

PRIME CUTS

INTEGRATED DATABASE ENABLES MORTON'S CRM EMAIL APPROACH

An integrated database has helped Morton's The Steakhouse employ a CRM email marketing strategy to connect with VIP diners.

"We looked at all the data sources, from point-of-sale, to reservations, to campaign [promotional] history to email and web response, and rounded that out with third-party data," says Brad Ruckstales, CEO of CAC Group Inc., which works with Morton's on their database initiatives.



The fact that 50% of Morton's revenue comes from 10% of their high-performing customers led Morton's to opt for a CRM-based marketing approach, as opposed to traditional mass marketing. "We approached people as guests, not customers," says Brad Ruckstales,

Morton's began modeling guests to see who would most likely benefit from membership in their VIP program, says Patty Pleuss, Morton's vice president of marketing, who spoke with Ruckstales at the recent DMA:2011 conference. A multichannel engagement strategy was employed to engage potential members.

When their email address was acquired,

a \$50 thank you coupon was sent. After 60 days, a brand retention email followed, with a 90-day special occasion invitation coming along next. At the 180 day mark, a steak and seafood offer was sent, with a branded offer next at 240 days. The number of members in the program were ultimately doubled.

In customer satisfaction surveys, Morton's always looks for a "5" rating, the top in their 1-5 scoring system. "It makes a huge difference," says Pleuss. "A '4' rating can cut future visits in half."

In a move to be unobtrusive, the chain used to invite guests to take their satisfaction with a printed message on the bottom of receipts. There was a 13 digit code guests had to type in when they got to the survey website, which Pleuss admitted was a "lot of work" to ask of guests. Two other major hurdles were the 30 questions guests were asked to answer and the quarterly reporting structure.

Now, instead Morton's sends the guest an email first thing the next morning, and the number of questions have been cut down to 10. These moves have boosted responses from 30 to 50 per month to 1500 to 2500. Real time reporting also allows managers to address any problems in service immediately.

The impact of keeping satisfaction scores up for Morton's is significant: the monetary difference in checks for VIP customers who give a 5 rating can be \$240 higher than those who give a 4 rating.

—BETH NEGUS VIVEIROS

RESEARCH:

Email Junk Yard

New Study Shows One-Fifth of Marketing Email Hitting Junk Folders

Only 81% of commercial email is reaching inboxes, according to a new benchmark report from Return Path.

This means globally, one out of every five commercial emails is landing in a spam or junk folder (7%) or getting blocked by ISP level filtering (12%), says Tom Sather, director of professional services for Return Path.

There was a slight up-tick in delivery rates in the US but overall, results stayed level, with B2B inbox rates at 80% and B2C at 86%. While Sather was a bit surprised that B2B delivery rates weren't much lower, given that they have to get through enterprise systems like Microsoft Exchange, B2B hasn't really been hit with reputation filtering yet.

In B2C, many marketers aren't paying close attention to inbox placement rates. They might be seeing high delivered rates from their ISP—and this might not include emails that didn't reach the inbox. "You need this reporting capability, so you can find out why emails are being delivered to spam filters," Sather says.

New data about Gmail is showing that while many marketers are averaging a 91% deliverability rate, only 17% of those messages are being directed to priority inboxes within Gmail by recipients.

"That's pretty low," says Sather. "If I was a marketer and saw only 17% of subscribers were actively engaged with my emails, I'd want that to be significantly higher."

As more and more Gmail users enable their priority inboxes, marketer will have a better picture of how engaged subscribers are with their messages. After all, people don't typically interact with anything that winds up in their junk folder, meaning they won't clickthrough or convert, he notes. "And that means you're leaving money on the table."

The report looked at data from Return Path's Mailbox Monitor service from January to June 2011. The study tracked the delivery, blocking and filtering rates for more than 600,000 campaigns. For each campaign, whether the email was missing, received in the inbox or filtered to the junk/spam folder (for those ISPs that use such a folder) was recorded.—BNV



CREATING AN EMAIL OFFER

Five things you should consider before starting your next campaign.

1. Determine the type of content you want to send. It may sound obvious, but many organizations limit themselves in terms of what kind of content they push out. You might use email marketing to send out exclusive deals, product announcements and reminders, but have you considered distributing annual surveys? What about educational content?

2. Establish sending frequency. Some people, for example, might enjoy a daily newsletter, but others are only interested in seasonal specials or monthly coupons. Instead of trying to find a happy-medium for your entire list, give your subscribers the option to choose how often they want to receive your emails. Additionally, pay attention to patterns in subscriber behavior when they interact with your emails: Do they only open your email once a month? More often? Less? Is it during a particular time of the month? This type of information will help you determine the correct frequency based on the preferences of your subscriber base.

3. Include a clear and compelling subject line with one main idea. For instance, you might want to offer a free trial or discount percentage on an item directly in your subject line. Providing

the main point of the email up front will help draw your subscribers in and keep them interested. Including more than one main idea in the subject will only confuse the reader.

4. Make sure your call to action is clear. Focus on exactly what it is you want the customer to do and relay that message clearly and concisely. There must be an obvious way for customers to respond to your call-to-action, so provide a direct link or a sign-up form within your email.

5. Make the links accessible. First and foremost, do not hide your opt-out link. Clearly provide subscribers with the option to change their preferences in addition to the ability to control how often they receive your emails. Somewhere down the line they might want to choose a different



product—you want to allow them to have that freedom.

—JOHN MURPHY,
president, ReachMail

IDEA TO STEAL

Looking for a new place to generate opt-in names for your email list? Try the store locator page of your website.

Tracy Rhyan McCourt, vice president of multichannel marketing at Frederick's of Hollywood, told attendees

at the recent NEMOA fall conference that her company was having great success with this approach. In exchange for their information, Frederick's offers customers a coupon for a free gift, redeemable in-store.

The vast majority of the company's data capture is done

at point of sale, however. This process was improved greatly by bringing store managers into the loop and explaining how it would ultimately help them and now siphon off their business to the web. Today, stores have a goal of capturing data from over 60% of their shoppers.—BNV

BEST PRACTICES:

Optimizing Your Email List

Perhaps you're just gearing up for another email marketing campaign, or maybe it's your first foray to the inbox. Either way, it's helpful to review some of the basic best practices to make sure your subscriber list is flawless before you hit send.

▶ DUST OFF YOUR OLD OR ACQUIRED LISTS

If you're digging up last season's list, chances are good that you haven't had any contact with these subscribers in the last several months, or not at all in the case of a purchased or rented list. That time frame leaves a lot of room for error.

Services like FreshAddress and TowerData can help you weed out invalid email addresses and merge new ones into your list. To speed up that process, try to keep up a separate list of people who have opted out that you can give to your email service provider. A good rule of thumb is to avoid emailing any contacts you haven't sent to in the last six months or more.

▶ MAINTAIN A MODEST LIST

The instinct might be to have a large list, but quality is more important than quantity when it comes to subscribers. A big list causes deliverability issues. A good list gets you to the inbox. Try starting small, and then talk to your email service provider about any other lists you may want to add in at a later point.

▶ BUILD OUT YOUR LIST

Creating a list isn't the end game; once you have a clean list in place, you need to continue to add new subscribers. Include a sign-up form on your home page and at the end of any company blog posts, and share relevant content via social media.

But as important as signing up new subscribers is, it is equally important to retain current ones. As a marketer or small business owner, you should view your interaction with a recently opted in subscriber like a first date—there is interest, but no commitment. Many marketers erroneously believe it is more similar to marriage—a willingness on the part of the subscriber to receive an unlimited amount of mail with whatever message the marketer wants to send. Remember that abandoning the interaction is as easy as the consumer hitting the "Delete" key, or worse, filing your email as spam.

▶ START WITH YOUR NEWEST LIST FIRST

Kick off the campaign with your freshest list. If you start with an old list, you can get blacklisted or trigger excessive spam complaints. Old subscribers might forget they opted in or forget who you are, causing them to hit the "Spam" button.—JM