide a quick overview of how Socorro Electric Cooperative is performing in several key areas known to influence member satisfaction. The findings presented in the following report serve as a high level assessment of Socorro Electric Cooperative's performance through the eyes of the membership. Touchstone Energy Cooperatives hope the report encourages program participants to consider a regular assessment of member satisfaction as part of their strategic planning initiatives.

## **2012 PROJECT OVERVIEW**

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The 2012 ACSI Incentive Survey sponsored by Touchstone Energy Cooperatives highlights feedback from residential members, which comprise over 90% of the cooperative membership nationally. This report provides valuable insight into tactics cooperatives can use to increase member engagement and overall satisfaction with these members.

This report can be seen as a road map for building effective communications about the cooperative value proposition and overall performance of the cooperative in several core operating competencies.

The key concepts explored in this year's study include:

- **American Customer Satisfaction Index (ACSI)**
- Key drivers analysis of ACSI scores and **Member Engagement**
- How members perceive cooperative efforts at:
  - Containing costs
  - Providing electricity at the lowest possible cost
  - Looking out for member's best interests
- Differences in attitudes between member segments
- Impacts of age, gender and length of membership on satisfaction

## METHODOLOGY

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The 2012 ACSI Incentive Survey sponsored by Touchstone Energy Cooperatives was fielded between July and August 2012. The study included 19 cooperatives representing 14 states who had never previously received an American Customer Satisfaction Index score.

Each of these cooperatives fielded nearly identical surveys and contributed their data to the national report. This effort resulted in nearly 5,000 total interviews.

Adding to the geographic diversity, cooperative participants ranged from small, rural cooperatives with only a few thousand members to some serving tens of thousands of members. The average membership size of participating cooperatives is 15,000. A list of participating cooperatives is provided below:

- 4-County Electric Power Assn.
- Arrowhead Electric Cooperative, Inc.
- Bayfield Electric Cooperative, Inc.
- Beltrami Electric Cooperative, Inc.
- Clarke Electric Cooperative, Inc.
- Continental Divide Electric Co-op, Inc.
- Cooke County Electric Co-op Assn.
- Cordova Electric Cooperative, Inc.
- Farmers Electric Cooperative
- Fergus Electric Cooperative, Inc.
- Navopache Electric Cooperative
- Newberry Electric Cooperative
- Northeast Nebraska PPD
- Pearl River Valley EPA
- Sangre De Cristo Electric Assoc.
- Socorro Electric Co-op, Inc.
- South Central Arkansas EC
- Wheatland REA
- Wyrulec Company
- Y-W Electric Association, Inc.

Interviews were conducted by telephone from a demographically diverse sample of each cooperative's membership. Participating cooperatives were identified as the sponsor of the research and samples were drawn directly from their member rolls.

For comparison purposes, the report includes findings from the 2011 National Survey on the Cooperative Difference conducted during the 4<sup>th</sup> Quarter 2011 and 1<sup>st</sup> Quarter 2012. The study included over 13,000 interviews among nearly 60 cooperatives throughout the country.

The sampling error associated with the national sample is +/- 1% at the 95% confidence level. Sampling error for the Socorro Electric Cooperative sample is +/- 6% at the 95% confidence level. Stated another way, if we were to field 100 random samples of equivalent size, 95 of those samples would return results that are within +/- 6% of those presented here.

## OVERALL SATISFACTION

*Electric cooperatives continue to lead the electric utility industry with high levels of member satisfaction and loyalty.*

Cooperative members are very satisfied with the overall performance of their local electric provider, comparing favorably to all other utility service organizations monitored by the **American Customer Satisfaction Index (ACSI)**, a joint effort by the University of Michigan Business School and the international consulting firm, CFI Group.

Satisfaction scores and retention scores from the ACSI are shown below for the cooperative samples and for national benchmark groups for the 3<sup>rd</sup> Quarter 2012. Plus or minus errors reported by the ACSI are at the 90% confidence level.

ACSI Scores 3 <sup>rd</sup> Quarter 2012 (90% Confidence Level)	ACSI Overall Satisfaction	ACSI Retention	Sample Size	Plus or Minus Error	Lower CI	Upper CI
2011 Co-op Difference Survey	81	79%	13,145	0.3	80.7	81.3
Touchstone Co-ops Nationally*	83	79%		2.6	80.4	85.6
Top Electric IOU*	82	75%		2.7	79.3	84.7
Non-Touchstone Energy Cooperatives*	82	n/a		4.7	77.3	86.7
Investor-Owned Utility Average*	76	74%		0.5	75.5	76.5
Energy Utility Sector Average*	77	74%	252	0.5	76.5	77.5
Municipal Electric*	76	71%		1.4	74.6	77.4
Socorro Electric Co-op	65	66%		3.2	61.8	68.2

\* Independent report by ACSI – 3<sup>rd</sup> Quarter 2012

Satisfaction scores for the Cooperative Difference survey participants compare favorably to Touchstone Energy Cooperatives nationally and the top-rated all-electric investor-owned electric utility (Entergy). The Cooperative Difference group outpaces non-Touchstone Cooperatives, the IOU industry average and municipal utility aggregate scores by a statistically significant margin.

Retention scores for cooperative benchmarks, which can be interpreted as the percent of members we would retain if they were given the opportunity to choose electric suppliers, also compare favorably to all electric utility peer groups.

Socorro Electric Cooperative's ACSI satisfaction and retention scores fall significantly below the utility sector benchmarks provided in this study. Socorro Electric Cooperative also trails the Cooperative Difference benchmark group and the country's best investor-owned electric utility (Entergy) by a statistically significant margin.