CMG Strategy Consulting: Final Deliverable

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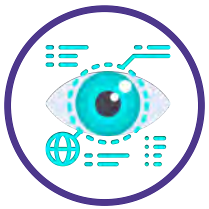
Overview of the final deliverable



Project Overview

Description of retail industry benchmarking study

What are leading brands in the retail industry that successfully interact with customers? What steps in their **teammate life cycle** result in these top-notch practices? In general, how can Lyft incorporate these in their driver service locations to further its **brand perception**?

Determine Retail Leaders

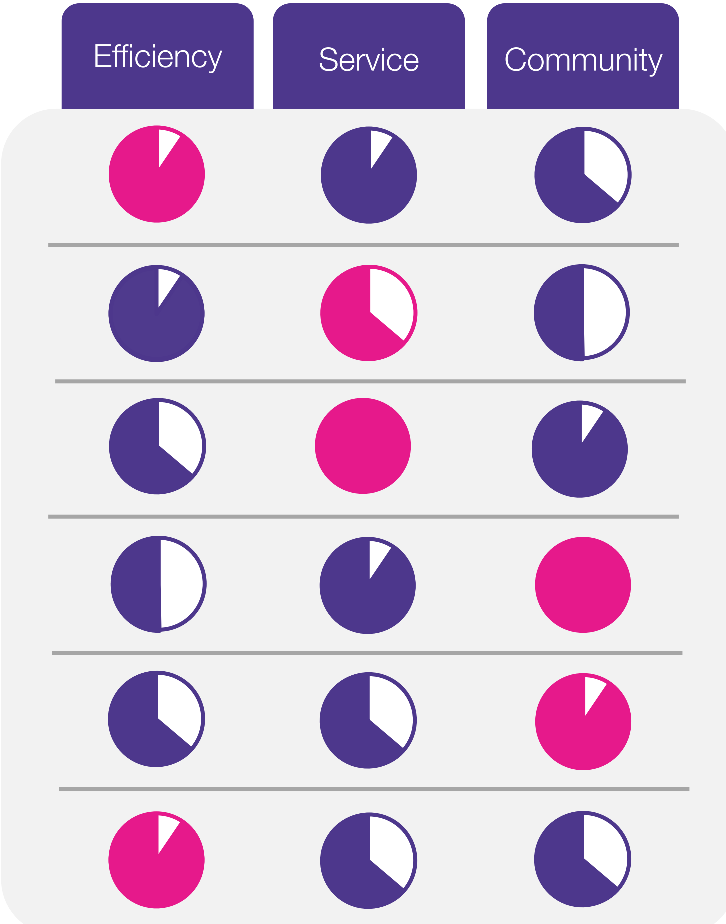
- Research the evolving rideshare industry, especially with regards to **driver experience**
- Conduct case studies on leading brands and draw parallels to help establish Lyft's own retail experience

Lyft Recommendations

- Conduct 'boots on the ground' interviews of said companies to determine the backend lifecycles that lead to these leading practices
- Combine these insights with Lyft's USP to form a **blueprint and a timeline** for Lyft to deploy in their driver hubs

Overview of Companies

Company performances bucketed by: efficiency, customer service, and community



Why?

- Unique interview questions to gauge personality, online training system
- Cross training, apprenticeship program, and lead positions
- Strong localization, heavy involvement from operators and corporate HQ
- Trust in managers, transparency with feedback, and internal promotions
- Thorough online-questionnaire for gauging fit, strong transparency

Backend Lifecycle Processes

How we segmented the customer-facing teammate best practices

Key Question:	Drawing inspiration from preselected mature retail organizations that deliver exceptional customer experiences, what are actionable best practices to hire, train, engage and retain front-line retail talent?

Hiring:

- What are **criteria** your store looks for in a candidate and **how did they test that** for you? Was it individual or in a group-based setting?

Managing:

- What does your store do to maintain employee engagement, happiness, and retention. Are there any **tangible benefits**, or is it more **emotional**?

Training:

- Your store is known for high quality customer service, how do you train your employees in order to keep up this brand image and keep the service consistent? **Initial vs ongoing** training?

Internal Communication:

- How do you keep frontline employees **connected to HQ** and other stores? What are best practices to ensure **important feedback is escalated**?

Identify for each company: how do they hire, train, engage, retain top retail workers?

Data Gathering Methodology

Steps we took when researching the select companies

1 Background Research

- Conducted thorough online research on hiring, training, managing, and internal communications processes
- Answer: **general, not in-person**

2 Glassdoor Research

- Sourced and emailed 40-50 current senior employees (managers, directors, etc.) that would have insights on overall company processes
- Answer: **general, in-person**

3 Developing Questions

- Based on prior conducted research, and discussions on what to focus on during the midterm deliverable, drafted specific questions for each store

4 Phone Interviews

- Sourced and emailed 40-50 current senior employees (managers, directors, etc.) that would have insights on overall company processes
- Answer: **general, in-person**

5 In-Store Interviews

- Conducted "boots-on-the-ground" interviews with store employees and managers
- Answer: **specific, in-person**

Lyft Hub Recommendations

Through different data collection methods, we hoped to discover unique backend lifecycle processes that if successful, will **improve Lyft driver's experiences then thus the rider's**

Georgia State University

Excels in student services that retain and accommodate non-traditional students

Importance	• Model looks at academic performance indicators – grades, courses taken, majors, and registration and offer strategic nudges so as to offer personalized support at scale

Hiring

- Sourced advisors with good communication skills, a genuine concern for students, and technological ability
- AI-enhanced chat bot in the first 3 months the chat bot answered 200,000 student questions with a 7 second response time

Managing

- The analytics and risk scores are updated daily; an overall risk score is often not as important as the particular action that prompted it.
- Low success score students are recommended tutoring, peer mentoring, and resource centers; high success students, research & study abroad

Training

- New advisors go through training in the curriculum, crisis management, financial aid, and advising technologies and platforms
- Shadow seasoned advisors as they meet with students, then they are shadowed for their first week before flying solo

Internal Communications

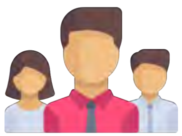
- GSU uses Parature, a common communication platform across multiple offices so one visit can be seen but staff in other offices
- Referred to specialists based on the type and severity of the issue – Financial Aid, Academic Planning, Scholarships, etc.

Specialization of staff and success scores that are calculated continuously ensure efficient, up-to-date support

Recommendations

Our top three takeaways for Lyft Hubs to implement

1 Assignment Flexibility



- TJ employees learn every facet of the store they're working at, from cash register to backroom
- Non-compartmentalizing leads workers to greater productivity & happiness
- Leads to greater flexibility within the workplace

2 Localization with Events

- Localization of each Lyft Hub with a detailed map of incoming popular events and their dates and info
- Direct help to Lyft drivers because this pinpoints high potential business opportunities

3 Predictive Modeling

- Develop Success score algorithm to segment drivers based on their driver ratings
- Offer strategic nudges to low performing drivers to retain them and high performing drivers to incentivize them

U.S. Market Potential for Facebook Lite

By CMG Strategy Consulting

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Objective Overview

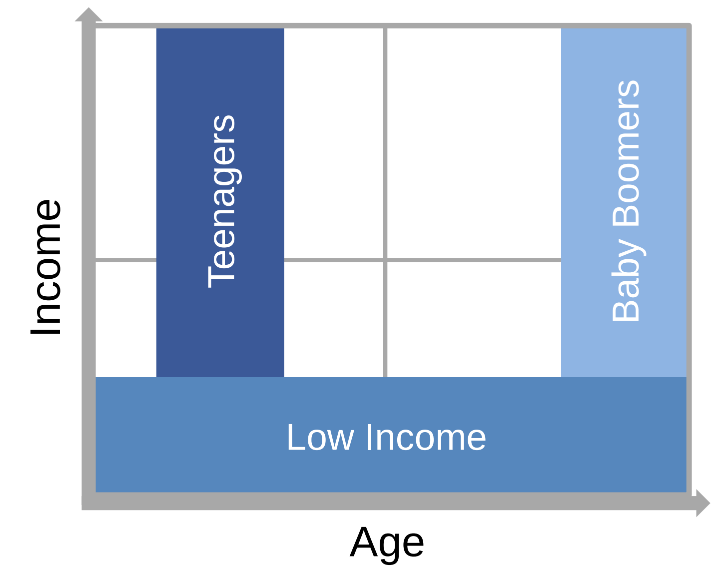
Objective

Analyze opportunities for Facebook Lite user acquisition within the United States market

Key Performance Indicators

- U.S. Market Size
- Potential Growth
- Consumer Profiles
- Substitute Products

Methodology



Low Income	Teenagers	Baby Boomers
< $30K annually	**13 - 17** years old	**50 – 64+** years old

U.S. Facebook Lite Factors

Discounts on low-end smartphones through E-Commerce and **growing smartphone penetration** through the Lifeline Program provide **access to data** and **memory conscious** U.S. consumers

Low-End Market

12M+ no smartphone < $30k	Expanding low-income market
40M+ smartphones on low-end	OEM's selling low-end devices
32% of U.S. reached max data	Frequent overconsumption of data

Avenues for Growth by Profile

- Job search demand for Low Income
- School restrictions for Teenagers
- AARP membership for Elderly

Low-income individuals who have recently acquired low-memory smartphones offer the strongest market segment for Facebook Lite

Consumer Profile Comparison

	Low Income	Teenager	Baby Boomers
			
Smartphone Penetration	**64%** Statista 2017	**89%** eMarketer 2016	**65%** eMarketer 2016
Social Media Penetration	**62%** Pew 2015	**71%** eMarketer 2017	**51%** eMarketer 2017
Internet Usage	**56 hours / week** Nielsen 2015	**63 hours / week** Common Sense Media 2015	**27 hours / week** Colorado University 2013
Android Penetration	**68%** Marketing Profs 2014	**41%** eMarketer 2016	**39%** Marketing Profs 2014

The Low Income profile has the greatest need for Facebook Lite, since it addresses their data and storage constraints

Teenagers: Profile Overview

Characteristics

Size: 2.3M

Dependents

Age Range: 12 - 17

Significance

	Facebook	Snapchat	Instagram
Social Media Penetration	14.5 Million (58%)	15.8 Million (63%)	4.2 Million (17%)
Growth Rate	-1.3%	5.2%	10.7%

Average age at which kids receive their first smartphone is 10

eMarketer 2017, NY Times 2016

Drivers

Participation in shared **family data plans** indicates **higher data consciousness**

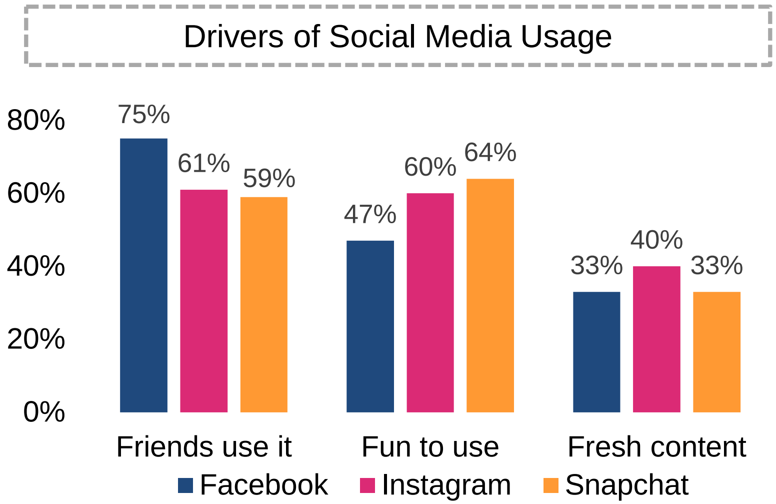
Prone to data overages as a result of using mobile broadband over WiFi to load apps faster

Ermann 2016

Teenagers are highly data-conscious and Facebook Lite will allow them to consume visual media on-the-go while using less data from their shared family plans

Teenagers: Consider & Evaluate

Consider



eMarketer 2017

Visual-centric applications such as Instagram provide more **satisfactory user experiences**

eMarketer2017

Evaluate

57% agree that ads on Facebook have become a **distraction**

eMarketer 2017

Teens report **negative feelings** towards Facebook due to growing adult presence and social drama

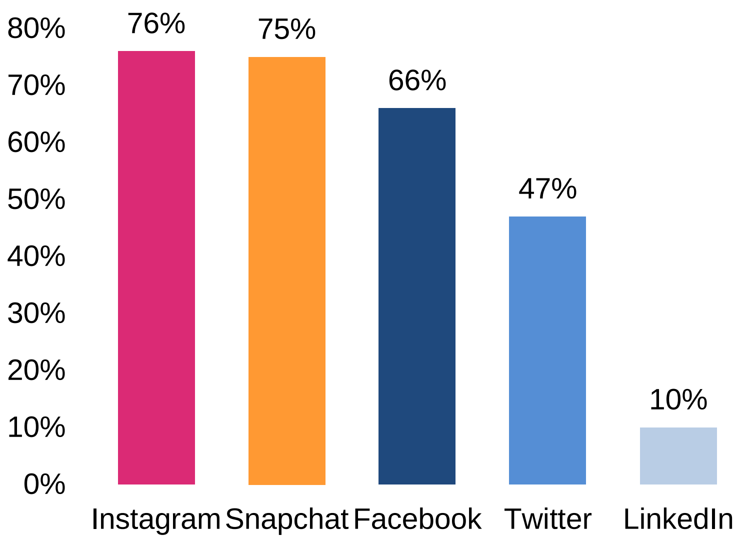
Pew 2013

Teenagers value clean and engaging user interfaces with few advertisements and limited adult presence

Teenagers: Usage

Social Media Preferences

Among Individuals with Ages 13 – 17



APNORC 2017

Social Network Restrictions

98% schools filter the **online content** available to students

AASL 2014

96% of students with internet access report **using** social networks **at school**

EDTech 2016

Teenagers highly favor Instagram and Snapchat due to their preference for video content, reliance on data at schools due to media restrictions presents an opportunity

Google

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Project Scope

Project objective and overview

Objective: Increase Android market share in premium smartphone (>$500) market

Insights and Data

Analyze **root causes** of consumer buckets that can be utilized by Android Strategy team

Part 1

What to Do?

Additional insights + provide **actionable recommendations**

Part 2

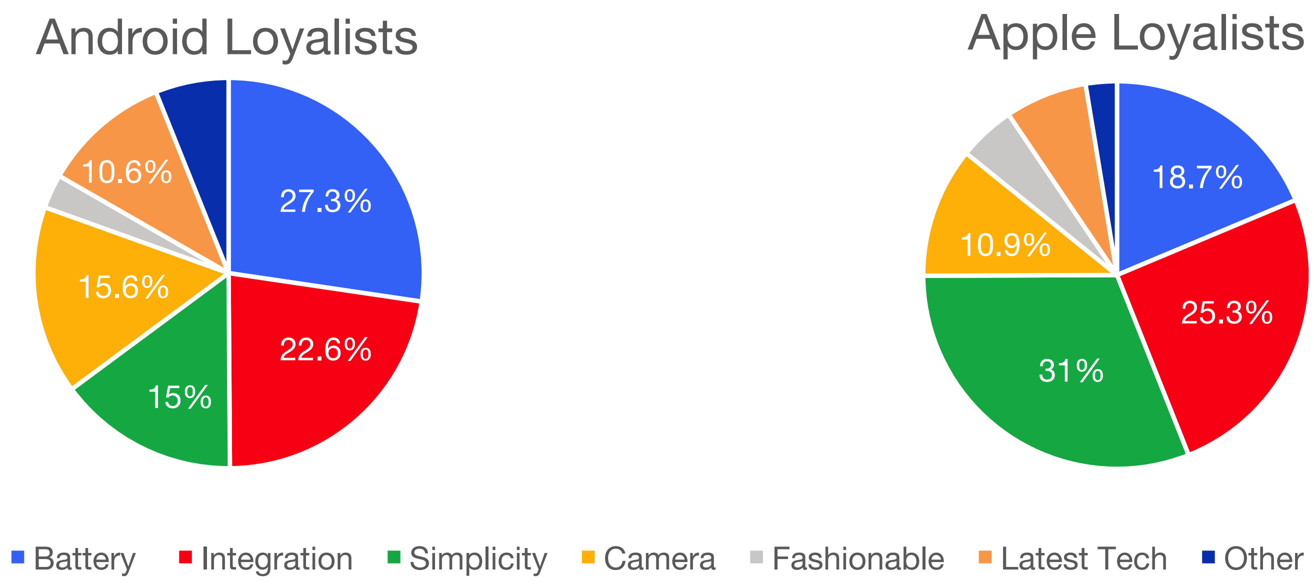
Consumer Profile Summary

Conclusion from part 1

Demographic	Young Millennial	Business	Top Dog / Parents	Elderly
Why this demographic?	Least brand loyal that currently leans toward iPhone; vital to convert now	BYOD trend places greater purchase weight on work considerations	Places the most emphasis on having the latest technology in smartphones	Largest growing demographic
How do we reach them?	Social media; influence friend circles	Target retail experience	Online market campaign to promote personal research	Target retail store experience
What do we do with them?	Interactive marketing; advertise Android as fashion device	Push to develop stronger G Suite integration with Androids and market Google Assistant	Update users with new tech features to help improve brand loyalty	Lowest saturation rate & rising average lifespan presents opportunity

Android Loyalist versus Apple Loyalists

Characteristics and interests of each type of loyalists



- Android loyalists care significantly more about **battery life** over Apple loyalists (27.3% vs 18.7%)
- Care more about **camera quality** as well (15.6% vs 10.9%)
- Seem to care more about **specific features** (43% vs 30%)

- Almost a third stated that they value **simplicity** above all
- Focus on simplicity and integration **mirrors millennial demographic profile** for favored features
- Care more about **abstract concepts** like "simplicity" or "integration" rather than specific features.

Android loyalists favor specific features like battery life and camera quality over holistic qualities – Android should target this aspect to convert moveable middle to loyalists

Social Media Integration - Snapchat

Improving Android smartphones' Snapchat integration

Improvements

- Snapchat is one of the top applications used by **millennials**
- Work with Snapchat developers to **gear more resources** towards Snapchat **development on Android** devices, including ensuring that Snapchat takes an **actual picture** with the actual **Android smartphone camera**
- Measure **success** with the **number of software updates** Snapchat develops in partnership with Android

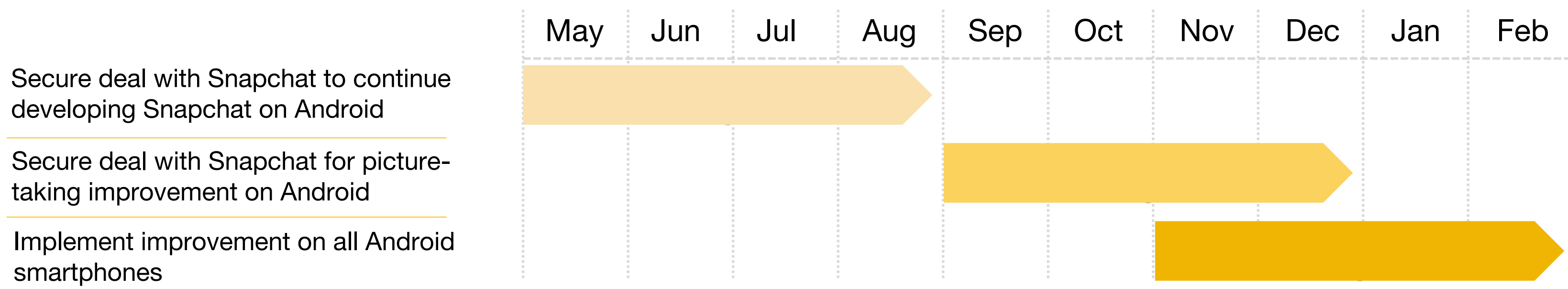
Risks

1. High costs associated with partnership with Snapchat developers
2. OEM software updates cannot keep up with new Snapchat updates

Mitigations

1. Offer Snapchat special services such as advertisement or use of Google's search engine
2. Sign agreements with OEM carriers requiring scheduled software updates

Implementation Timeline



Deals with Snapchat need to be made to improve the picture-taking aspect of Snapchat on Android as well as to continue the development of the social media platform on the Android OS

Recommendation: Google Drive Backup

Consistent Android experience

What?

- Google should **further develop** the back up system akin to iCloud
- Small improvements like syncing backgrounds, user settings will create a **smooth transition**
- Brand with a new name like **Google Sync**

Why?

- **Appeals to Millennials** desire for **integration (26%)** and **simplicity (36%)**
- Creates a **seamless Android user experience**, even when you transition between OEMs

How?

- **Needs proper marketing**, and should be geared towards Android users
- Work with OEMs to provide seamless integration into OEM phone apps
- **KPI:** User amount, and long term retention rates

Implementation Timeline

- Begin **software integration** and **development**
- 6 months: Establish **marketing angle** and **new name** for product
- 1 year: **Launch marketing campaign** for Google Drive backup
- 2 years: Use consistent user experience to **further establish Android brand**

Google should further develop and rebrand the existing Google Drive backup system to create a consistent Android user experience

Potential Risks and Mitigations

Compromising with OEMs

Risks	Mitigations
1 Promoting cloud integration of phone data **may conflict with OEM carrier interests** • EX: Samsung has the Samsung Smart Switch app, which transfers data from Samsung phones	**1** • **Partner with OEM carriers** so that information is seamlessly transferred to their apps (contacts, pictures) as well • **Benefits OEMs** as it eases transition between OEMs
2 Improper implementation may lead to **customer confusion** • **Lack of users** generally defeats the purpose	**2** • **Reach out to sales associates in carrier stores**; have them use Google Drive to back up and transfer data during phone upgrades • **Instantly builds a user base**, and increases exposure
3 While Google Drive backup is currently advertised as a way to ease the iOS -> Android transition, **Apple may start to block it** • Begin to promote iCloud over Google services	**3** • Keeping it within Android is still very beneficial, may be the **crux of a unique Android ecosystem** • Direct competition with Apple brings Android into the spotlight over OEM carriers

Google should work with OEMs and sales associates to mitigate various potential risks