



**5 Ways to Use
Human Data
To Drive Deep
Engagement**

What You Will Find in “5 Ways to Use Human Data to Drive Deep Engagement”

Delivering a truly personalized customer experience has emerged as one of the most powerful competitive differentiators. This requires uniquely rich and deep levels of traditional data and *opt-in personal preference information*.

We wrote this eBook to help you understand what it takes to deliver on the promise of true personalization and provide you with the strategies to make it happen at your company.

These recommendations are based on insights from industry thought leaders and research findings from over 12,000 hours of Voice of Customer (VoC) research conducted by our firm with customers and prospects of Fortune and Growth companies such as IBM, MassMutual, QVC, Microsoft, Norton AntiVirus, HMS National and Songza.

Additionally, we have illustrated the power of the 5 strategies below with examples from innovators such as MassMutual, Delta, Disney, Walgreens, Gilt, Stich Fix and State Farm.

Here are the 5 Strategies you need to utilize the full power of Human Data;

Strategy 1: Understanding Value-Based Personalization

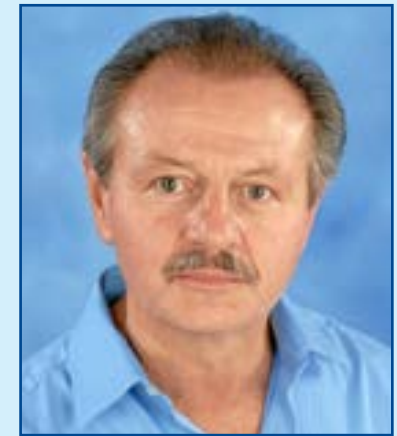
Strategy 2: Understanding How to Obtain Deep Opt-in Personal Preference Human Data

Strategy 3: The Pyramid of Trust is Key for Obtaining Valuable Preference Information

Strategy 4: The 6-Step Circle of Value

Strategy 5: Why Value-Based Preference Data is NOT Big Data.

We'll conclude with **12 Action Items to help drive deep engagement.**



ERNAN ROMAN, *President of [Ernan Roman Direct Marketing \(ERDM\)](#)*, was inducted into the Marketing Hall of Fame based on the dramatic results companies achieved with the three Customer Experience methodologies he created: Voice of Customer Relationship Research, Integrated Direct Marketing, and Opt-in Marketing.

Ernan is an industry thought leader, author of "*Voice of the Customer Marketing*", and author of the widely read, Huffington Post published blog, "[Ernan's Insights on Marketing Best Practices](#)".

Named by the Online Marketing Institute as one of the "*2014 Top 40 Digital Luminaries*" and by Crain's BtoB Magazine as one of the "*100 most influential people in Business Marketing*".

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Understanding *Value-Based Personalization*

Each day consumers are inundated with piles of communications from companies all vying for their attention and dollars. But, with this information overload showing up in both mailboxes and inboxes, consumers have become jaded and numb to traditional marketing methods.

A cataclysmic shift is occurring.

Consumers are tossing aside messaging that does not “speak” directly to them...

They are instead demanding personalized/relevant communications based on their specific opt-in preferences.

Customers get it. They are impatient for marketers to get it!

Findings from 12,000+ hours of [VoC Relationship Research](#) ERDM has conducted for clients including MassMutual, IBM, Norton AntiVirus, QVC, NBC, Microsoft and Songza indicate that BtoB and BtoC customers and prospects are willing to provide trusted brands with meaningful business and personal information *in exchange for more personalized offers, communications and experiences*.

In order to satisfy customer demands, marketers need to reconceive how they think about their communications and interactions. Marketers need to find ways to provide highly personalized value based on the combination of traditional data and rich opt-in personal preference information.

ACTION ITEM

Understand what your customers define as truly meaningful value.

Value that will motivate them to opt-in and provide detailed preferences for the communications and offers they want to receive from your company.

READ MORE

Powerful Value-Based Personalization Case In Point:

State Farm [Drive Safe and Save Program](#) rewards customers with discounts in exchange for allowing the company to install a chip in their car to track every aspect of their driving.

[Walgreens: Tips for Transforming the Customer Experience](#)

"We are deliberately blurring many retail channels to fit how consumers shop today."

Understanding How to Obtain Deep Opt-in Personal Preference Human Data

Marketers need to adopt a new strategy that fundamentally reframes data privacy concerns based on a reciprocal exchange of preference-based information for more meaningful and relevant marketing.

We call this the **Reciprocity of Value Equation**.

Human data; true personalization of communications, offers and experiences is driven by deep opt-in individual preference information provided by consumers in exchange for receiving unprecedented levels of preference-driven personalization.

Human data; true personalization of communications, offers and experiences, is based on *deep individual preference information* provided by consumers in exchange for receiving unprecedented levels of preference-driven personalization.

To earn the right to ask for human data you need to create *value propositions* which compel consumers to opt-in and provide deep preference information. As you provide customers the opportunity to set their preferences, *do not be afraid of opt-outs*. By proving the benefits of preference-based human data, you will create a high quality database of responsive customers who want messages based on their communication, offer, and media preferences.

Equation for Transforming Customer Engagement

Consumer Reciprocity + **Business Reciprocity** + **“Human Data”** = **Marketing Transformation**

ACTION ITEM

Develop strategies for moving from impersonal transaction-based marketing to providing deeply personalized, preference-based, experiences.

[Preference Centers: Are CMOs Overlooking Their Importance?](#)

A good preference center is akin to a good first date. It is all about initial appropriateness, understanding, and communication. Once accomplished, you have earned the right to a second date and deeper levels of discussion.

Understanding How to Obtain Deep Opt-in Personal Preference Human Data (continued)

Reciprocity of Value Equation

Consumer Reciprocity

Recognition by *consumers* that to receive more relevant and personalized communications and offers, they need to provide marketers with personal or business preference information.



Business Reciprocity

Recognition by *marketers* that they have to provide significantly more personalized communications and offers. *To be truly personalized these have to be based on more than transactional, overlay and inferential data.*



“Human Data”

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

- ✓ Key issues, needs and expectations.
- ✓ Decision-making process, messaging and media preferences.
- ✓ Self-described personality types / attitudes / life stages.



Marketing Transformation

3

The Pyramid of Trust is Essential for Obtaining Valuable Preference Information

Trust is the foundation and prerequisite for obtaining deeper engagement with customers. Trust makes customers receptive to the Reciprocity of Value: a meaningful *exchange of value*. However, opt-in self-profiled preference Human Data *has to be earned*—*it is not the right of marketers*.

During the last 12 months of VoC Relationship Research conducted by our firm, consumers (BtoB and BtoC) confirmed that Human Data had to be earned by going through specific steps which comprise a **Pyramid of Trust**.

Research participants identified 4 levels of trust that build on each other;

- ✓ **Do what you promised:** Deliver on your fundamental brand promise.
- ✓ **Treat me fairly:** Fair pricing and customer service policies.
- ✓ **Protect my information:** Explain the reasons for the opt-in information requests and assure me of the privacy and safety of my data.
- ✓ **Improve my experiences:** Use my stated preferences *and aversions*, to *significantly* improve my experiences.



ACTION ITEM

Deliver value built on preference information and cultivated trust to transform both the customer experience and marketing effectiveness.

READ MORE

Preference Information Case in Point: **Stitch Fix**

Stitch Fix, an online women's clothing retailer, uses 66 pieces of customer provided opt-in "Personal Profile" information to help personalize product selections based on complex algorithms. Then, a human personal stylist selects 5 clothing items and accessories *unique to the customer* and sends them a monthly selection of clothing. The customer simply buys what they want and returns the rest.

4

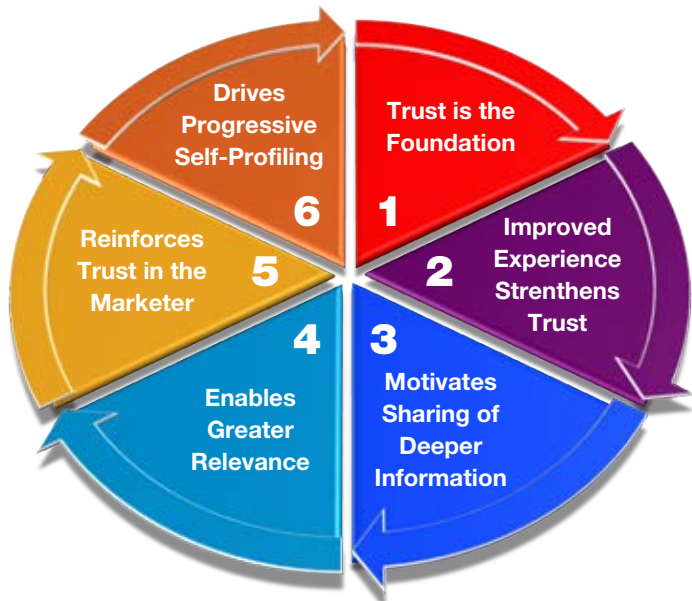
The 6-Step Circle of Value

Per VoC research, a *6-Step Circle of Value* enables all parts of the Human Data equation to come together and transform both the customer experience and marketing effectiveness.

- 1 Trust is the foundation; opens the customer to Reciprocity as a fair *exchange of value*.
- 2 The improved Customer Experience *strengthens trust*.
- 3 This motivates sharing of *deeper information*.

- 4 The unique preference data enables *greater relevance* of offers, communications and experiences.
- 5 This *reinforces trust* in the marketer and their commitment to engage in *true reciprocity*.
- 6 Which *drives progressive customer self-profiling* that enables the marketer to acquire uniquely deep and accurate Human Data. This significantly improves the quality of marketing databases.

Value drives a willingness to provide increasingly deeper levels of information and also a willingness to engage in interactions. If a consumer feels as though a company is making no effort to understand them—or is only using their information to sell them something, they perceive any marketing as being “value-less” and not worthy of their time. Customers want proactive value-added touches throughout their lifecycle with a company.



ACTION ITEM

Engage customers at every stage of the customer lifecycle, not just during the sale or renewal process, in order to create value throughout their relationship with your company.

READ MORE

[Gilt's Founder Answers 4 Questions for Marketing Innovators](#)

Customer loyalty is generated not just through an excellently executed customer experience, but also through a **deeper** connection to what the customer feels personally for your business.

Why Value-Based Preference Data is NOT Just Big Data

It's not about BtoB or BtoC or Big Data.

It's about BtoH...using Business to Human data to drive personalized customer experiences which result in significant increases in response and engagement.

This information is dynamic; it will constantly change, grow and be enriched, through ongoing interactions with consumers.

Consumers understand that marketers are collecting data. Their frustration rises when they provide information that is used incorrectly, inaccurately, or not at all.

Per VoC research findings, consumers;

- ✓ Want marketers to improve how effectively they use data they have provided. This expectation increases sharply when they are providing deep personal or business information.
- ✓ Do not want push marketing. Rather, if they provide their preference data, they are expecting truly personalized communications and experiences.

Customers are judging companies based on the quality of their *overall experience, over time*.

- ✓ Successful companies use data to curate the customer experience so there is consistency in dealings with every *business process at every point of contact in every medium throughout the journey per customer's individual preferences*.
- ✓ They also continually provide customers with necessary information to fully understand the value of doing business with that company.

ACTION ITEM

Deep preference information will change based on the customer's life or business changes and experiences with your company. You must have the processes and technology in place that allow customers to easily update their preferences and aversions for relevant communications at all stages of their journey.

READ MORE

[Social Media Return on Relationships](#), thoughtful article about ROR, Return on Relationship versus just traditional ROI.

[Disney Finds Magic In Reciprocity Marketing](#)

An exciting example of reciprocity-based marketing is [Disney's MagicBand bracelet app](#). In return for the collection of consumer data, Disney offers guests the ability to "enter the parks, unlock Disney Resort hotel room[s], and buy food and merchandise.



We'll help you get there:

Transforming the Customer Experience

Case Study: MassMutual

How MassMutual Put Value-Based Preference Data Into Action to Get 94% Higher Open Rates, Zero Unsubscribes & 100% Deliverability

1) Background

MassMutual is a division of MassMutual Life Insurance Company. Founded in 1851, and ranked #96 on the Fortune 500 list, they are a leading provider of employer sponsored voluntary benefits, including retirement plans (401k, 403b, 457, etc.), life and disability insurance.

Their mission is to help American workers retire on their own terms, with choices, and protect the ones they love.

2) Marketing Challenge

Per VoC research, MassMutual's customers were saying...

"...this is my life you're talking about! I'm not looking to be marketed to. I'm looking to make life decisions. Help me."



3) Implementation

3.A Here is how MassMutual used human data for deeper segmentation, greater results/engagement:

- **Product Suitability** — Segmentation by life stage to determine appropriate product offering
- **Barriers to Engagement, Purchasing** — Within the life stage, determine consumer attitude toward category/products
- **Compelling Messages and Offers** — Develop messaging and offers for each consumer with relevant content and imagery to address their likely concerns/questions
- **Personalized Media Mix** — Deliver these personalized offers via the consumer's preferred mix of channels and frequency.



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Case Study: MassMutual

3) Implementation (continued)

3.B Here's how MassMutual implemented their human data strategies:

Their customers were very specific about the types of personalized communications they would like to receive. They wanted to know what information was available to them so that they could pick and choose what, when, and how frequently they received it. Additionally, customers noted that they did want to receive reminders at a prescribed period of time. Most customers said that they welcomed occasional touches by MassMutual focusing on education and information about their accounts, processes and policies (i.e. how to change their savings amount) and retirement planning in general.



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

How they receive it — Specify preferences for email, postal mail, texts, etc.

Where they receive it — Specify preferences for home email/address or work email/address

How often they receive it — Specify the frequency of delivery.

Lack of engagement was a considerable barrier for customers. Mass Mutual found that reaching out annually with an offer of a personal meeting helped to break through the inherent apathy and forge a stronger connection with customers. It also reminded customers, at least annually, about MassMutual and their retirement account.

Thought Leader Insight

Based on the learnings from the VoC research, we have *redesigned the way we look at relationships with customers*. Taking a Learn — Pilot — Scale approach to our marketing efforts, we already have several VoC research-based initiatives underway. These range from redefining how we view the customer-focused value of CRM platforms and our data, to campaign targeting and preference based communications.

One of the findings from our recent VoC research indicated that our customers wanted communications driven by their preferences and interests. We used the rollout of our new educational video series SmartView, to measure the difference in response between mass emails to an entire list versus preference-driven offers to those who had opted in and told us their preferences and interests.

Kris Gates
VP Marketing, Strategy & Customer Experience
MassMutual Retirement Services



We'll help you get there:

Transforming the Customer Experience

Case Study: MassMutual

MassMutual Changed their Marketing based on the Human Data they received

3) Implementation (continued)

3.C Channel and content relevance:

- Images of people who look like them.
- Headlines that are relevant and compelling.
- Body copy that answers their specific questions.
- Delivered via the channels they prefer.

4) "SmartView" Results

MassMutual created an online "edutainment" talk show, "SmartView," which discussed the personal financial issues customers said were important during the VoC research. Each episode combined humor and important tips and recommendations.

The chart below summarizes the results from people who were given the option to opt-in to receive the SmartView updates, versus the Control population.



SmartView Results: Opt-in vs. Control



94%
Higher open
rate



1,062%
Higher video
views



Zero
Unsubscribes



100%
Deliverability



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Transforming the Customer Experience

Case Study: MassMutual

Overall Results MassMutual Achieved Using Human Data Strategies

5) Results of VoC-driven Segmentation and Personalization

Look at the difference in response rates and unit cost between;

- Year 1, with one segment and generalized messaging
- Year 2, with 24 segments and personalized imagery
- **Year 3**, with *truly personalized and segment specific content and imagery. This resulted in a 200% increase in response.*

3 Key Takeaways from MassMutual

- 1 Measure and test everything. Customer outreach should be at the frequency and in the channel your customers prefer.
- 2 Set up organized "listening posts" with client-facing areas of the business for real-time voice of the customer feedback.
- 3 Analyze how you are onboarding (welcoming) your new customers. Invest in this touch, as it may end up saving you long term.

Segmentation + Personalization = Greater Results

	Year 1 1 Segment	Year 2 24 Segments	Year 3 24 Segments
Segments	Print for all in target audience	Age-3 Gender-2 Channel-2 Language-2 Image Size	Age-3 Gender-2 Channel-2 Language-2 Image <i>Content</i>
Target	198,000	365,000	350,078
Response rate	1.81%	3.79%	5.99%
Unit cost	\$1.80	\$0.83	\$0.94

Service and the customer experience... the most powerful ways to differentiate your company.

Kris Gates
VP Marketing, Strategy & Customer Experience
MassMutual Retirement Services

12 Action Items to Provide A Highly Personalized Value-Based Customer Experience

- 1 In order to competitively differentiate your business you need to provide significantly more personalized communications, offers and experiences.
- 2 *However for these to be truly personalized they have to be based on preference-based "Human Data" not traditional inferred or transactional data.*
- 3 The right to ask for increasingly deep levels of preference-based information is not a "given". It is earned based on providing value and building trust.
- 4 Trust is built in Four levels: Do what you promised, Treat customers fairly, Protect customer information and Improve customer experiences based on information collected.
- 5 Deliver value built on preference information and cultivated trust to transform both the customer experience and marketing effectiveness.
- 6 Reciprocity is seen by consumers as a *valuable exchange of information* which improves the customer experience. But their information will constantly change, grow, and be enriched, through ongoing interactions. Be sure to have easily accessible means in place to allow customers to update their preferences and information.
- 7 Alleviate privacy concerns by explaining the reasons behind data requests.
- 8 It is not the responsibility of the customer to tell marketers what they want. It is the responsibility of the marketer to ask—and, then to respond with a preference-based reciprocal personalized customer experience based on feedback.
- 9 Competitive differences are rooted in the ability to deliver personalized product information and suggestions, offers, and communications that are deeply rooted in preference-based human data.
- 10 To be scalable, personalized marketing must encompass the customer experience across all touch points, departments, locations, and all levels of employees.
- 11 Scrutinize every single communication to make sure it is delivering on customer's preferences and not focused solely on the company's sales needs.
- 12 A high value customer relationship needs to be maintained throughout the life cycle of the customer, not just at the sale.

Resources For You

ERDM Resources

ERDM; www.erdm.com

ERDM Blog; <http://ernanroman.blogspot.com>

Other Resources

DM News; www.dmnews.com

DM News Newsletter Signup; <http://www.dmnews.com/newsletters>

1to1; <http://www.1to1media.com>

1to1 Media Newsletter Signup; <http://www.1to1media.com/profile.aspx>

CRMC (Customer Relationship Management Conference); <http://www.thecrmc.com>

CRMC Newsletter Signup; <http://www.thecrmc.com/news>

Target Marketing Magazine; <http://www.targetmarketingmag.com>

CMO.com; www.cmo.com

DMA (Direct Marketing Association); www.the-dma.org

Customer Think; <http://customerthink.com>

Possible Now; <http://www.possiblenow.com>

Marketing Profs; <http://www.marketingprofs.com>

Marketo; <http://www.marketo.com>

eMarketer; <http://www.emarketer.com>

Forrester Research; <http://www.forrester.com/home>

Maritz Research; <http://www.maritzresearch.com>



ERDM specializes in conducting Voice of Customer research to identify Customer Experience strategies that generate significant increases in response and revenue.

Clients include IBM, MassMutual, QVC, NBC Universal, Microsoft, Norton AntiVirus and Songza.

As a leader in providing VoC research-based Customer Experience strategies, ERDM has conducted over 12,000 hours of interviews with client's customers and prospects to gain an in-depth understanding of their expectations for high-value relationships.

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