YOUR CUSTOMERS ARE WOKE ARE YOU?

Power is shifting en masse to a customer base with many faces, identities, and cultural contexts.

This shift means it is more important than ever for utilities to embrace diversity and inclusion in their outreach and within their own teams. It's necessary for innovation and it's good for business.

But how?

Before we answer that, let's take a closer look at your customers.

The U.S. is consistently ranked as the most diverse country in the world in terms of racial, ethnic, and linguistic diversity. According to a recent study published by the Census Bureau, diversity will continue to grow and, by 2044, the U.S. will become a country with no one single racial majority group.[1] This shift is well underway among younger populations, with whites under 18 projected to become a minority group by 2020.[2] California, Texas, New Mexico, and Hawaii have populations in which there is no single majority group. Maryland, Arizona, Georgia, Florida, and New Jersey are expected to tip the scales in the next 10 years.[3]

It is also safe to say that the way we view ourselves, and one another, has changed. While the majority of Americans still say that we are better as a country due to our diversity, the experience of living in the U.S. varies dramatically based on your race and ethnicity.[4] Black, Hispanic, and white Americans are losing trust in government and large institutions, this is more pronounced among Hispanic and black youth.[5,6]

A great majority of black Americans feel disproportionately targeted by institutions designed to keep us safe, such as law enforcement.[7] Shifting demographics and these findings suggest that a growing majority of utility customers feel or will soon feel disenfranchised by traditional institutions. Utilities are not immune to this trend.

In light of these changing sentiments, communicating across communities and populations feels trickier than ever. At every turn, another company is recovering from a public and cringe-worthy gaff. Pepsi's "Live for Now" spot featuring Kendall Jenner is a notable one. In it, Jenner joins a nondescript protest and eases mounting tensions between protesters and police by offering an officer a Pepsi. The brand quickly pulled the spot and apologized.[8] The implication for utilities is that your customers have high expectations of you and will view most of their conversations with you with a dose of skepticism.
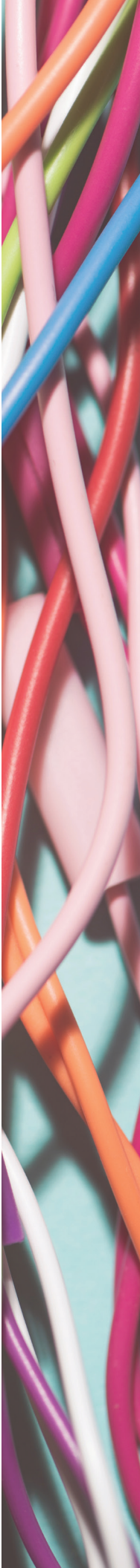
So,
How Do You
Communicate
Across
Audiences
in this Tense
Moment?

First, accept that your customers are right to be skeptical. Marginalized populations feel under attack at the moment. Real talk: utilities do not have a sterling track record in communities of color and in poor and immigrant neighborhoods. Power plant, substation, and distribution and transmission siting practices and waste disposal locations have a long and charged history, giving marginalized populations real justification to take your words with a grain of salt. [9, 10] Once you accept this you can move forward with smarter communication. But how?

Admit that you don't know what you don't know. It's okay to feel adrift in this moment. All marketers are. But the difference between delivering excellent marketing and egg-on-your-face marketing is whether or not you prioritize and commit to learning and listening.

First, take stock of where you are performing well, and where you are not, with your customers and subsegments. Where you are underperforming, leverage research methods that help you listen to and engage your customers. Before leaping into a survey, take the time for one-on-one conversations. Listen to your customers' stories to discover the barriers that are keeping you from reaching them.

Extend dignity. We often talk about empathy — sharing and understanding the feelings of another. Let's introduce a new term: dignity. Extending dignity to your customers means that you take them at their word. Even if you cannot empathize, you believe and respect that they are the experts on their own lives. In other words, you listen, you believe, and you adapt to their needs.

At ILLUME, our ethnographic and data science researchers listen to the stories of your customers and dig deep into your database to examine trends as they emerge. Are your customers being treated the way they want to be treated? Are you speaking to them in their voice, from their perspective? Are you inadvertently underserving certain communities? How?

We understand that family life and decision-making practices are structured differently in different groups. We help you learn how to relate to your customers and find them in your data. We deliver strategies that help you extend dignity and avoid introducing barriers to your already competitive markets.

Engage on their terms, not your own. In many cases, your terms and their terms are misaligned. For example, in recent work for Georgia Power, we learned that you need different messages and go-to-market strategies based on whom you engage. This work has shown that women, your primary household decision-makers, feel condescended to by your trade allies, and your black customers expect you to engage with their communities to demonstrate good faith and invest in their well-being. We have found that your second-generation immigrant customers want you to communicate in their parents' native language even if they do not speak it. Why? Because it demonstrates that you see them.

We were encouraged when, at the 2018 Energy Thought Summit, Calvin Butler Jr., CEO of BGE, described their work to build parks during the protests in response to the death of Freddie Gray while in police custody. Recognizing that their customers were mourning, BGE built trust by showing up in a hard time and creating space for communities to come together. This is an example of what it means to truly engage, see, and dignify your customers. This is the behavior that builds l oyalty and trust — it takes more than making sure you show diverse faces in your advertising to connect to a diverse community.

Drop the "minority" thinking—it's offensive. Your minorities are your majority. And if they aren't yet, they will be in a few short years. This is a very important mental shift; rather than earmarking small amounts of money for "minority" research, invest in understanding all your customers, their preferences, and how they vary. This is critical to your success as a company. To compete in this rapidly shifting marketplace, you need all of your customers.

Take a look in the mirror—is there spinach in your teeth? Diversity is not checking a box. Inclusivity is making space. You cannot have a conversation with people you are not in conversation with. What do we mean by that? You need to take a hard look at inclusivity in your companies, and in your marketing and communications teams, to effectively reach your customers.

Most people now acknowledge that diverse perspectives are a requisite for innovation. But recruiting a diverse team is only half the battle. Once they're on board, how do you foster the kind of collaboration and interplay that produces effective, new solutions? How do you progress beyond recruiting diverse teams to implementing multicultural strategies and removing exclusionary practices? What metrics are in place to examine the efficacy of the inclusion and retention efforts underway? Are these metrics that focus on surface-level differences or do they capture feelings of belonging, being valued, and having opportunities to provide meaningful input that leadership takes seriously?

Have a strategy for your blind spots.

Always ask yourself and others, what might I be missing?

Often, in inclusivity discussions, factors such as social class, economic class, disabilities, gender identity, or sexual orientation are overlooked. We have learned that an effective way to illuminate our blind spots is to build a culture that is safe for all forms of diversity.

Some of the principles we apply at ILLUME are:

Broaden the search: Diversity requires intention.[11] If our traditional recruiting methods are reaching the same type of applicants, we look for ways to expand our reach to invite candidates from new and alternative sources.

Value a meandering path: Many marginalized populations do not have the same access to education, internships, job growth, or mentorship in their careers. Growth and advancement can take many forms. We work to identify and value talents that emerge from different or unexpected paths to career advancement.

Create a space to share our stories: Story sharing engenders empathy and infuses meaning.[12] The ability to value diverse experiences is a skill that can be learned. We hone our listening skills and create forums for open and celebratory responses to the different but equally meaningful ways that we create families, friendships, and careers.

Shut down haters: Toxicity in any form can quickly devolve into bullying behavior. Leadership needs to set the tone and create a culture of mutual respect to maintain safe spaces for all team members.[13]

Take a side: *The Harvard Business Review* recently put out a series of articles that detail how the role of CEOs are changing as employees and customers seek to align their employment and dollars with the values of company leadership.[14] When businesses remain silent on issues, silence can be taken as agreement or complicity, and the groups you aim to include feel even more marginalized.[15] One way to create a safe workplace is to give voice to issues and topics that improve the lives of traditionally marginalized communities.

Most importantly, take the perspective of bounty, not scarcity: You will hear people gripe that dignifying certain populations means that others will not be heard. That we cannot extend dignity and grace equally within and outside of our organizations. If you take the perspective of scarcity, then you will believe this, and so will your team. As leaders, it is critical that you reaffirm the value of aligning the strengths of individuals and departments to solve your business challenges.

This is the most effective path to innovation. It is imperative for organizations to recognize that the work of creating inclusive workspaces and outreach campaigns requires ongoing growth. While all communities have unique characteristics, needs, and values, these diverse groups are also interconnected. The work of finding that commonality while embracing the individual strengths that each group brings to the larger community requires a shifting mindset from the organizational level.

An approach that singles out and tokenizes marginalized groups is only a temporary patch, whereas a self-reflective, empathetic, and dignifying approach creates a community where all members are continually valued. By acknowledging past wrongs and rebuilding frameworks that promote inclusivity, your renewed strength and innovation will be unmatched. Trust us. ∎

1. U.S. Department of Commerce, U.S. Census Bureau, "Projections of the Size and Composition of the U.S. Population: 2014 to 2060," By Sandra Colby and Jennifer M. Ortman. March 3, 2015, accessed August 6, 2018, https://www.census.gov/content/dam/Census/library/publications/2015/demo/p25-1143.pdf.

2. Bill Chappell, "For U.S. Children, Minorities Will Be the Majority by 2020, Census Says," *NPR*, March 4, 2015, accessed August 6, 2018, https://www.npr.org/sections/thetwo-way/2015/03/04/390672196/for-u-s-children-minorities-will-be-the-majority-by-2020-census-says.

3. American Enterprise Institute, Brookings Institution and Center for American Progress, "States of Change: The demographic evolution of the American electorate, 1974-2060," By Ruy Teixeira, William H. Frey, and Robert Griffin, February 2015, accessed August 6, 2018, https://www.americanprogress.org/issues/democracy/reports/2015/02/24/107261/states-of-change/.

4. Pew Research Center, "Most Americans express positive views of country's growing racial and ethnic diversity," By Hannah Fingerhut, June 14, 2018, accessed August 6, 2018, http://www.pewresearch.org/fact-tank/2018/06/14/most-americans-express-positive-views-of-countrys-growing-racial-and-ethnic-diversity/.

5. Pew Research Center, "Public Trust in Government: 1958-2017," December 14, 2017, accessed August 6, 2018, http://www.people-press.org/2017/12/14/public-trust-in-government-1958-2017/.

6. Geoffrey L. Cohen, Valerie Yang Hooper, and David S. Yeager, "Loss of Institutional Trust Among Racial and Ethnic Minority Adolescents: A Consequence of Procedural Injustices and a Cause of Life-span Outcomes," *Child Development* 88, Issue 2 (March 2017): 658-76.

7. Gregory McCarriston, "76% of Black Americans Say Police Are More Likely to Target Minorities," *YouGov*, August 8, 2017, accessed August 6, 2018, https://today.yougov.com/topics/politics/articles-reports/2017/08/08/64-americans-say-police-should-always-wear-body-ca.

8. Kristina Monllos, "Lessons Learned From the 5 Biggest Brand Fails of 2017: Uber, Pepsi, Dove and More," *Adweek*, December 12, 2017, accessed August 6, 2018, https://www.adweek.com/brand-marketing/lessons-learned-from-the-5-biggest-brand-fails-of-2017-uber-pepsi-dove-and-more/.

9. National Association for the Advancement of Colored People, Indigenous Environmental Network, and Little Village Environmental Justice Organization, "Coal Blooded: Putting Profits Before People," By Katie Fink, John Fleming, Judy Hatcher, Facqui Patterson, Annie Sartor, Amanda Starbuck, Amanda Wasserman, and Adrian Wilson, March 2016, accessed August 6, 2018, https://www.naacp.org/wp-content/uploads/2016/04/CoalBlooded.pdf.

10. Erik Sherman, "If You're a Minority and Poor, You're More Likely to Live Near a Toxic Waste Site," *Fortune*, February 4, 2016, accessed August 06, 2018, http://www.fortune.com/2016/02/04/environmental-race-poverty-flint/.

11. Rob Garcia, "Intentional Diversity: 3 Ways to Create Organizational Strength and Talent Resiliency," *RiseSmart*, January 29, 2013, accessed August 6, 2018, https://www.risesmart.com/blog/intentional-diversity-3-ways-create-organizational-strength-and-talent-resiliency.

12. Steve Denning, "Why Leadership Storytelling Is Important," *Forbes*, February 21, 2013, accessed August 6, 2018, https://www.forbes.com/sites/stevedenning/2011/06/08/why-leadership-storytelling-is-important/#76245e6a780f.

13. Ron Carucci, Sabina Nawaz, John Coleman, Maura Thomas, and Shawn Thomas, "3 Ways Senior Leaders Create a Toxic Culture," *Harvard Business Review*, July 25, 2018, accessed August 6, 2018, https://www.hbr.org/2018/05/3-ways-senior-leaders-create-a-toxic-culture.

14. Aaron K. Toffel and Michael W. Chatterji, "The New CEO Activists," *Harvard Business Review*, July 31, 2018, accessed August 6, 2018, https://www.hbr.org/2018/01/the-new-ceo-activists.

15. Aaron K. Toffel and Michael W. Chatterji. "Divided We Lead," *Harvard Business Review*, July 2, 2018, accessed August 6, 2018, https://www.hbr.org/cover-story/2018/03/divided-we-lead.