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Page 1: COMPANY INFORMATION

Q1 Is this nomination for your own organization, or are you submitting a nomination on behalf of another organization?

My Organization

Q2 Primary Contact Information:

Contact for Award Process	**Chelsie Rae Lee**
Organization Name	**SnackNation**
Job Position/Title	**SVP, Customer Strategy**
Email Address	**chelsiel@snacknation.com**
Phone	**9092636166**

Q3 Secondary Contact Information:

Contact Name	**Matt Garland**
Oranization Name	**SnackNation**
Job Position/Title	**Director, Member Success**
Email Address	**matt.garland@snacknation.com**
Phone	**6463190433**

Q4 Who should the CXPA contact to obtain the right to publish the nominated organization's branding profile, including logo, key metrics and potential winner's information? (Skip if information is the same as above)

Contact Name	**Chelsie Rae Lee**
Organization Name	**SnackNation**
Job Position/Title	**SVP, Customer Strategy**
Email Address	**chelsiel@snacknation.com**
Phone	**9092636166**

Q5 Select the Industry which best describes the nominated organization (Please select one):

Consumer Goods

Q6 Which regions does the nominee organization work in? (select all that apply):

North America

Page 2: CX INNOVATION AWARD APPLICATION

Q7 Title for Innovation:

SnackNation RetEngineering (Customer Retention Engineering)

Q8 Describe the Innovation: Why and What was the idea that this organization was trying to change or create to bring value or resolution to a customer's pain point?

IDENTIFYING THE GAP: In early 2018, we identified the need for a more customized experience using data we had collected over the past year. At the time, cancelation data showed that on average 5% of members were canceling each month. Cohort analysis also showed that customers were most commonly canceling in months three and four of their subscription. Since we track data on why members cancel, we knew that the majority of those members had been thinking of SnackNation as a three month trial since the beginning. While our Sales team does a great job of messaging the membership as a long-term partnership and we deliver on the member's snack variety and quality expectations more than 90% of the time, our push to getting a three month commitment at time of sale in exchange for a discount was driving the trend. At this point the mission was clear...interrupt that cycle by reminding our member why SnackNation is the right choice at exactly the right time. See Exhibit A.

THE ULTIMATE SOLUTION: In response to this gap we tested a variety of options, but ultimately ended up creating a churn prediction model using machine learning that drives a scalable custom experience or "WOW Moment" for members at the highest risk of churn. The WOW Moment is specific to their value proposition and communication need and delivered at the right time to combat the potential fourth month churn. Since we work mostly with B2B Office Managers who are incredibly busy and their emails often get lost in the shuffle, we ultimately landed on a snail mail campaign that guaranteed they would notice the special experience. The two WOW moments are described in more specificity later in the application.

Q9 Describe how this organization did things differently as part of identifying, testing and implementing the idea considering the following:·Methodologies and tools used

INDENTIFICATION: In order to identify which customers to focus on and which "WOW Moment" they would get to drive retention, we needed to map four different customer attributes. Full map shown in Exhibit B.

One, which members were at the highest risk of cancelling. To do this, we looked at past customer cancellation data appended with demographic data like geography, account size, length of subscription before cancel, box type and inbound vs. outbound lead. Using machine learning, we were able to calculate a churn propensity score for each member based on past data of similar members. More details on the exact approach are featured in this article published by Medium (https://medium.com/snacknation-engineering/how-snacknation-leverages-machine-learning-to-predict-and-prevent-customer-churn-e4be39036e24)

Two, Net Promoter Score. Just because someone has a high statistical rate of canceling doesn't mean they will cancel. Their own personal experience also plays a huge role. Because of this, we also mapped NPS scores for members we had data for (about 40% of members in the last year).

Three, what each member's top value proposition is. Most members sign up with SnackNation because the quality is right for the budget or because they want the most innovative snacks on the market. This factor can have a huge influence on what offers or WOW Moments are most impactful. In this case we created a different WOW Moment for each value proposition type. (In Exhibit B, these preferences are broken down by color...green for budget and blue for high-quality snacks.)

Four, what level of communication the member likes to be engaged with us on. Some of our members love to connect with us on a regular basis, others only once in a while, and a few who get angry if we bother them at all with non-transactional interactions. As part of our account management experience we track these preferences and use that info to target campaigns. You may notice some cartoons in Exhibit B. We designate customers as Pups, Cats or Bears based on their preferences.

All four attributes described above are stored inside our internal data warehouse and we use Salesforce and Tableau to visualize and display results in real-time.

TESTING: Once we had all of this information mapped visually on the same chart in Tableau using data from Salesforce and our SnackNation Data Warehouse, it was easy to see who should get the offer and which one. The next step was to test these offers with members. In order to do that, we elicited feedback from our member advisor panel and account managers who knew these accounts best. Ultimately the following offers were decided [Exhibit C]:

Budget Value Proposition: Scratch-off lottery-type ticket with the opportunity to win $10 off your box

High-Quality Snacks Value Proposition: A small box that includes snack samples from the most innovative brands so our members could continue to build their reputation as tastemakers in their office.

Other considered offers were rewards points on our VIP platform, gift cards, an email describing the number of meals donated on the members behalf.

IMPLEMENTATION: With all the plans in place, we developed two initial tests of about 200 members fitting the criteria. We timed the campaigns in month 3 when members were likely making the decision to cancel and also excluded people who have a low communication need meaning that they don't want to be contacted for anything but transactional things.

In order to get some short term idea of whether or not the test was working, we also sent the two test groups and a third control group an NPS survey to log their current rating and then followed-up shortly after the test with another comparison score. Results were very positive as described further in this application so we implemented an automated mailing process using a third-party vendor and scaled it to members. As of today, about 1,000 of our most at-risk members have received these campaigns.

Q10 Describe how innovative the idea or solution is considering the following:·How unique or different the idea or solution is across the industry·How has it advanced CX and awakened others inspiration and interest in CX?

How unique or different the idea or solution is across the industry?

Customization can be common when managing large revenue customers, but we were able to prove that customization can also be scalable to many customers when you collect the right data and automated reporting and fulfillment processes.

We were also able to use machine learning principles in new ways to accurately predict which members are at the highest risk of churn with 86% accuracy, which we believe is remarkable for a subscription service especially in the food sector.

How has it advanced CX and awakened others inspiration and interest in CX?

Our SVP of Customer Strategy, Chelsie Lee has shared this approach and findings at multiple industry conferences and also Jeanne Bliss' podcast on Customer Experience. She hopes to further inspire teams to think outside the box and use data and analytics to drive better customer experiences and scale processes in 2019.

Our Business Intelligence team is also passionate about making the machine learning they developed to predict churn available open to the community and has published the specific code used for these calculations in multiple places, including Medium. Overall, we want to inspire others to solve their greatest customer challenges and what better way to do that than sharing our findings publicly.

Q11 Describe the benefits achieved and/or CX improvement of the innovation considering the following:

What factors were used to quantify and measure the improvement success?

Since we invested time and money in these campaigns, it was really important to us to measure success at every step. We mainly looked at Return on Investment through improved NPS (as a short term success factor) and improved cancel rate (as a long term success factor).

What impact did the product or service have on the customer and how was this measured?

For the Budget Value Proposition test, NPS went from -37 to +59 for this member group. (Keep in mind that we chose mostly detractors for the test) For the High-Quality Snacks Value Proposition test, NPS went from -26.9 to +27 for this member group. (Keep in mind that we chose mostly detractors for the test) In 2017 our average cancel was 5%, after testing and rolling out these campaigns in early 2018, we were able to reduce cancels down to 3.6% with an estimated 25% of that coming from these campaigns. The additional 75% came from product enhancements that we made using the methodology we pioneered in this test.

What impact did the product or service have on the employees, and how was this measured?

This enhancement most markedly impacted the account management team. In the past Account Managers were accountable for looking for these customers manually within their book of business and reaching out one by one to provide a great experience or a custom WOW Moment. They were also expected to review all accounts on a weekly basis and generate a churn score themselves which only had an accuracy rate of 20% (now 85% with the machine learning churn modeling). After we implemented these campaigns, the team could refocus their energy on accounts with opportunity to grow or special needs which drove increased retention for members that were outside of these campaigns too. The time savings enabled us to do a forward-looking time study and increase the number of accounts each manager was assigned leading to an annual cost savings of $350,000 starting in 2019. It also enabled us to reclassify titles because of the true strategic focus of the team and promote 8 Account Managers into higher responsibility roles ensuring their retention and happiness for years to come.

As a result of the innovation how did it change the business operating norms?

Through this initiative we were able to prove out the importance of having a customized experience for members and the impact that can have on retention. Since initial launch, we have used this mindset to further improve customization of our snack boxes, our rewards program and adjusted our entire data platform to look at members more holistically instead of creating sweeping campaigns that don't address individual needs. These enhancements also increased efficiencies for all Account Managers as mentioned above and enabled us to assign more accounts to each manager leading to an annual cost savings of $350,000.

Q12 Please describe the 'before' and 'after' success metrics that were used to determine this newly innovative approach was successful:

We are consistently tracking three main success factors for our campaigns. The first being member cancel % over time. In 2017, an average of 5% of members were cancelling each month and after rolling out these improvements in 2018 our average shifted down to 3.9%. [Exhibit A] The second is NPS before and after the WOW moment which has continued to perform at up to +100 NPS points. Finally, we continue to track the accuracy of our churn prediction algorithms which has been hovering close to 90% and we hope to improve that further with additional integrations into our systems in 2019.

Q13 Which types of work is the innovation focused on? (select all that apply):

Voice of the Customer, Customer Insight and Understanding

,

Customer Experience Strategy,

**Experience Design, Improvement and   ,
Innovation**

**Metrics, Measurement, and
ROI**

Q14 Supporting Documents:

SnackNation CXPA Nomination Exhibits.pdf (926.8KB)

Q15 Additional Supporting Documents:

Respondent skipped this question

Q16 Describe the Supporting Documents:If attaching supporting documentation above, please be sure your description is clear as to what the supporting document contains and how it pertains to this Innovation Award nomination.

The supporting document contains visuals and charts that help tell the story of our innovation as well as some information about our experience overall. To ensure the easiest readability, we've also included the same answers given in the fields alongside the visuals.