

Client Panel: Harnessing chaos—Introducing simplicity in the face of marketing complexity

24 Hour Fitness, Dell, KeyBank

Presenters:

Mike Carney, VP of Marketing, 24 Hour Fitness
Vincent Hontebeyrie, EMEA Commercial CRM Lead, Dell
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Moderator:

Sandy Kolkey, SVP, Strategic Consulting, Epsilon

OVERVIEW

With the proliferation of devices, channels, data sources, platforms and vendors, there's a lot of noise and complexity in the marketing landscape. Determining how to excel is no easy feat. Read on to see how these panel experts from **24 Hour Fitness, Dell and KeyBank** are doing it.

KEY FINDINGS

What are your KPIs?

- **Dell:** For B2B it is pipeline, engagement metrics, accounts and how they engage. We track the customer journey.
- **KeyBank:** Financial returns.

What are you doing with CRM?

- **24 Hour Fitness:** We are bringing data into Adobe and applying the data gathered by TSP and the Conversant model to be actionable.
- **Dell:** We moved from a product-centric to a customer-centric approach. We put the customer in the middle of everything using 200 sources offline and online for one source of truth. Now we can see the steps of engagement and customer journey.
- **KeyBank:** We consolidated CRM efforts last year and have seen fantastic results. We've doubled acquisition response rate, cost per acquisition has dropped in half with sustained customer quality. We used TSP as a data source and took our program and broke down by markets for models.

How are you addressing personalization?

- **24 Hour Fitness:** We start at basic level with TSP including age and gender, then overlay as much info as we can to be relevant (events, studio classes, etc.). We tailor the messages through the Conversant platform.
- **Dell:** We are bringing off and online together and doing more account-based marketing. We're going deeper, identifying job functions and delivering targeted content for those personas in big accounts. We are now adapting messaging based on personas. Results, engagement is better, functions are joining events and converting better.
- **KeyBank:** We are dipping the toe. We have a DMP, micro-segmentation and are building the groundwork.

KEY FINDINGS (CONT.)

What's happening with Big Data?

- **24 Hour Fitness:** We drop 270MM messages during the course of a year. Differentiation of messaging and take cohorts off the data. Email is moving to a dynamic approach with digital and social. Content measurement on how to optimize ideal approach and spend.
- **Dell:** We apply the same logic—customer centric. We're totally shifting email to a nurture approach. It is more tactical, specific rules with a "balanced diet." Personalization is a good vehicle to target specific personae using email plus social. We consider message, cadence and complimentary channels.
- **KeyBank:** We scaled up our search budget and pushed too far too fast. We've seen some challenges including: quality of customer, tenure of customer and cost to acquire increased.

How are you handling cross channel?

- **24 Hour Fitness:** Our members care about their club down the street. We use omnichannel over a localized approach. We scale down to the market level and then at the club level and are testing engagement mix.
- **Dell:** We deep dive into account intelligence. We have created segments and the lifecycle of the product and the company that you can approach and target. We were always talking to the same accounts. We have categorized segments and need to understand which tactics we should use based on maturity in the life cycle.
- **KeyBank:** We were in silos and recently pivoted that all tactics need to work together. Clients are more fragmented, so we need to create relevant message. In acquisition, what are we doing, what is cost to acquire overall vs individual tactics. Trying to take ownership of our own data (DMP).

What are your thoughts on attribution?

- **24 Hour Fitness:** We skew offline—people want to see the club, so it's hard to measure all the touches. Digital is measurable, which forced us to spend more where the brand is weakest.
- **Dell:** We moved to fractional attribution. The purchase cycle of our company is long, so our customers are going to be touched many times. We need to understand the correlation of touches by customer journey stage. We tried to model that, but last touch attribution was not working.
- **KeyBank:** This is a hot topic inside our organization. We've found that last touch attribution doesn't show the success of certain channels. We're thinking about digital to physical conversion. Epsilon helped with a Google project looking at direct mail and tying back who opens digitally vs. physically. Is there cannibalization? How do you take mass space and tie it back (broadcast TV and radio)? We use an econometric model.

What are you doing for programmatic media buying?

- **Dell:** In Europe, you don't have one DMP. We started in the UK two years ago, but there is no player that can activate for all the markets, so we are testing different agencies and brands across different markets. Germany has a lot of privacy rules so it's really challenging. We have to do it, but now are only in three markets.
- **KeyBank:** We always have some level of programmatic. We can only attribute folks going end-to-end digital. We are not yet connecting online/offline. We are using Conversant for addressable; we know the results we are getting on half of our spend budget. We're spending a lot of time and effort in post-DMP world and what that means.

KEY FINDINGS (CONT.)

How are you using Big Data?

- **24 Hour Fitness:** Everyone is a prospect within a zip code. Value comes down to segment and how we communicate. We look at LTV in two ways: initial life stage as they become a member and how we attack a lapsed member. Our LTV is less than three years, so it's critical we develop streams and segments to bring them back in. It's about penetration in a zip code.
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- **KeyBank:** We build out customer LTV and think about on a more granular level. Who is the customer and how should we think about him longer-term? In banking, most of our revenue is longer-term and back loaded so having credible LTV is critical. We are playing the long game.

Are you using machine learning? How?

- **24 Hour Fitness:** We believe in the machine; it drives value. It's critical to evolving is our approach, segmentation and dynamic creative. As we continue to progress, we'll see increased value and success.
- **Dell:** Two years ago, we empowered this learning to be predictive, real-time, modeling based on machine learning from 200 sources. We are still at the early stage, but we need this and know all the touch points will grow exponentially.
- **KeyBank:** We just worked through a proof of tech where we will use it to create an interactive conversation with clients around financial wellness—a Chat bot.

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