



Getting It Right With Millennials
*Important VoC Research Findings and Examples
of Who is Doing it Right*

**Ernan Roman
President
ERDM Corp.
6/10/16**



Ernan Roman
President, ERDM Corp.
Author, *Voice of the Customer Marketing*



Inducted into the DMA Marketing Hall of Fame based on the results companies achieve with ERDM's VoC research-based CX strategies.

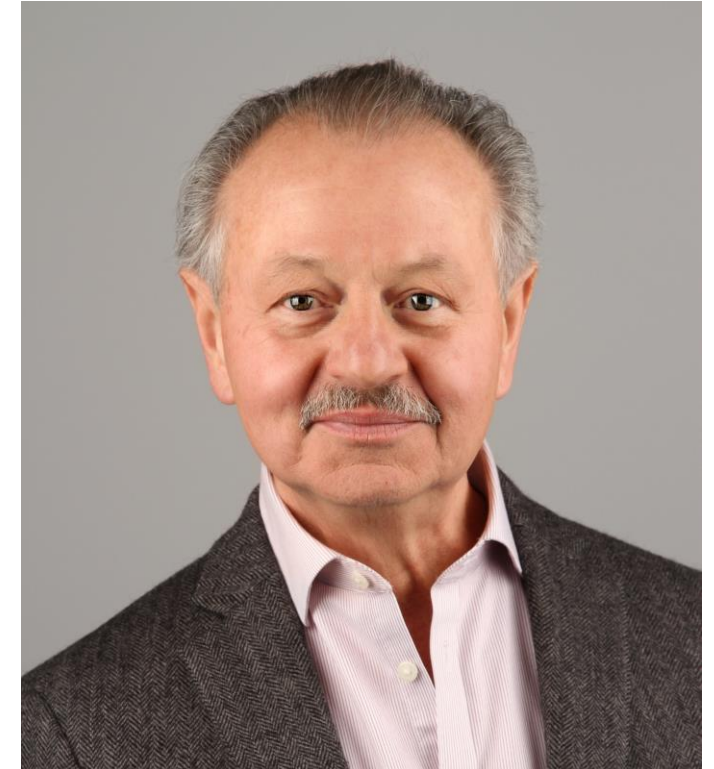
ERDM conducts specialized VoC research to identify CX strategies that generate significant increases in revenue. Clients include IBM, MassMutual, Gilt, QVC, HP, Microsoft and Norton AntiVirus.

His influential blog *Ernan's Insights on Marketing Best Practices* appears in Forbes, Huffington Post, CMO.com, CustomerThink, CRMC and Business2Community.

Named by the Online Marketing Institute as one of the *Top 40 Digital Luminaries* and by Crain's B to B Magazine as one of the *100 most influential people in Business Marketing*.

Ernan's latest book is titled *Voice of the Customer Marketing*. His other books are *Opt-in Marketing and Integrated Direct Marketing*.

ernan@erdm.com
www.erdm.com
@ernanroman



Agenda



VoC research findings;

What millennials want and don't want.

How to use *human data* to engage them in authentic ways to transform their CX with your brand.



Case Studies;

How innovators as Stich Fix, Amazon, MassMutual and Gilt are using *reciprocity* to engage millennials to provide personal *human data* to receive meaningful CX and “smart” *explicit* personalization.

Making generalizations about 80 million
people who span 20 years of life experience,
demographics, geography, incomes, ...
has certain limitations 😊

“Unveiling its new streaming service, HBONow, HBO said it would be a heat-seeking ‘millennial missile’.”

NY Times, 5/15/16

Let's do our own VoC;
Who in the audience qualifies as a
millennial?
(born 1980-2000)

One word to describe a key millennial trait?

Smart companies are engaging millennials
based on attributes important to them;

Control

Value

Personalization

Community

Authenticity

Omnichannel Access

Immediate Gratification

Creating Addictive Experiences



Creating Addictive Experiences



Dear ernan roman,

We're excited to offer you an invitation to be one of the first customers to use Dash Button. Keep Dash Button handy in the kitchen, bath, laundry, or anywhere you store your favorite products. When you're running low, simply press Dash Button, and Amazon quickly delivers household favorites so you can skip the last-minute trip to the store.

Creating Addictive Experiences



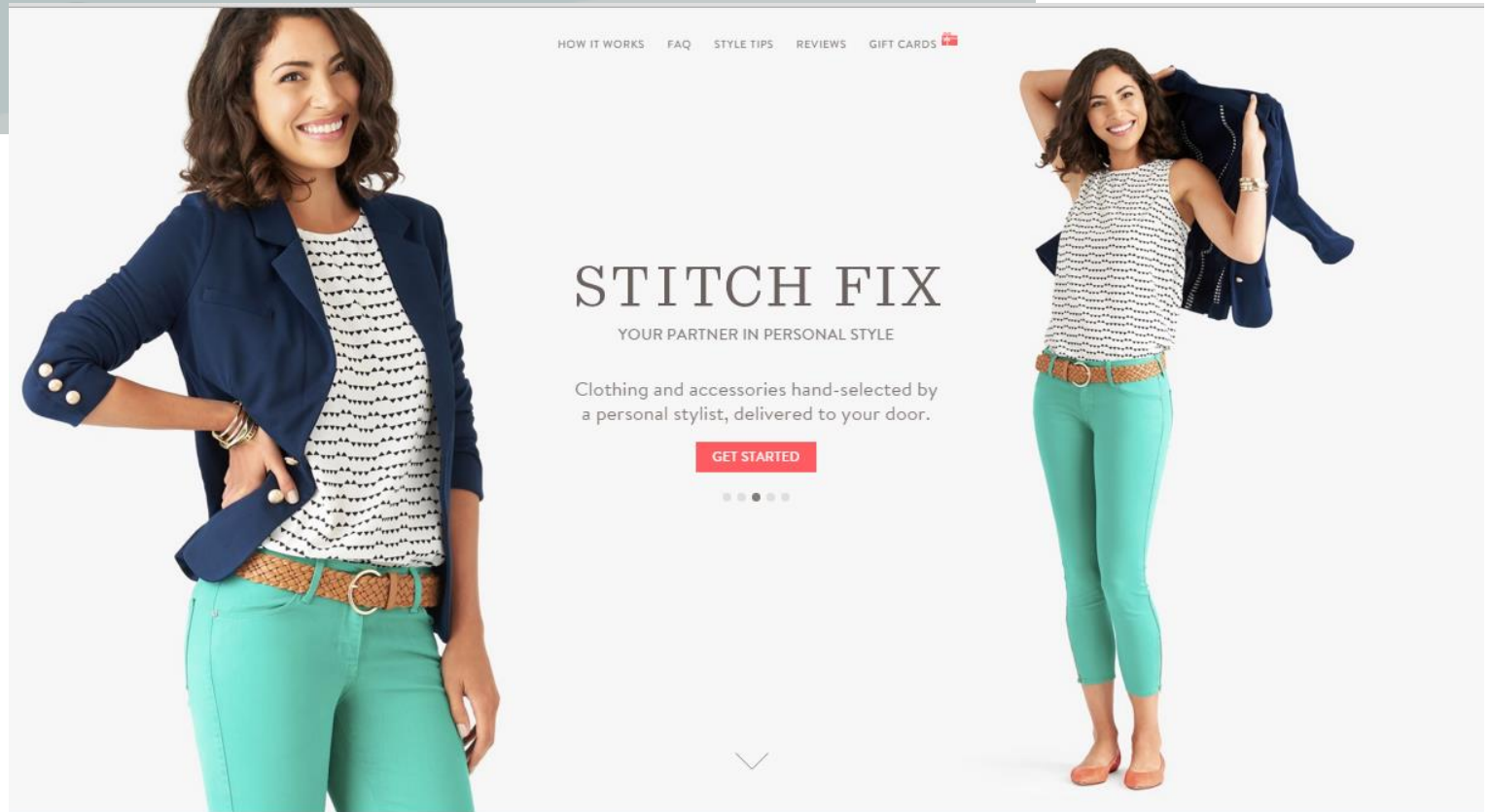
Creating Addictive Experiences




Making It Truly Personal

WHO WE ARE

For busy women on the go, Stitch Fix is the personal styling service tailored to your taste, budget and lifestyle that helps you look and feel your best every day.



HOW IT WORKS FAQ STYLE TIPS REVIEWS GIFT CARDS 

STITCH FIX

YOUR PARTNER IN PERSONAL STYLE

Clothing and accessories hand-selected by a personal stylist, delivered to your door.

[GET STARTED](#)

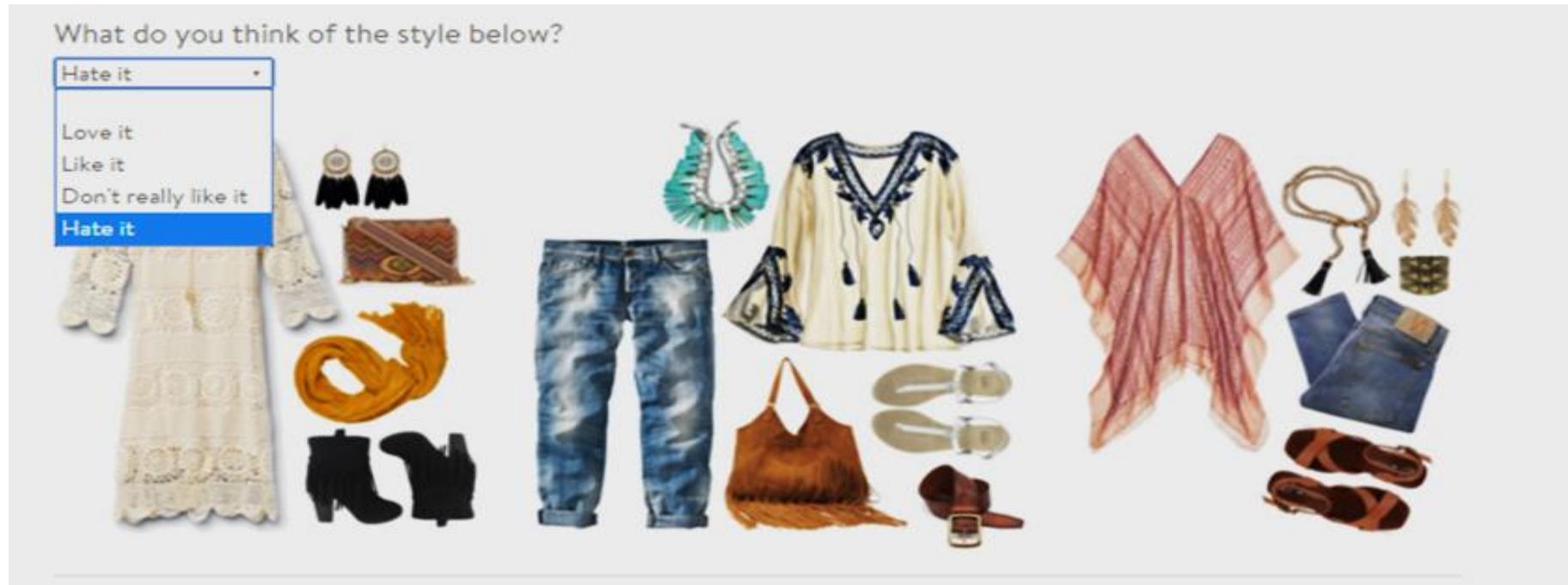
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The image shows a screenshot of the Stitch Fix website landing page. On the left, a woman is shown from the waist up, wearing a dark blue blazer over a white top with a black geometric pattern, and teal pants with a brown belt. On the right, the same woman is shown from the waist down, wearing the same outfit, with her hands on her hips. The background is a light gray gradient. The text is centered and uses a clean, sans-serif font. A red button with white text 'GET STARTED' is prominent. Below the button are five small gray circles, with the first one filled. At the bottom center, there is a small downward-pointing chevron icon.

Making It Truly Personal

Customers opt-in and fill out a *15 page Style Profile with over 66 characteristics* which are run against algorithms to personalize product selections.



Then, a *human personal stylist* hand picks a “Fix” of 5 items and accessories unique to the customer who buys what they want and returns the rest.

HOW IT WORKS

STEP N° 1

GET STARTED WITH A PERSONAL STYLE QUIZ

Create a style profile so your personal stylist can get to know you.

STEP N° 2

RECEIVE FIVE PERSONALIZED PIECES, DELIVERED TO YOUR DOOR

Try on and discover styles hand-picked to fit you, your budget and your style.

STEP N° 3

KEEP WHAT YOU LOVE, SEND BACK THE REST

Only pay for what you keep; your feedback makes your next experience even better!

BENEFITS



PERSONALIZED SELECTIONS

Discover what you look and feel great in with the help of your personal stylist.



BETTER EVERY TIME

Your feedback helps your stylist select items you will love.



ON YOUR SCHEDULE

Opt to receive packages regularly or at your convenience.

PRICING



NO PRESSURE

The styling fee is \$20, which you can use toward your final order.



LOVE EVERYTHING? ENJOY A 25% DISCOUNT

Celebrate with a discount when you love all 5 items!



PRICED FOR YOUR BUDGET

Our personal shoppers select pieces customized to your spending preferences.

Results

- Success because Stich Fix uses algorithms *and* human data to create *personalized, curated and scalable customer experiences*.
- 70% of people who get their first Stich Fix box get another within 90 days.
- Stich Fix goal; customers keep at least *2 of the 5 items* sent per month.
- Company has grown to over 1500 employees.



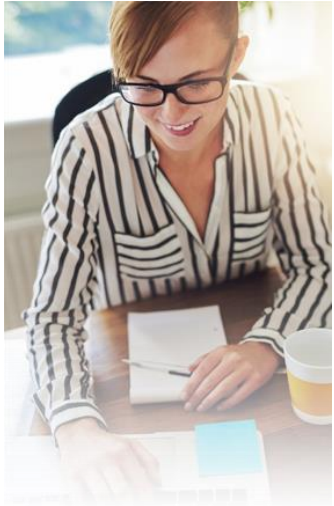
Learnings from 2500+ hours of Millennial VoC Interviews:



VoC; Millennials View of Current CX & Personalization



Millennial VoC; Current CX & Personalization



“What we receive is *not smart personalization*. They aren’t personalizing the things that ~~matter to me!~~”



“What they consider personalization is so *old-fashioned.*”



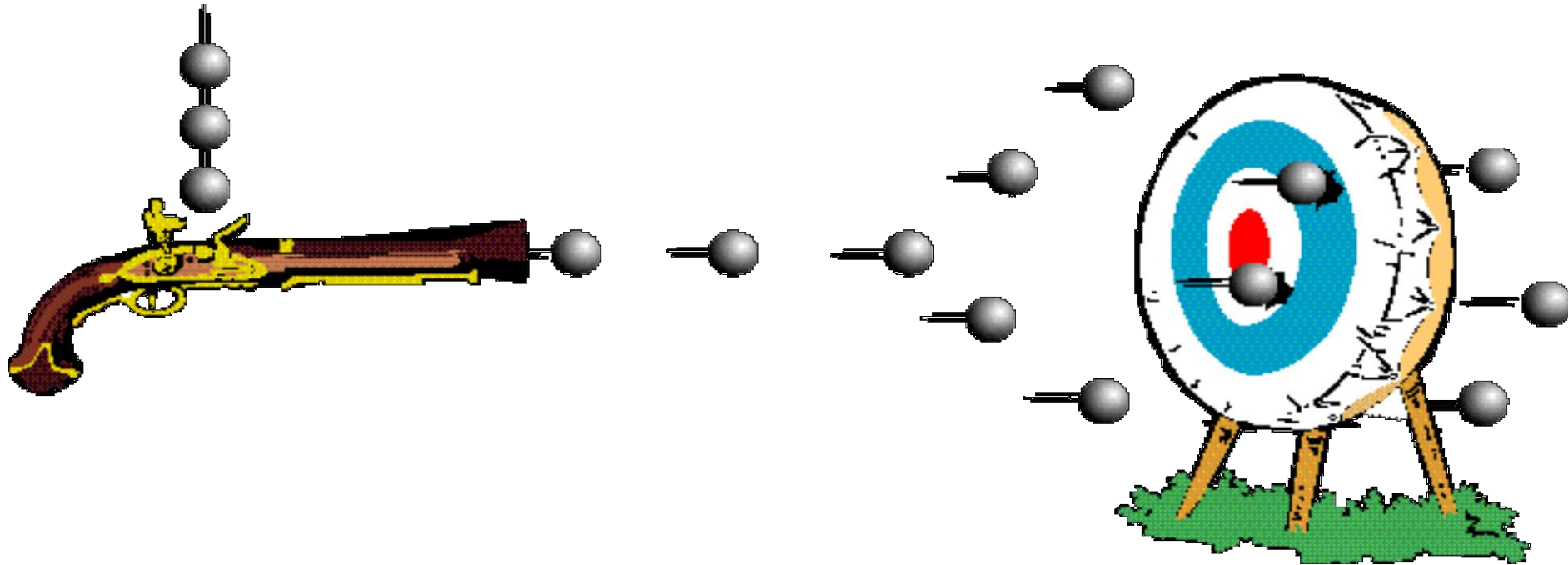
“I want more than just buying history-based emails.”



“With today’s technology, I *expect* emails to reflect my interests and preferences.”

CMO of a Fortune Company (non-millennial);

“We are using new CRM technology to *automate old bad behaviors...*not guided by how *customers define improved CX*. Result; high tech, irritating and brand damaging *spray and pray.*”



VoC; Current CX & Personalization

Customers Want *Deeper Engagement* at **8 Lifecycle Points**:



1

Purchase



2

Onboarding

New Customer Onboarding

Per VoC, customers want MSC to learn their needs at the *beginning of their Lifecycle*.



VoC-based Onboarding Program:

- Show customers that MSC cares; they are more than “just a sale”.
- Take Step1 in the preference profiling process by determining what products, services, and communications are most relevant.
- Determine which channels will be most effective to deepen the relationship with each *individual* customer.

Results:

- **20%** lift in response rates.
- Over **20%** lift in revenue per customer.

VoC; Current CX & Personalization

Customers Want Deeper Engagement at 8 Lifecycle Points:

Deepening the Relationship with...

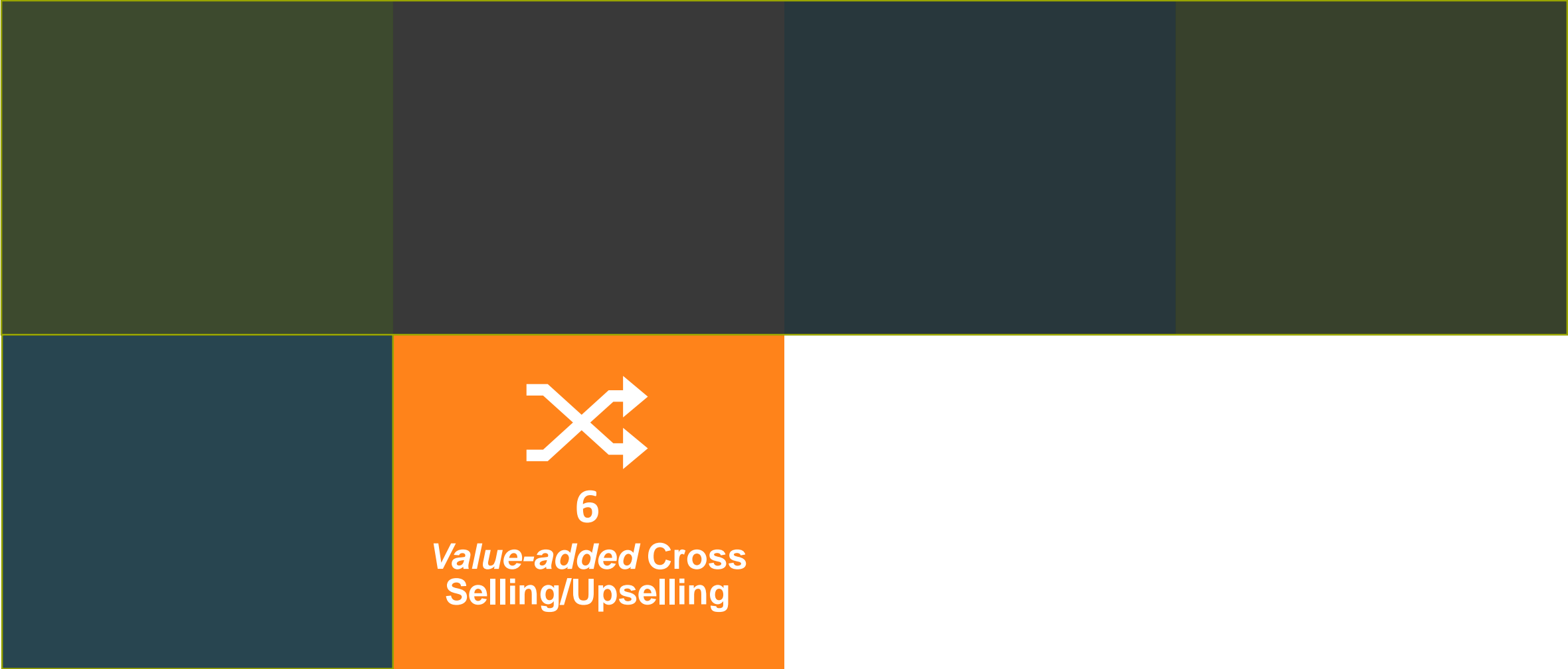
3
Anticipatory responses to decreasing engagement (visits, responses, purchases)


4
Immediate response to negative experiences


5
Surprise and Delight Thank-You's

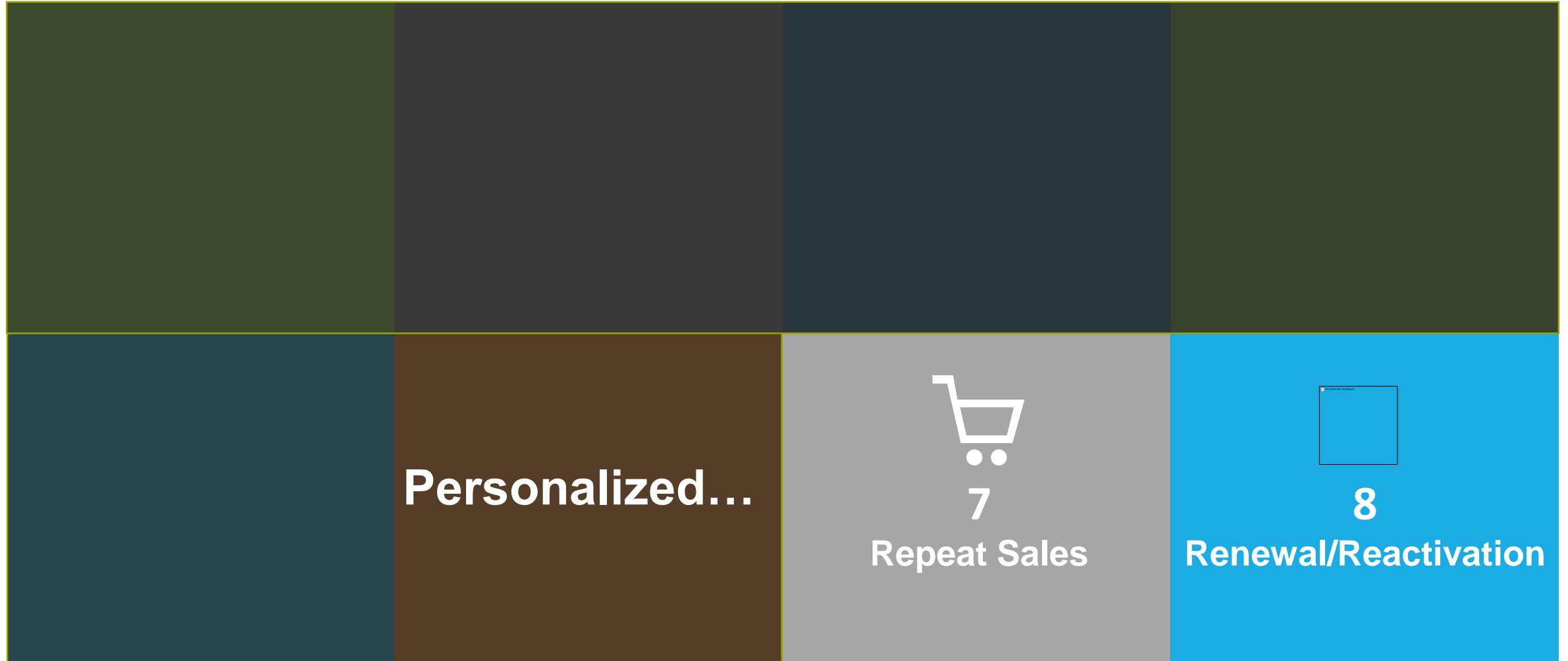
VoC; Current CX & Personalization

Customers Want Deeper Engagement at 8 Lifecycle Points:



VoC; Current CX & Personalization

Customers Want Deeper Engagement at 8 Lifecycle Points:



VoC; Transformational Findings

In spite of increased privacy concerns
(Apple/NSA/Snowden)...

**BtoB and BtoC customers across ages,
are willing to provide trusted brands
with deep business and personal
information in exchange for more
personalized offers and
communications.**

This fundamentally reframes data privacy
concerns because of reciprocity of value!



VoC-based Reciprocity of Value Equation



Consumer Reciprocity

To ensure quality of CX and personalization, willing to provide *deep BtoB or BtoC preference data*.

Profound shift to explicit vs. implicit personalization.

+



Business Reciprocity

Marketers must provide “*smart*” personalization based on the explicit preference data.

To be truly personalized, must be based on *more than transactional, overlay and inferential data*.

+



“Human Data”

BtoB or BtoC opt-in *self profiled* information;

- *Self-described* personality type, attitudes, life stage
- Issues, needs, expectations
- Decision-making process
- Message and media preferences and aversions.

VoC-based Reciprocity of Value Equation



+



+



=



Consumer
Reciprocity

Business
Reciprocity

“Human Data”

CX
Innovation

New Parent? Not that I was aware of.

To: Ernan Roman

Subject: Congratulations on your new arrival



As a new parent you're going to find more to love, more to give and more to share - we're here to help you every step of the way.



MassMutual
FINANCIAL GROUP®

Transforming the Customer Experience

MassMutual; VoC Insights

The Challenge: Traditional transaction / persona / implicit data based personalization not driving expected levels of response and engagement.

VoC Findings: Customers want *explicit and human needs-based* personalization.

*“You can market laptops and cellphones and Toyota Camrys,
but this is my life you’re talking about!
I’m not looking to be marketed to.
I’m looking for help in making my specific life decisions.”*

Self-defined Human Data; Driving New Value Propositions



Not me

For many in this group, no beneficiary or dependent means no need. For others, they feel they are too young or too healthy to need insurance.



I'll gamble

They don't want to pay for what they may never use, so they are gambling they'll never need insurance.



Should, but...

Many are overwhelmed with choices and don't know where to start – inertia often gets the best of them.



Planners

Pay close attention to insurance products and finances. Often do much research and are well-informed.



Takers

While Takers have insurance, they pay little attention to their policies. There are 3 subgroups: Unsures, Secondary Policies, and Auto-enrolled.

Preference Driven Omnichannel Relevance

BtoC;

“I would appreciate if an insurance company asked what I wanted to get – so when their stuff arrived I might pay attention. I don’t even know if I get stuff. Do they send things?”

What they receive
Opt-in to e-newsletters, videos, tips, updates, notifications, etc.

Where they receive it
Preferences for home or work delivery

BtoB;

“I’d like to see what resources they have for Benefits execs. They must have things I’m not aware of, but would help me do my job.”

How they receive it
Preferences for email, postal mail, texts, etc.

How often they receive it
Preferences for frequency of delivery

Human Data-driven Relevance

RETIREMENT

FUND

Savvy Saving For Your Future

VOL #1

WHAT'S YOUR PLAN?
GET THE 411 ON SIGNING UP FOR YOUR 401(k)

RISE & SIGN
YOUR FUTURE SELF IS CALLING

TIME IS MONEY
CHOOSING TO SLEEP IN MAY COST YOU

SAVE THE DATE
FIND OUT WHEN YOU CAN RETIRE AT
WWW.MASSMUTUAL.COM/MONDAY15

SIGN UP NOW!
GET GOING WITH MASSMUTUAL : RETIRESMART.COM

RetireSMART™

MassMutual FINANCIAL GROUP
We'll help you get there.

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Savvy Saving For Your Future

VOL #1

THE Saver Flavor
(Yum!) ISSUE

YOUR FUTURE IS HUNGRY

FEED YOUR (401k) MORE CHEDDAR)

SAVE THE DATE!
FIND OUT WHEN YOU CAN RETIRE AT
WWW.MASSMUTUAL.COM/MONDAY01

SAVE MORE!
GET GOING WITH MASSMUTUAL : RETIRESMART.COM

RetireSMART™

MassMutual FINANCIAL GROUP
We'll help you get there.

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RETIREMENT

FUND

Savvy Saving For Your Future

VOL #1

3 CONSIDERATIONS WHEN INVESTING:
ALLOCATION, ALLOCATION, ALLOCATION!

UNSURE ABOUT CHOOSING INVESTMENTS?
Seek Help From a Financial Advisor

The 401(k) Mixer:
Choose several investments & blend.

SAVE THE DATE
FIND OUT WHEN YOU CAN RETIRE AT
WWW.MASSMUTUAL.COM/MONDAY22

REVIEW YOUR ASSET ALLOCATION!
GET GOING WITH MASSMUTUAL : RETIRESMART.COM

RetireSMART™

MassMutual FINANCIAL GROUP
We'll help you get there.

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RETIREMENT

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Savvy Saving For Your Future

VOL #1

YOUR MONEY IS WHERE?
TRANSFER OLD ASSETS INTO YOUR CURRENT PLAN

TIME IS PRECIOUS
SAVE YOURSELF THE HASSLE OF MANAGING MULTIPLE ACCOUNTS

HAPPY TOGETHER
Roll over your 401(k) and be merry

WHEN CAN YOU RETIRE? FIND OUT
WWW.MASSMUTUAL.COM/MONDAY12

SIMPLIFY!
GET GOING WITH MASSMUTUAL : RETIRESMART.COM

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We'll help you get there.

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Results from Human Data Personalization

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Segments	One segment, general messaging for all	Personalized imagery by age, gender, channel, language	Personalized <i>human data driven</i> content, offers, imagery
Response rate	2%	4%	10 %

VoC-based Opt-in Email Pilot



Created online “edutainment” talk show, SmartView. Ongoing episodes.

Addressed financial issues identified in VoC. Used humor and recommendations.

Tested providing episode updates based on Opt-in preferences vs. Control population.

Results: Opt-in vs. Control



94%

Higher open rate



1,062%

Higher video views



Zero

Unsubscribes



100%

Deliverability

VoC Research Findings

GILT

The Challenge: Understand why response and revenue were not meeting expectations despite investments in personalization and CX.

VoC Findings: Current personalization “*not smart*”. Millennials want to *drive their own explicit personalization*.



Since you've waitlisted UMA on Gilt, we wanted to let you know about our newest selection!

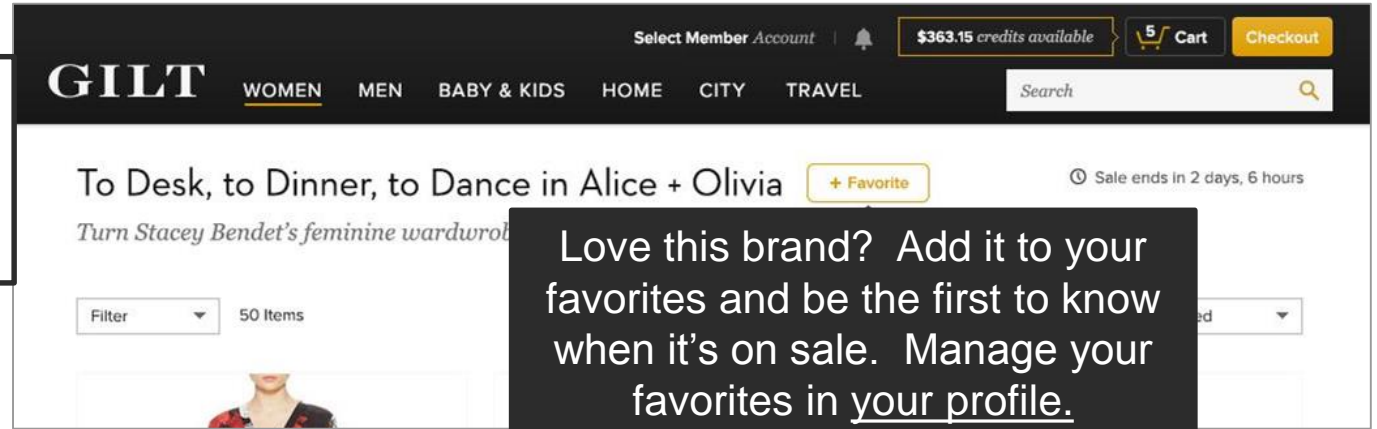
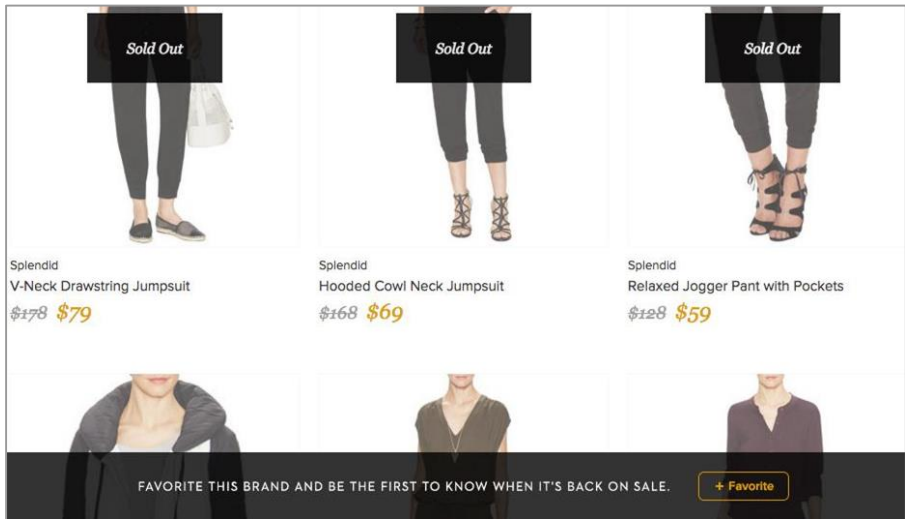
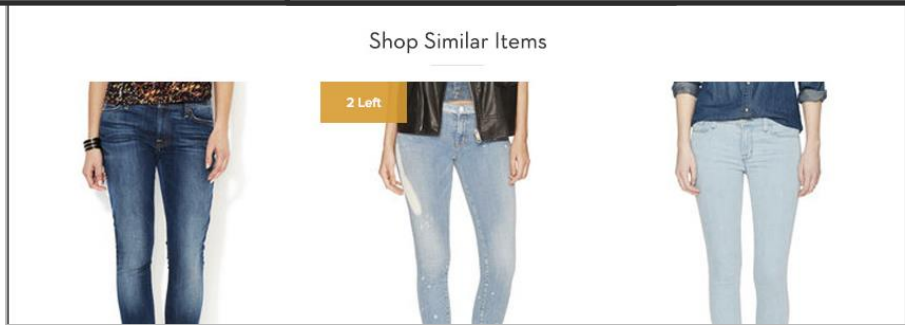
Was this reminder helpful? [Yes](#) | [No](#)

- Example; use dialogue boxes to engage customers in *explicit* personalization
- Make customers feel heard by asking for feedback on helpfulness
- Ask, but don't interrupt the shopping flow
- Distinguish between same brand, similar brand, similar product, etc., to account for the *intricacies of individual user preferences*.

VoC: Explicit, Proactive, Personalization

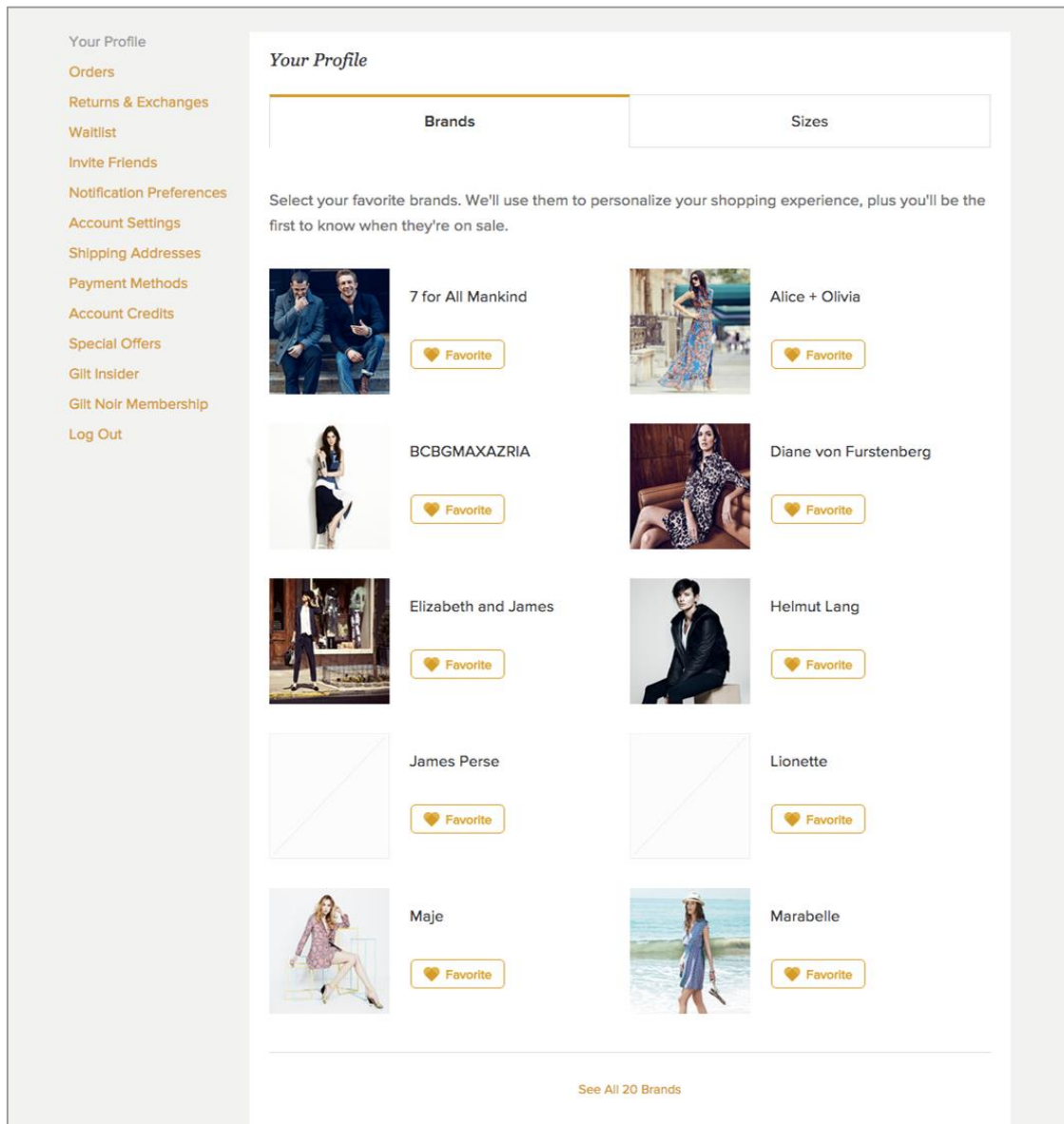
We've added this to your Waitlist.
7 for all Mankin Great! We will now let you know
The Skinny Dis when this brand is back on Gilt.
Color: Authen
Size: 06

✓ Favorite Brand



- Contextual Brand Favoriting
- Ask at the right touch points in the customer cycle
- Allow customers to explicitly tell Gilt when they like a brand, instead of guessing
- Use these preferences to personalize the experience *site wide*.

VoC: Explicit, Proactive, Personalization

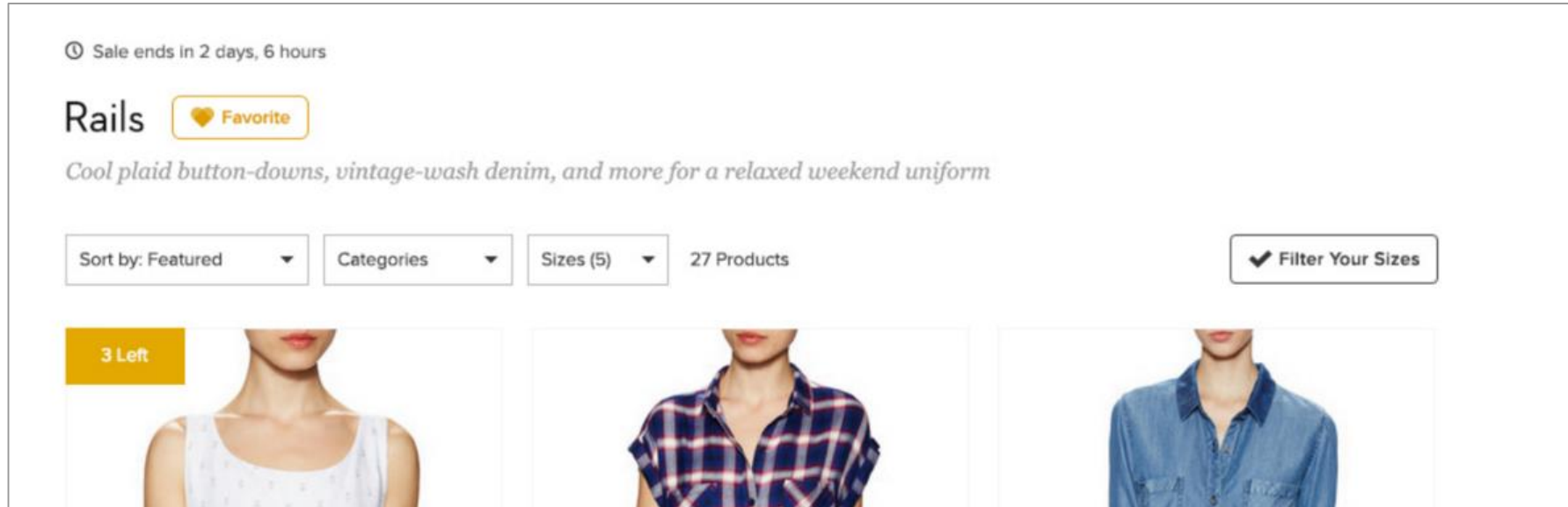


The screenshot displays a user profile page with a sidebar on the left containing navigation links: Your Profile, Orders, Returns & Exchanges, Waitlist, Invite Friends, Notification Preferences, Account Settings, Shipping Addresses, Payment Methods, Account Credits, Special Offers, Gilt Insider, Gilt Noir Membership, and Log Out. The main content area is titled "Your Profile" and features two tabs: "Brands" (selected) and "Sizes". Below the tabs, a message reads: "Select your favorite brands. We'll use them to personalize your shopping experience, plus you'll be the first to know when they're on sale." The page lists ten brands in a grid, each with a representative image, the brand name, and a "Favorite" button with a heart icon. The brands shown are: 7 for All Mankind, Alice + Olivia, BCBGMAXAZRIA, Diane von Furstenberg, Elizabeth and James, Helmut Lang, James Perse, Lionette, Maje, and Marabelle. A "See All 20 Brands" link is located at the bottom of the grid.

Preference Centers

- Critical resource for explicit preference customization
- Engage shoppers to customize their experience – based on a *compelling value proposition*
- Favorite + Unfavorite
- Discover + search new, recommended brands

VoC: Explicit, Proactive, Personalization



Filter for Me

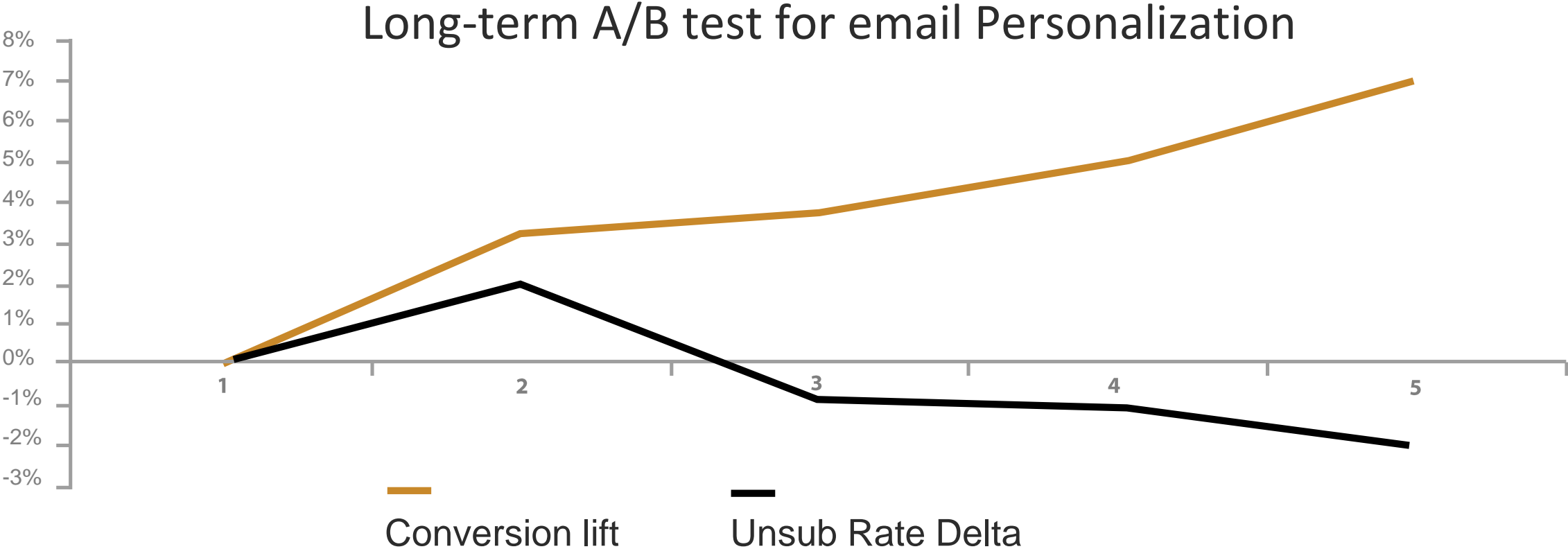
- Example; By adding sizes in their profile, can filter sales to show only what's in stock in their size.

The Takeaway:

Millennials understand personalization. *But, they want to it to be appropriate and they want to explicitly customize it.*

“Smart” Personalization Works!

Personalization drives engagement by increasing order conversion rates, return visits, overall engagement and decreasing email unsubscribe rates.



Final pearl;

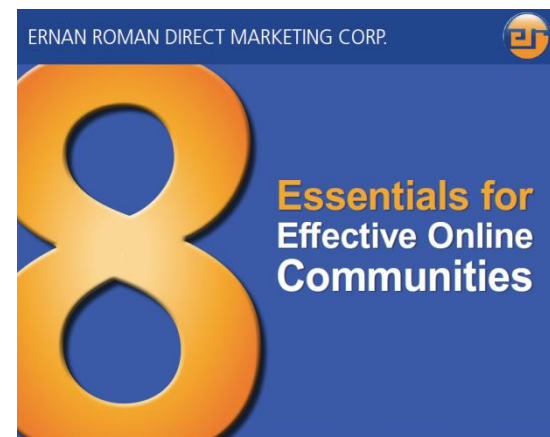
Gen Z, Millennials, Boomers...

BtoC or BtoB...have one thing in common;
They are *individual human beings* seeking
trusted marketers to *solve human needs*.

This is the essence of your CX strategy.

Additional Information for You

- PPT & 12 Point CX Innovation Check List
- Ebook; *8 Essentials for Effective Online Communities*
- Ebook; *5 Ways to Use Human Data to Drive Deep Engagement*
- Ebook; *5 Strategies for Transforming Your Customer Experience*
- Case Studies
- Blog: *Insights On Marketing Best Practices*



CX Innovation Check List

1

3 strategies for delivering on customer expectations;

- Capture individual preferences
- Use preferences to drive true personalization
- Protect data.

2

Don't ruin the hard fought gains by sending "spray and pray" blasts which disregard preferences in hopes of generating extra sales.

3

Find the right mix between implicit and *explicit* data: using only implicit data is not enough to power true personalization.

CX Innovation Check List

4

Personalization is more than *“those old-fashioned”* transaction-based communications”. *“Communications should reflect my individual preferences”*.

5

Change company culture and thinking; From *“how does this benefit us?”* to *“how does this benefit the customer?”*

6

Insights from customers are a *privilege, not something you are entitled to.*

CX Innovation Check List

7

Understanding the *Seller's Journey (your sales channels)* is as critical as knowing the Buyer's Journey.

8

Enable preference-based personalization *across every channel.*

9

Motivate customers to provide *ongoing feedback* about the relevance of your offerings and communications.

CX Innovation Check List

10

To drive Change, shift focus from E (Expense) to R (Revenue).

11

Ensure that every department and channel *uses and respects*, customer preference information.

12

Create programs that engage your best customers to drive social engagement.