Inga Romanoff:	00:00	Hello and welcome to the Weekly MarTech Braintap podcast. Weekly insights from Marketo consultants in New York. I'm Inga Romanoff.
Robert Vo:	00:10	I'm Robert Vo.
Inga Romanoff:	00:12	Welcome. I'm so excited. Today we are going to talk about loyalty program and what it means in today's competitive world. We actually have a very special guest today. Jeff Goldberg is a friend of the Romanoff "family". I'm actually… Let me do some formal introduction on your behalf and then you can kind of give a little bit your informal background as well. Jeff Goldberg as a CEO and Founder of SirCoupon, that's how we met. He is a proven leader an entrepreneur with over 24 years in technology and marketing. He led technical teams at IBM Global Services served as Worldwide Marketing Manager. Actually, getting Leadership and Innovation Award while developing several solutions. Currently, Jeff is Director of Marketing Automation and Lead Regeneration at McGraw-Hill Education. With previous roles at Intel IBM, CBS Viacom, Time Incorporated, Pitney Bowes and multiple startups. Fordham University MBA. And you have a patent. That's amazing. Wow. What an experience. Thank you so much for joining.
Jeff Goldberg:	01:16	Thank you. Thank you very much for having me. It's great to be here. Great to be here with you and Robert. And I'm so excited about this podcast.
Inga Romanoff:	01:25	I cannot tell you how much I am excited to talk about loyalty programs. It's not a very well known fact but a few years ago when I was working with The Limited Brands… actually, one of the focus areas was creating these loyalty programs: either PLCC or transactional, so the retail side of things. And back then, we were probably one of the very first companies that really, was digging deep, and it was a lot of mathematics, understanding consumer behavior. And as a result, actually I was really passionate about the topic and went got my certification with the DMA on Loyalty Programs, I really wanted to know more than what COLLOQUY at that time had and…
Robert Vo:	02:04	What does DMA stand for?
Inga Romanoff:	02:07	The Direct Marketing Association!
Robert Vo:	02:08	Oh, perfect. Makes sense.

Inga Romanoff:	02.11	Yeah yeah yeah. No. It was.. It's like.. I feel like Jeff and I, although we weren't working together, we go way back.
Robert Vo:	02:08	Exactly.
Inga Romanoff:	02.11	But this is kind of a different world, right. So, a few years ago we didn't necessarily have these technologies like yours, for example, like SirCoupon and perhaps, the world changed so much. It's much faster. The preferences are much stronger. And the loyalty is probably much less for the brands. How do you see the world today?
Jeff Goldberg:	02:43	You know that's such a such a really thought-provoking question and I would say that one of the big things that's happened there are the expectations that people have around loyalty have increased significantly. People expect that brands know them. People expect that their preferences are adhered to, and people want to be engaged in a meaningful way.
Inga Romanoff:	03:06	I would agree with that. I actually I would say as a consumer myself I get annoyed when the brand doesn't know my preferences, if they treat me like they just met me.
Jeff Goldberg:	03:15	Yeah there's even.. there's even, this concept of surprise and delight, where loyalty programs, when implemented properly, surprise and delight customers. And that's even considered one of the techniques for engaging people. Steve Lucas at Marketo and others have been talking about Engagement Economy. It's really about meaningful experiences that help bring out the best of the brand and in concert with the preferences of the customer.
Inga Romanoff:	03:47	Thank you for bringing it up. The Engagement Economy: as I'm thinking of it, to me meant that, we're not only going to sort of be in the tail of whatever's happening but we're going to drive the change because we have our hands on marketing technologies. We have ability to develop new solutions like yours for example to drive that loyalty. To allow for companies to see the full picture, the omnichannel picture of their prospects and customers. And have these meaningful conversations like we're having here, as opposed to me saying 'hello nice to meet you, Jeff'. I already know you. I know what you're specializing in. I know your topics of passion, and we can talk about those. But from our perspective, from technologists, because we understand the technology, but it's really not what it does, right, it's how you use it. So what does it mean for us for marketers?

Jeff Goldberg:	04:42	Well, you know, you hit the nail on the head with omnichannel loyalty. Omnichannel loyalty is a term that so many people are using and yet we have these marketing automation systems, some people are leveraging them to the max, some are not. Why not leverage your existing infrastructure? You know, whether it's Marketo, if that's your marketing automation system, and coupled with the technology that could embed offers. In the case of SirCoupon, specifically, what we do, is we embed offers within emails and then when those offers are redeemed that information gets fed back into Marketo, allowing people to do further segmentation and campaigns, and earn and burn models, all the types of things that you would typically want and expect in this engagement economy. Closed loop reporting has always been possible with Marketo, but as we know, the B2B market has been more of a shining point than the B2C area, so SirCoupon specifically just kind of helps embellish and augment the functionality of marketing automation systems and, specifically, you know we've been talking about the Marketo integration lately, just because that happens to be one of the exciting things that's that we've been working on.
Inga Romanoff:	06:13	I want to pause here for a second and I know you're talking technical stuff but I want everybody to take a breath and hear what Jeff just said. He said: the emails that you're going to send out to your prospects and customers will have collected, connected information about coupon redemption. I will say, it's amazing. And I remember from the days of Victoria's Secret even, there's three different… the catalog, and online, and stores - were separate companies. We had a hard time tying data for the same person from different channels. Forget what happened in the store and to actually send the e-mail out, and have that information. That sounds groundbreaking. Does anybody do this?
Jeff Goldberg:	07:02	You know there are there are people that do this but they often leverage external systems, and it's certainly not impossible with some of the marketing automation systems that we're dealing with and working with. But to be able to reward customers in real-time with a congratulatory note after redemption that's been made. That's hugely important, people feel recognized, people feel acknowledged, and they feel like their needs are being actually ascertained..
Inga Romanoff:	07:44	Yeah. And in B2C where things move really fast, that much of a differentiation has got to be very profitable from a business perspective; it's not just about the feeling, right - there's math behind it as well.

Jeff Goldberg:	07:59	Sure. And what's great is, if you couple technologies that already have rich analytics and reporting and you bolt on something that isn't 'rip and replace', you know you can really accelerate your adoption rate. And I think it's hugely important to be data driven when you're approaching loyalty rewards and even when you're embedding offers or you're developing a full-fledged loyalty program, use your data. And I say that because there are nuggets of information or our own redemption habits around, perhaps, even idiosyncratic behaviors that are specific to us your business and even the best analyst firm isn't going to uncover, it's really doing a deep dive into your data and a really robust marketing automation system coupled with whatever other technologies you might be implementing can help you get there.
Inga Romanoff:	09:05	Wow. OK. I don't want to drift away in thought but I was thinking, you know, there were a couple of projects when we married cookies of anonymous data, where we do a analysis, and there's a recommender of just kind of cookie data, of who they are. But imagine, if we married the third-party cookie data with first-party Marketo data, where we can actually ask questions, and then with the actual physical behavior and coupon redemption. And like you said, their habits and I see that that data just speaking to us.
Jeff Goldberg:	09:42	Absolutely. And you know I would say that. Excuse me. One of the most important parts of the loyalty program that I've seen is, for people to feel like they're in control of the process. I am turning that internal locus of control, which is just a fancy psychology term that I learned in college, all about giving people the levers that they need that they can pull themselves, whether that's determining what kind of content they get and when they get their content. So if you're setting up a loyalty program, I strongly encourage you to not only think about what Forrester calls the 'mobile moments', where people are looking at their phone and capitalizing on that - don't squander those opportunities, and allow people to set up the cadence and preferences, and adhere to those preferences. People will feel like they're respected, people will feel like they are being heard, and they'll stay engaged in your program.
Inga Romanoff:	10:48	Yeah. And you know what, so we're here in New York. In fact our office right here on Broadway we've seen so many open retail spaces. I'm not even going to go into what's happening with Amazon and how they are possibly well-positioned to really win the market and take a lot of it online, or maybe combine or design experience now fully, not just online/offline but really together as an omnichannel view of that. So does

then loyal to become a lot more important? Does knowing that person in the store become a lot more important, having that visibility into those - either loyalty redemption habits, or whatever the profile might be. Or is it only applying to online? How would you say that impact should look like?

| Jeff Goldberg: | 11:39 | Yeah. So that is such a great question. And I say that because, as we know, the Amazon effect is abound. And it's not the end of the road for a number of retailers, there will always be brick and mortar stores. The question is, how can they differentiate themselves. And just to go back to that concept of engagement through engagement and forging bonds with their customers, I think that's really the key to their success. One of the things, just as an example, that we have is part of the SirCoupon implementation is the ability for merchants to add like the First Name and Last Name when somebody brings in and scans in an offer. So that the next time they come in, at the point of sale, the merchant can say 'welcome back Inga, we really appreciate your business'. Now, whether that's perceived as, you know, uber friendly or, without the right training, a little bit on the creepy side... The personalization and personal touch that we're really striving for, is really something that everyone is tinkering with, and a lot of businesses have not gotten it down. But the technology is changing, it's evolving. We're not we're no longer talking just about 'earn and burn models', where people earn points and then burn them. We're talking about experiences, where people want experiences coupled with things that they can earn. But interestingly enough, you know, there are a number in the B2C world that people are really striving to get offers and coupons, and save money, and so it's key to first understand what are they ultimately seeking and then embellish that experience with those mobile moments and with those other *un coup charmants* that will help make it a fulfilling experience. |

| Robert Vo: | 14:05 | A-whatchar-mans? |

| Jeff Goldberg: | 14:07 | Hahahaha |

| Robert Vo: | 14:09 | What was that? |

| Jeff Goldberg: | 14:11 | So… Forgive me. I know one word in French. Which is *un coup charmants*, which are 'accompanying things'. So sorry. |

| Robert Vo: | 14:23 | Uh got it. No no, no problem at all. I want to learn as well, as we go as well, right. But here's a question for you and probably Inga as well, since you guys are sort of B2C retail folks, right. I'm not so much of that but, still learning. But… Question, from your |

experience, from all that you've seen our there, what use case or what company has really done it well in the sense of incorporating, right, like Jeff what you were saying earlier about, like, it could be creepy, if you kinda get like 'hey, Robert', come on.. Or, it could just be 'hey, Robert; it's great to see you again'. But, you know, like how do you make it, you know, like not so creepy, right? But the real question is like, out there in you know, in the retail sphere, if you will, who's doing it well, who's doing it right, who's doing it like, who's really knocking it out from the ballpark, from what you've seen.

Jeff Goldberg:	15:19	Well. One of the things that's so exciting is, we're getting traction with the mobile wallets. And I was just reading a report recently that said that Pep Boys as an example - Pep Boys sells cars, supplies, and *un coup charmants*. (Just kidding.)
Robert Vo:	15:44	I know what that means now!
Jeff Goldberg:	15:47	And.. So they are... getting a 30% redemption rate just by having the ability to add things to Apple Wallet. Apple Wallet, and there's the Android version of that, hadn't taken off for quite some time. But this is an area that's really ripe for the picking. There are so many opportunities. So, 30% redemption rate is pretty pretty good. There are a lot of other people, there are a lot of examples of folks who are doing better jobs with their loyalty programs. But there are so many techniques that are still being implemented, that this is this is a big work in progress.
Robert Vo:	16:42	Right. Interesting.
Inga Romanoff:	16:43	Yeah I think for the mobile it's also very interesting… What are you saying?
Robert Vo:	16:47	Oh, any any use case that you've seen, you know, out there as you dealt with, you know, retail industry and seen worked really well or the company knocked it out the ballpark.
Inga Romanoff:	17:01	Not really. I actually, I see… I'll give you, like, a long answer to this. I think, consumer side of things picked up the math behind marketing automation long ago. It was actually back when it was called database marketing. Then it was CRM marketing. We all went to CRMC; we knew how to do the math behind it. But I don't think we actually had the view of omnichannel back then. I think mobile actually picked up a lot later and at some point of time, somehow, marketing automation kicked in (probably Marketo's fault ☺), marketing automation kicked in in gear,

and B2B became really sophisticated and... I was just talking about Scott Brinker's marketing technology landscape, and all the technologies available to us. As more, sort of tools, were available to become part of that platform, to develop that design and experience that Jeff is talking about, I definitely think B2B kind of leaped ahead and then B2C now is picking it up. So I see this huge convergence of the knowledge of how we've done nurturing, and understanding the customer on the B2B side, but we have so much more time, right - our lead lifecycle could be 6 to 12 months. In retail, you have seconds, minutes. In consumer businesses, what, 9 day maybe the longest? I don't know, I know the general statistics, but I definitely see that we're in the crux of these technologies converging and giving these capabilities. And this is where, talking about the Engagement Economy, sitting sort of in the center of it, and designing experiences, CX. So it's not just, here's the Voice of Customer and my brand people listening to that. Here's my e-mail marketing person that is really sophisticated and knows how to do just the responses in email and optimize email. There's my other people who do banners, and... You know, these are no longer separate parts of marketing. It has to be designed and it is an experience and this is exactly what Jeff was talking about, you really have to start there. And then sort of design whatever your stack should look like two to fulfill that.

Jeff Goldberg:	19:22	Yeah, and Inga you're reminded me of something before that that I read recently the eMarketer report, that 63% of millennials participate in a loyalty program that supports their lifestyles and personal preferences. To arrive at that, we need to have a data driven approach, we need to understand what are their preferences, what are their lifestyle choices just so that we can better segment our audience and we can target then effectively. And you're right. And you know you're absolutely correct. The omnichannel experience also sets the bar a lot higher. It sets it higher just from the perspective of needing to be able to recognize what those needs are.
Inga Romanoff:	20:14	I agree and I think that now we have the tools to do that. We just need to have that mindset. I don't actually know any company that does it really well but probably everybody is trying. In today's world, nobody has the answers but probably some of those more like Jeffs of the world, like you already thinking this way. And while you might not have all the answers, you're looking for solutions now.
Jeff Goldberg:	20:39	The one thing I will definitely say is that there is a movement away from transactional rewards. So it really is all about experiences. And even though people say that they want offers

and savings and to save money, in general, it really is broader than that. And it's really forging a bond, which can be quantified but is a little bit.. requires some marketing finesse.

Robert Vo:	21:14	Hmm Got it. Hey Jeff, real quick. I have a question for you, going all the way back to sort of the beginning of this podcast. You mentioned about 'surprise and delight'. So I took note of that. I wanted to kind of bring that back as I'm very curious. What does that look like? Surprise and delight. And have you like, you know, what have you seen out there that maybe helps us our viewer to kind of understand like hey, we've seen a customer or a company that did this, to totally surprise and delight.
Jeff Goldberg:	21:46	Yeah. Yeah, absolutely. So surprise and delight can be anything from providing someone an exclusive access to an event, to keeping track of their score and when they're exceeding a certain threshold in Marketo with, let's say SirCoupon or whatever you're implementing, but surprise them. Let them know that you appreciate them. It's it's you know, I once read a definition of rewards that's, it's the unanticipated behavioral reward that is most reinforcing; it's that unexpected event that happens, that can really reinforce behaviors. And it's when it's not predictable, that's also… So there's a fine balance between something that's very predictable and on a schedule, and then surprising somebody, and that engenders a whole different array of feelings as well.
Robert Vo:	22:43	Huh. So if I can bring in, sort of a real world my experience, I just would like to kind of take it to the real world. Right. For example, I buy shoes at Aldo's. Right. Aldo's shoes. I'm sure you Aldo's. And at one point I bought these.. and I don't buy expensive shoes. I'm just not an expensive shoes kind of guy. But because of this one promotion, I had I bought a pair that were that were $250, right. So I was like, big expensive shoes for me! You know, usually I'm sub $100 kind of guy. Right. So not later than maybe a couple of days, I got a coupon from Aldo's that encourage me to buy another pair of shoes. And guess what I did?
Robert Vo:	23:31	I bought another pair of $250 shoes!
Jeff Goldberg:	23:32	Did you buy another pair of shoes?
Robert Vo:	23:33	I did! Right. So you know as you were talking through the surprise and delight I think that was the first thing that kind of popped into my mind that did surprise and actually delighted me, so I went back to the store and actually used the coupon and bought another pair of shoes.

Robert Vo:	23:52	So there you go. That's a real world example from a real experience that got me into going to the store.
Jeff Goldberg:	23:58	And you know what's also interesting about the example that you called out, is that they not only engendered certain behaviors but the right behavior. There are so many loyalty programs out there that just get you into a store but don't… or reward you regardless of whether you spend one dollar or five hundred dollars or whatever the case might be. And in the same way whether you're using Marketo with embedded personalized offers that you were rewarded. Marketo, and just applaud for Marketo - just for a quick second – it's such a powerful platform. And when you couple that technology with the ability to do things like personalized offers and provide that closed loop, it becomes even more powerful.
Robert Vo:	24:57	Just like we always.. well, Inga and I, we always talk to clients about like you know what, if you're not measuring it, you don't see the performance of it, then you're just doing a lot of stuff, right. So really what you want to do is kinda actually get the engagement metrics and the ROI on that so you can say, hey you know what, this is working really well. Right.
Inga Romanoff:	25:18	Yeah.. I could talk to you for hours, Jeff! I know as we sort of coming up in a time, I wanted to ask you, what do you want the listeners to walk away with. What are like, on loyalty, what are the top things you would say we should keep in mind.
Jeff Goldberg:	25:38	I would say the most important thing to keep in mind is that when you're developing a loyalty program, you want to foster what I call a symmetric relationship. Symmetric in the sense that be aware, that it's a quid pro quo. If a customer is willing to join your program, they not only want to feel rewarded, they want to feel rewarded in a way that's commensurate with the information that they've provided or the latitude that they've given you to reach them. Whether that's through an sms message, whether that's through an email, you know, the respect that we provide means, you know, leveraging FOMO – fear of missing out - but not by not being too annoying with your loyalty program. So many people feel that the loyalty programs that they're in, lack relevance. So I would highly encourage people to be on topic and create that relevance. Just so that people can really adapt things in full. You know, in a full fledged way. And use your data. And make sure you reward behaviors that you want to reinforce.

Inga Romanoff:	26:55	So: Be relevant. Don't be creepy. Use your data. And sounds like, also be very thoughtful about what you're creating as an experience.
Jeff Goldberg:	27:05	That's exactly right. OK.
Inga Romanoff:	27:06	Thank you so much. This has been very insightful and inspiring. I hope there are more loyalty programs that inspire us, and connect all kinds of data about us. We'll add Jeff's contact information so you can reach out to him directly. And of course, text your e-mail to our podcast number which is (646) 863-5601. And thank you so much for joining our weekly insights from Marketo consultants in New York.
Jeff Goldberg:	27:36	Thank you so much for having me.
Robert Vo:	27:38	Thanks. Thanks Jeff. That was that was amazing.
Jeff Goldberg:	27:41	Thank you.