



# Seven Steps to an Effective E-mail Powered Loyalty Program

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With the cost of acquiring good customers continuing to rise in an increasingly unstable economy, it's more important than ever to be able to identify and rely on a core group of loyal customers. While training a customer to purchase as soon as you contact him/her would seem to be ideal, the emotional connection is lost in this Pavlovian equation. A consumer's emotional connection to your brand is a tremendous motivating factor when it comes to long-term behavior and loyalty.

There are a vast array of loyalty program tactics you can implement in order to sustain and even improve these pivotal relationships. The key to this sustainment is creating and strengthening the emotional connection through concurrent and right-message-at-right-time communication. In the overwhelming ocean of loyalty program tactics, e-mail represents a direct and measurable place to begin this connection building.

Here are seven steps you can take today to implement an e-mail powered loyalty program.

## **Step 1: Know your audience**

The first step in any loyalty program is to identify your loyal customers. Any database will show fluctuation in customers' interactions with your business. Therefore, segmenting your loyal audiences and talking to each audience differently is essential. Segmentation requires a good amount of preparation and decision making but can lead to noticeable gains.

The most common form of segmentation is date-based; for example, date entered into a program. Typical e-mail segmentation then breaks down into e-mail behavior (openers, clickers), purchase behavior (recency, frequency, and monetary), and general demographics.

## **Step 2: Put out the welcome mat**

Once you know your loyal audience you can determine the most relevant way to talk to them – in other words, determine the right content and timing. The best way to build the relationship foundation is to welcome them to your program. Say hello and ensure them that they made the right choice by signing

up. The welcome e-mail seems like such a simple, obvious step, but it can often be missed. It is the first timing-relevant message your customer will receive.

For example, Marriott sends an automated confirm and welcome for their Marriot Rewards® sign-ups. From a timing standpoint this is perfect; however, the message does not highlight the great benefits, nor does it offer program education. Including these basic pieces of information should be viewed as a must. Something else to think about: a bonus or incentive. Many loyalty programs, upon sign up, give their new members some type of discount, starter points, or credits. This is a tangible thank you for their participation and a good first impression with which to build trust in your brand.

### **Step 3: Treat them special**

In many cases, your loyalty members will also be part of your regular marketing promotional e-mail cadence. How do you differentiate the e-mails sent to your loyalty members?

For starters, keeping tabs on your segmentation and ensuring your data is always up to speed is crucial. If you're comfortable with your data segmentation, then customizing regular marketing e-mails your loyalty audience can be pretty easy. Simple tools can help you add in content, be it a banner with their running account balance, a logo of your loyalty program, or a special coupon. Only loyalty members will see these parts of the mailing; your regular mailing audience will not. Consistency in making them feel special will strengthen the emotional connection.

### **Step 4: Make a relevant statement**

Once you've welcomed your new members with open arms and understand how you will differentiate them, it's now up to you to create unique relevant messages. The relevancy rub relies solely in your ability to mine data that you already have. For example, you should know a loyalty member's most recent purchases; why not document those purchases via e-mail? Most loyalty programs have some sort of statement in place, whether it's just an aggregate amount of points, credits, or raw dollars earned. This data can easily be transformed into the digital world.

Staples Corporation does an effective job of sending loyal customers their reward statements via a quarterly e-mail. Similarly, Jetblue Airlines follows up with a monthly statement of aggregate points earned to all their TrueBlue® loyalty members. Both "e-statements" contain the reward information and ways to redeem, and also contain marketing promotional pieces. However, neither shows the previous purchases, but could certainly up the relevance ante if they did so.



### **Step 5: Be subjective**

It's easy to guess that both the Staples and JetBlue e-mails have extremely high open and click rates, so these promotional elements probably perform well. But with opens in mind, another tactic to consider is subject line templates. Using a consistent layout for your subject line may be a small but effective way to sustain opens and please your loyalty member.

For example, members of VeryShortList.com receive e-mails with a subject line that always begins with a VSL abbreviation. Templated subject lines not only help your members organize their inboxes, but also subtly train your members to be on the lookout for these subject lines because they contain something valuable.

### **Step 6: Offer clear and present reminders**

While the e-statement represents a perfect moment of engagement that is manufactured based on necessity, there are other moments during the loyalty lifecycle that are important to engage your members. For example, some rewards have an expiration date, be it at the end of the quarter or the end of the month. Providing a simple reminder, in true 'e-postcard' style, is a nice way to talk quickly, efficiently, and effectively to those special members who have earned. They will appreciate the gentle reminder and the non-overwhelming message.

Remember, the average person receives tens, sometimes hundreds of e-mails a day. A friendly hello with one clear message may be a welcome reprieve.

### **Step 7: Make customer service a priority**

One final piece to consider: make certain your customer service (or CRM team) contact information is readily available and visible in all communications. Loyalty members expect special treatment when they have concerns. Customer service tools that allow your CRM team to contact any member with an issue will go a long way in exploiting the expectation of special treatment. E-mail customer service tools help your members feel comfortable in your program.

In the end, being consistent in your communication, serving up relevant content, and providing the best possible customer service will help create the emotional connection that is key to the success of your loyalty program. The stronger the bond, the better brand advocates your members will be, providing a truly dependable customer base that can sustain your business through all types of economic ebbs and flows.