

OCTOBER 2002

RURAL ELECTRIC MAGAZINE

ALSO INSIDE

DG IS FORCING
UTILITIES TO
REWRITE THE
RULES OF
THE LOAD
PAGE 36

CONNECTIONS

NRECA
Associate
Members
and Co-ops
Working
Together

Media Giant

**Co-op statewide magazines
reach into 8 million
American homes**

Texas Co-op Power staffers

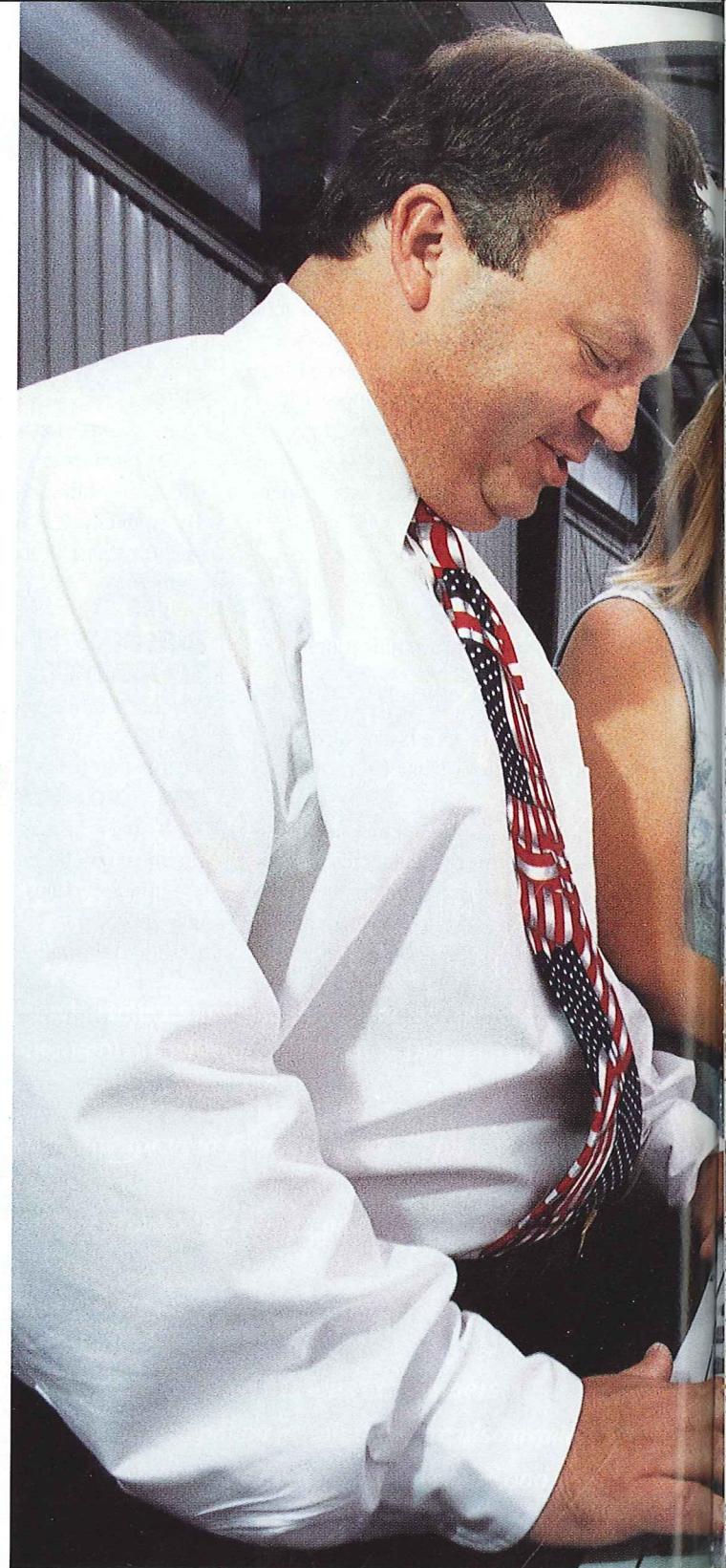
Little known in the publishing world, the statewide magazines have a huge combined circulation of more than eight million

TELLING THE CO-OP STORY

By **Jody Garlock**

Until recently, Cheryl Woodard had never heard of an electric cooperative, let alone a magazine published by one. Though she studies magazines for a living and has hobnobbed with editors from *Newsweek* on down to the family-owned *Trailer Life*, the consumer publications that the co-op statewide associations put out were a mystery. *Carolina Country*? Never heard of it. *Texas Co-op Power*? Uh-uh. *Penn Lines*? Nope.

So in October 2001, when she walked into a meeting room in Austin, Tex., she was ready to learn more about these obscure co-op publications. The co-op editors had invited Woodard, a magazine troubleshooter who co-founded *PC Magazine*, *PC World* and *MacWorld*, to talk to them about the business side of publishing. With the group and with individual editors over meals and at coffee breaks, she talked—and listened—for three days. She learned how some staffs produce 20-some different versions of their publications to “localize” them for individual co-ops, how the editors seemed to have an un-



canny grasp of their audience and how the publications have helped shore up support for critical legislative issues the co-ops faced.

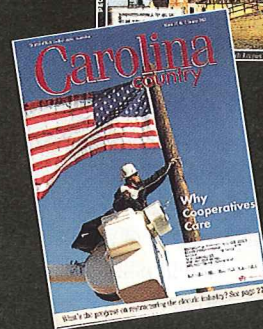
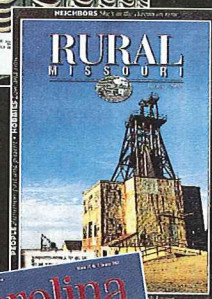
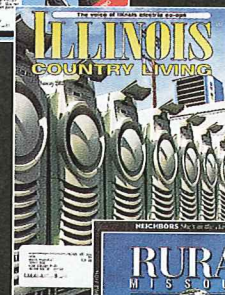
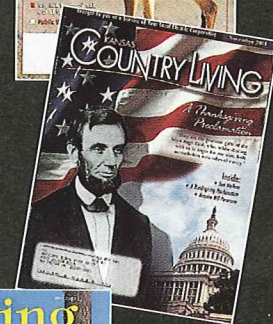
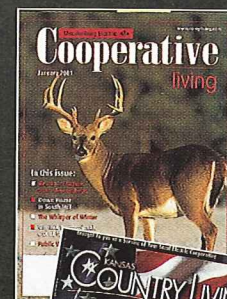
“I found it fascinating,” says Woodard, president of The Publishing Business Group in Berkeley, Calif. “It’s stunning how big these publications are in terms of their audience.”

To co-op employees and directors, the publications are just something the statewides have pretty much always done, if for no other reason than that communicating with members is part of the co-

Perry Stambaugh, editor of Penn Lines, says the statewide magazines "do a lot more with a lot less" than commercial magazines of the same size. Here, he is on a "press check" at Craftsman Press in Cheverly, Md., Penn Lines' printer.



PHOTOGRAPH BY STEVEN BARRETT



op credo. But to people like Woodard, they represent an intriguing amalgam in the publishing world.

"They are in this strange position where energy is a big issue now, and these publications have a very long history and what they're doing is working so well," she says.

The 31 publications, a mix of magazine and tabloid formats, fit neither the traditional definition of an association publication nor that of a general-interest consumer title. But by magazine publishing stan-

dards, they boast circulation figures that would make any publisher salivate. Collectively, the statewide publications reach into more than 8 million American homes. That makes them the fifth largest magazine enterprise in the U.S., falling roughly between well-known titles such as *Better Homes and Gardens* and *Family Circle*. Individually, the numbers are equally impressive; often the co-op publication is the largest in its state. The largest of them all, *Texas Co-op Power*, has a circulation of 850,000.

The publications are also blessed with unusually high readership. While most magazines are lucky to top 50 percent in surveys, it's common for the statewide publications to find that 80 to 90 percent of survey respondents read every issue. "I can't explain it, really, other than to say the publications are very approachable by and large," says Michael Gery, editor of *Carolina Country*, published by the North Carolina Association of Electric Cooperatives. "They're like a friend to co-op members."

Indeed, in the more than 50 years they've been around, the publications have found a niche in rural culture, much to the chagrin of investor-owned utilities. Few, if any, utilities have such a far-reaching and well-respected communications tool. Although not every co-op subscribes to its statewide publication on behalf of its members, the publications are nonetheless a cornerstone of the cooperative communications effort.

"The standard-bearer for who we are and what we believe in in North Dakota is our magazine," says Dennis Hill, executive vice president of the North Dakota Association of Rural Electric Cooperatives in Mandan and a former managing editor of the statewide's magazine. "There is a direct relationship between what we achieve and what we communicate."

Frank Stork, another statewide leader who started his co-op career in co-op journalism as associate editor of the South Dakota statewide magazine, says his state's publication, *Rural Missouri*, has a pivotal role. "It is critically important to have all of our systems together under one voice, communicating to the members and general public what we're all about and the great things we do as a segment of the utility industry," says Stork, executive vice president of the Association of Missouri Electric Cooperatives.

A critical advocacy role

Magazine publishing and electricity may seem a disparate business mix, but it's founded on sound strategy. When the first statewide publication, *Wisconsin REA News*, started in 1940, it lent credibility to and fended off criticism of the fledgling co-ops. The battles have changed, but the mission remains the same.

"The statewide publications have an extremely critical advocacy role to play in informing co-op consumers about the issues," says Glenn English, chief executive officer of the National Rural Electric Cooperative Association (which publishes this magazine). "They have a high degree of credibility and trust."

Case in point: In 1995, NRECA coordinated a grassroots campaign to oppose the sale of the federal power marketing administrations, a move that would have raised electric rates for many rural consumers. Knowing it could tap a huge audience through the statewide publications, NRECA printed millions of postcards for the publications to insert and for readers to sign and send to their senators and representatives, urging them to reject the sale. The postcards flooded congressional offices. Sen. Strom Thurmond's (R-S.C.) office, alone, received more than 10,000 postcards.

"It was an overwhelming success," says Zan McKelway, NRECA's director of strategic communications. "There are anecdotes and stories that Hill staffers stopped keeping running totals on the number of postcards and started measuring how high the stacks were."



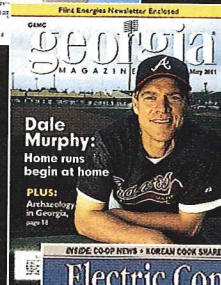
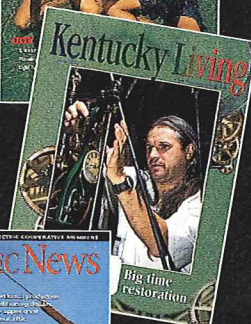
Similar stories have played out in individual states. In Texas, a postcard insert in *Texas Co-op Power* magazine that was part of a larger industry restructuring education campaign conducted by the statewide association urged legislators to give co-ops the flexibility to opt in or out of competition. "As a result of this campaign, the co-ops had a really good piece of legislation passed," says Peg Champion, publisher of the magazine and communications director at Texas Electric Cooperatives. In Pennsylvania, the fact that the monthly *Penn Lines* even existed spared the co-ops from having to shell out some \$1.7 million for a Public Utility Commission educational campaign on deregulation.

And in North Dakota, the magazine is credited with helping halt attempts to force co-ops to hand over prime service territory to IOUs. Just a few days after *North Dakota Living* came out opposing the proposal, legislators started hearing from consumers. "We happened to run into the [statehouse] operator who answers the phone, and she said 'All of a sudden I've been besieged with calls,'" Hill says. "This was an absolute, direct connection with our call for action."

These successes are due in part to the fact that the publications



Graphic Designer Carol Powell (left) and Managing Editor Carol Moczygemba (right) go over page proofs with Publisher Peg Champion at Texas Co-op Power's offices in Austin. It's the largest electric co-op magazine, with a circulation of 850,000.



PHOTOGRAPH BY WILL VAN OVERBEEK

have established credibility through ongoing, monthly rapport with readers—they're not a company mouthpiece consumers find in their mailboxes only when the co-ops need something. "It's a weapon that we have, but don't necessarily have to use all that much," says Paul Wesslund, editor of *Kentucky Living* and vice president of communications at the Kentucky Association of Electric Cooperatives.

Indeed, for all of their political muscle, the statewide publications are also feel-good indulgences. The stories that resonate most with readers typically celebrate everyday things—a neighbor down the road, a hobby such as quilting or gardening, a weekend getaway in the state or a favorite recipe. That's why you'll find *Rural Missouri* on a quest to name the best hamburger in the state as part of its Readers' Choice Awards, or *The Tennessee Magazine* stargazing with a co-op member in his backyard observatory or *Rural Electric Nebraskan* giving tips for spotting a bald eagle.

This "candy coating," as Wesslund calls it, gets people to flip through the publications and, in turn, find local co-op news. And in actuality, such stories go hand in glove with the co-ops' efforts to

strengthen their local connection. While showcasing the people, places and events in co-op service areas, the stories engender goodwill and help make the co-op name a household word. In Indiana, the *Electric Consumer*'s Christmas ornament contest recognizes readers' handiwork, and, through an auction of the ornaments, raises money for the Ronald McDonald House of Indiana. The monthly tabloid also sponsors an art contest for students, with the winning entries turned into a calendar for co-ops to distribute to schools and in their communities.

"We don't have the deep-pocket endowments or big corporate public relations chests to fund the arts the way some investor-owned utilities do, so we decided to work the way co-ops work best—from the grassroots level up," says Richard Biever, senior editor of the *Electric Consumer*, published by the Indiana Statewide Association of REC. "You can't get much more grassroots than kindergarten."

Jeff Joiner, president of the Statewide Editors Association and managing editor of *Rural Missouri*, says feature stories, while appealing to a broad audience, also serve a strategic purpose. "I think the

great mission of statewide publications is to explain in an entertaining way how co-ops have a huge role in making the quality of life in rural America as high as it is," he says. "Life is good in rural America, and that can be traced back, at least partly, to electric cooperatives and the service they provide in their communities."

Says Wesslund: "What a magazine can do best is to build a sense of community and a kind of awareness that you are part of a community. There is such an appetite for people staying in touch with their community and that's what statewide magazines help them do, and that's what electric co-ops help people do."

An underrated asset

Publishing a magazine isn't easy or cheap. And when publishing isn't your company's main line of business—as is the case with electric co-ops—the challenges multiply. Whereas a traditional magazine publishing company has magazines on its mind at all times, a co-op and its statewide association may have other priorities. Limited budgets and small staffs add to the complexity of putting out a quality publication that will grab readers' attention when they're pressed for time or suffering from media overload.

"We know that we do a lot more with a lot less than any comparable publication our size," says Perry Stambaugh, editor of *Penn Lines* and communications director at the Pennsylvania Rural Electric Association. "When you look at the co-op program as a whole, that's how it operates. It's lean and mean. We're not doing this to get rich; we're doing this because we love what we do and we love this program."

For the most part, the publications are expected to cover their costs through subscriptions the co-ops buy for their members or by selling advertising. Compared to other types of magazines, the subscription prices are low. Co-ops can get a 12-month subscription to *Kentucky Living*, for example, for just \$2.70 per member, or 22 cents an issue.

"The challenge is that if you're going to do the important job that these magazines do, then you must do it right," Stork says. "That is a challenge for everyone on our publication's staff. How do we do this job better? How do we make the publication more attractive graphically and with the content?"

Many of the publications have evolved into glossy newsstand-type magazines, while still retaining the folksy, friendly flavor that readers seem to identify with. Some, in an effort to address changing demographics, have changed their names or tweaked content to appeal to a broader audience. In 1990, *GEORGIA Magazine*, for example, dropped the "rural" from its title because about half of its readers lived in towns

or cities. It's now tossing around the idea of publishing a metro edition. The emerging dual audience—rural and urban—only adds to the complexity of publishing a co-op magazine.

Some magazines have banded together to leverage lower prices on everything from paper to printing. The most successful example of this cooperative spirit is with the National Country Market Sales Cooperative, an advertising sales group based in Austin.

After a handful of co-op publications tested the concept of using their combined circulation to make themselves more attractive to regional and national advertisers who like to see numbers in the millions, NCM became an independent cooperative business in 1996. Eighteen statewide publications are now members of the advertising co-op. Last year, NCM sold \$3.5 million worth of ads, according to George Macias, who left his job as editor of *Texas Co-op Power* to become NCM's executive director.

"The statewide publications are small in terms of recognition, but their readership levels can compete with any other publication on the market," Macias says. "I think they're the most underrated asset in the co-op industry."

Their value, though, is difficult to quantify. "You certainly can't put a price tag on it, but it's all there," Stork says.

Dale Lambert, executive vice president and general manager of Randolph EMC in Asheboro, N.C., says his board periodically discusses whether or not the statewide magazine is the most effective way to reach members. So far, they see it as a bargain, from both a monetary and readership standpoint. "We feel strongly we're getting very high readership by putting our co-op news in the magazine because our statewide magazine is so highly received by our members," he says. "To me, it's always felt like a natural fit."

Kent Brick, editor of *North Dakota Living*, sees the statewide magazines as "an article of faith" in the electric cooperative culture. "You do know that the data says they get read, and the data says they strengthen a relationship between a member and their co-op," Brick says. "But do members write in every month? Do they get on talk radio and sing the praises of these publications? Probably not."

"The world isn't going to come to an end for these utilities if the magazines stop being published," Brick continues. "But the question is 'Where is your world going and what are you going to do to get it where you want it to go?' That's what keeps co-ops standing beside these publications."

And as mysterious as the publications once were to magazine consultant Cheryl Woodard, she now can't get enough of them. "I like the fact that ordinary citizens know so much about their energy and their co-op. I don't think people in the cities have any clue," she says. "I keep talking them up and my friends say, 'OK Cheryl, enough about those rural things.'"



BOB MCEWEN

Missouri statewide manager Frank Stork says the statewide magazines are "critically important" to the electric cooperatives' communications efforts. They give them a unified voice within each state.