

Co-op in your pocket

Discount program connects co-ops, members, businesses

By Erin Huntimer



Living on electric cooperative lines means more than just having reliable electricity. It means being an owner. It means having connections to a nationwide network. It means working with people who care.

Cutting through the clutter to communicate this value to members can be challenging. Touchstone Energy® has a program that has value written all over it, and it comes conveniently sized to fit in members' pockets.

It's the Co-op Connections® Program discount card, and it's been helping participating electric cooperative members save money locally and nationally since 2004.

About 352 cooperatives in 45 states are participating nationwide, with 20,000 local discount deals available in co-op communities. New discounts and lower program costs make today as good as ever for cooperatives to consider launching the program.

Building relationships

Erin Keogh, senior communications and public relations advisor with Touchstone Energy, says the program is designed to emphasize the cooperative difference. "It offers members a money-saving tool with their co-op's logo right on it that reminds them their co-op is looking out for them, helping put money back in their pockets."

The program is also a way for cooperatives to build relationships with local businesses, while businesses benefit from increased traffic and free promotion.

Although the linchpin of the program has been the local discounts, the nationwide pharmacy discount, launched in 2007, has provided some tangible, impressive savings for co-ops, Keogh says. It features an online tracking tool for cooperatives to quantify member savings on prescriptions.

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Erin Keogh, Touchstone Energy

“Nationwide co-op members have saved more than \$30.2 million. Especially for those members who are unemployed or uninsured or underinsured, it's a benefit that's invaluable to them,” she says.

Dennis Gad, Basin Electric member media coordinator, says as a Touchstone Energy regional partner, Basin Electric can help member cooperatives looking into launching the program. “We're available to visit your cooperative and talk to managers and directors about the program,” he says. “Anything to help build excitement about this program.”

Gad believes it's one of the best programs Touchstone Energy has initiated since its inception. “We've built the brand, it's very strong. But to members with rising rates and all the things we're all up against in this economy, this card represents a true value. With the prescription part of the program, that's a measurable thing we can show both to our members and our boards; it is the right thing to do,” Gad says.

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Small steps

The prospect of launching a comprehensive local discount program can be daunting, so Keogh encourages a phased-in approach, starting with the national discounts already in place. “Co-ops might start out with 10 local businesses. Two years from now they might have 100. That’s one of the benefits of the pharmacy discount and the national discounts. Those are already in place from day one. Some co-ops have launched the card on that basis alone,” she says.

An arrangement with a new card printer, IGH Solutions in Inver Grove Heights, MN, provides cooperatives with dramatically lower pricing when ordering their customized cards, she says. Cooperatives can save thousands of dollars in setup and printing costs compared to the previous pricing structure.

Keogh says Touchstone Energy has a variety of customizable materials in place for cooperatives to use in launching and promoting the program, including ads, articles, window decals and pre-written contracts. Materials are found at www.cooperative.com under Touchstone Energy.

The Co-op Connections program has been successfully implemented by many Basin Electric member cooperatives. Each has found ways to make the program personal to their members.



New in 2011

A new iPhone app gives cardholders a virtual version of the card to use as their link to savings. Visit iTunes.apple.com and search for “Co-op Connections.” Select your co-op from the drop-down menu.

Central Electric Cooperative

Mitchell, SD

Central Electric brought the Co-op Connections program to their members in 2007. They’re a member of Basin Electric through East River Electric Power Cooperative.



Ken Schlimgen, marketing and member services manager at Central Electric, says the cooperative was feeling rate pressure and looking at ways to help their members save money. General Manager Loren Noess serves on the Touchstone Energy board, so he was watching the development of the Co-op Connections program. When the pharmacy discount was launched in 2007, it was time for the co-op to pull the trigger.

“We’re spread out over eight counties, and most of our participating businesses are in the largest city in our service territory, which is Mitchell. We have a lot of members

who live 80, 90 miles from Mitchell who wouldn’t see much benefit from having the card if it were not for the prescription discount,” Schlimgen says.

“The savings our members see in a couple months more than offset what we invested in the card four years ago.”

Ken Schlimgen, Central Electric

Schlimgen received a letter from a member soon after the program was launched; he keeps it at his desk. “I think it hits the nail on the head for why we should’ve done this. It says, ‘I just wanted to write a short note to you that says thank you for the prescription card that you sent to me. It came in the mail the day before I filled my prescription, and saved me money on my meds. I just wanted to let you know I really appreciate it very much. It was very nice for Central Electric to do this for their customers.’”

Schlimgen had concerns in launching the program: getting local businesses to participate, and finding the time to run the program. Both were addressed with the ready-to-go resources available through Touchstone Energy.

Before launching the program Central Electric sent out a couple hundred letters to local businesses introducing them to the concept. That ultimately resulted in 43 businesses signing contracts; the same businesses participate today.

“I use the card myself around town, and I know it’s accepted well. I talk to members who appreciate the discounts,” he says. “We have a couple gas stations around town that give a discount with this card: show them the card and right away they give you 3 to 5 cents off a gallon of gas. That’s the talk of the coffee shop, especially now that gas is up to almost \$4 a gallon.”

His advice to co-ops considering launching the program: “Trust Touchstone Energy and their folks with the program. What they’re saying about the program is true: it does work, it does offer a very valid benefit to your members.”

Schlimgen says Central Electric’s board has supported the program from day one. “I think they think it’s a great value. We made that small investment in 2007 and have not had to make much of an investment in it since.”

Nishnabotna Valley Electric Cooperative Harlan, IA

Nishnabotna Valley is new to the program; they introduced Co-op Connections to their members in December 2010. Nishnabotna Valley is a Basin Electric member through Northwest Iowa Power Cooperative (NIPCO).



Janell Cheek, communications coordinator at Nishnabotna Valley, says their 2,700 members find the biggest benefit in the local discounts. In the few short months the program has been in place, 15 local businesses have signed on. Cheek says they’ve also

snagged a national discount for the program: Bulbs.com now offers a 10-percent discount on LED lights. “That’s especially exciting to us since we were only offering rebates on CFLs; now we can offer discounts on LEDs as well,” she says.

Before jumping into the program, Cheek sent letters to local businesses to gauge initial interest. From there, she visited businesses personally. “If something comes in the mail, they may not look at it. When someone tells them the program doesn’t cost anything and how they’ll benefit, you get the business owner’s attention. Additionally, when they give our members a discount, they’ll receive increased patronage,” she says.

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Businesses are catching on. “We have businesses asking if they can be a part of the program. I write an article about one of the businesses for each newsletter, and they ask, ‘Hey, can I be one of the businesses that you’re featuring?’” she says. “So really it’s free personal advertising to 2,700 people on why our members should use their business.”

Cheek encourages businesses to get creative with their offers. For example, the owner of a local car detail shop is also on the Chamber of Commerce. “Instead of giving cash, for anybody who spends \$500, he gives them \$50 in Chamber Bucks. He was able to promote the Chamber then. That \$50 is spent at another local business, and it benefits them.”

Cheek’s tip to co-ops considering Co-op Connections: coordinate with neighbors. She says several fellow NIPCO co-ops are just launching the program, and everyone could have benefitted by working together earlier. Even though the co-ops have gotten a staggered start in launching the program, she says they’re sharing information and best practices.

Also, look for ways to save money. When Nishnabotna Valley mailed out the cards to members, Cheek structured the mailing so it qualified as bulk for pennies a piece. “Don’t just assume you have to spend 44 cents,” she says. “Think outside the envelope with how you can save money.”

Co-op Connections® Card

Member co-ops, are you interested?

Basin Electric member cooperatives wanting to explore the Co-op Connections discount program can contact Dennis Gad at dgad@becp.com or 701.557.5617.