



MEINEKE DRIVES ENGAGEMENT

WITH DATA UNDER THE HOOD





“Clutch has evolved from being a loyalty program that had some control of some of our consumer communication touchpoints to being a full CRM that’s really the engine that’s driving all of our media and strategy.”

- Artemio Garza, Chief Brand Officer of Driven Brands, parent company of Meineke.

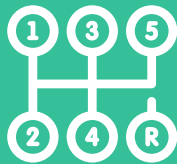


Drivers know – or at least learn the hard way – that cars require regular maintenance. Oil changes come three or four times per year, with brake, tire, and wiper services not far behind.

So when Meineke Car Care Centers discovered that **more than two-thirds of its patrons visited just once per year**, the company saw a lot of room for improvement. Executives realized that even a modest increase in repeat visits would have a significant impact on the bottom line. That's because **repeat customers tended to have average order values 25 percent higher than one-off customers.**

Meineke set out to learn all it could about its customers, using a 'data first' strategy that identified its customers, analyzed their behaviors, and motivated them to return. What it discovered fundamentally changed the way it communicated with customers and doubled its conversion rates.





STUCK IN NEUTRAL

With more than 900 franchised locations, **Meineke collected a significant amount of customer data.** From customers' addresses to their car's make, model, and mileage, the company had the type of information that many marketers dream of.

The only problem: It wasn't centralized in a way that made insights easy. Franchisees used an array of point-of-sale (POS) systems that made it hard to integrate data across the entire company.

For example, Meineke was, in theory, able to estimate the number of miles customers drove every day based on the mileage of their car. From that it could calculate when a customer was likely to need an oil change or regularly scheduled maintenance. Because it had customers' addresses as well, you'd think Meineke could send a reminder when that maintenance was due. Its data, however, wasn't organized in a way that made that style of marketing easy. **It was easier for Meineke to simply blanket a zip code with direct mail,** which was expensive, inefficient, and offered little insight into whether customers actually looked at the offer.

Additionally, its loyalty program, which offered a free oil change on the fifth visit, wasn't structured to achieve business objectives.

Customers who have already paid for four oil changes are fairly likely to pay for a fifth.

And yet in offering the fifth oil change for free, Meineke learned virtually nothing about its most loyal customers.

Meineke selected Clutch to help integrate its data across all POS systems and sales channels, including e-commerce and online. Clutch also redesigned Meineke's loyalty program with two big goals – capturing more emails and rewarding customers in a way that encouraged them to take advantage of additional services.

Housed on the Clutch platform, Meineke's data fuels targeted and personalized email and direct mail campaigns. Clutch sends emails to thank customers after a service. If a technician recommended a particular service, like tire rotation or new brake pads, the system will also send a reminder if a customer declines. Clutch and Meineke also calculate when a vehicle is due for maintenance based on estimates of how often the owner drives. Finally, Meineke sends customer retention emails if a driver hasn't visited in six and 12 months.

Under the new loyalty program, customers earn one point for each dollar spent. Each customer communication, whether by email or direct mail, includes a points balance and the customer's name, along with service, like wiper blade changes, tire rotation, and synthetic oil changes, that can be redeemed at certain price thresholds.

And because Meineke customers often handed over their keys, the company was able to increase the "stickiness" of their loyalty program by simply adding the loyalty ID on a fob.



FUELED UP AND READY TO GO





A WELL-OILED MACHINE

In the year since implementing the program, Meineke has enrolled 700,000 customers. Early results are extremely promising.

Meineke centers that focused on enrolling new rewards members saw clear gains. Stores that signed up more than 300 members saw a two percent bump in average ticket value, while those that signed up more than a 1,000 saw an increase of six percent.

The data has also provided a powerful incentive to capture email addresses in addition to home addresses. Rewards members are more than twice as likely to offer an email address, and those that do are:

62%

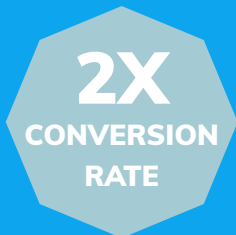
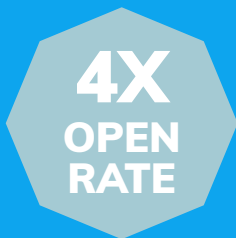
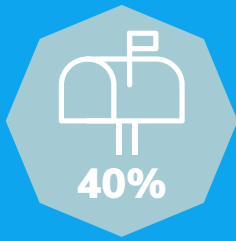
more likely to have
three visits in a single
year

69%

more likely to have
more than one car
serviced per year

200%

more likely to sign up
for the Meineke Credit
Card



At the beginning of the campaign, Meineke's ratio of direct mail to email was 60 percent to 40 percent. One year later, that percentage has flipped, and it's driving gains. On average, direct mail can be 100x more expensive, meaning email capture has been valuable both in saving marketing dollars and driving new sources of revenue.

Triggered email communications have proved especially valuable. In all, their open rate was four times higher than generic email blasts, and received ten times as many clicks. Meineke centers doubled their conversion rate on offers, hitting a number that even bested services like Groupon and RetailMeNot by a wide margin.

"We're now able to go back and tell our franchisees 'This is how much it costs when you don't capture an email address,'" said Artemio Garza, Chief Brand Officer of Driven Brands.



AN OPEN ROAD TO THE FUTURE

Meineke's initial success with Clutch's revamped loyalty program encouraged the company to pursue new opportunities in data analytics and customer engagement, while at the same time building on the success of its ongoing efforts.

“We know we'll have to continue testing what variables move our customers,” Garza said, “but data has the power to drive brand success.”

Meineke will begin testing demographic variables against different offers to hone its messaging. Driven Brands is also considering an expansion of the Clutch loyalty program to other car care brands it owns.

But what has the most potential to drive customer engagement in the car care industry is a device that provides real-time maintenance alerts to a customer's phone.

Called Revvy, the device plugs into a car and monitors its performance. When a check engine light is on, for example, Revvy will send a note to the driver's phone about what it means. Revvy will also offer a driving report telling drivers that they brake too hard or drive too fast. At the same time, it could use the customer's driving data, like miles driven and how hard the customer brakes to recommend needed services like oil changes and brake pad replacements.

Building a comprehensive, customer engagement engine isn't an overnight project. But Meineke has selected the right partners and components for a high-performance, turbo-charged machine. With Clutch and Revvy, they'll be driving fast into the future.

