

LOVE 'EM, THEN LEAVE 'EM: MANAGING YOUR DATABASE AND SAYING GOODBYE

By Nicole Barker



If courting your customers was more like hockey, direct marketing would be a lot easier. There would be three periods of interaction: a beginning, a middle and an end. There would be a system to rank teams. There would be winners and losers. Hopefully, the drafting system would provide a means for all teams to taste success. Those at the bottom of the pack would know what it takes to rise to Stanley Cup status. In hockey, there are victories, bruises and the penalty box. Similarly, all can exist in courting your casino players.

Celebrating the victors is easy. Identify your top tier and shower them with rewards. This VIP group could be the top 10 percent of your database or thereabouts. Doing this well takes practice, but few mess this part up. The more difficult question is what to do with the bottom 10 percent of your database, the benchwarmers who have yet to play a full period. And finally, what do you do with those who disappear into oblivion — the people who visit once, sign up for a card and never return? Do you continue to take a beating in mail costs? Is it prudent to send your wayward players to the penalty box? Can you call a foul when a player doesn't respond?

Courting your players can be like hockey, but no one has to lose any teeth over it.

The Bass Pro Shops Example

Whether you have a tiered reward card system or not, it's important to let players know where they stand. We've been ranked since birth. When we're at the top, we want to hear about it. If we're at the bottom, I'm not sure we care. Like it or lump it, this competitive hierarchy is part of our culture. Bet on it — Bass Pro Shops did.

A recent letter I received from Bass Pro Shops opened with "Congratulations." Well, that's a good start. Obviously, I should read further to see what I've achieved. The letter thanked me for my business. That's nice. We all like to be appreciated. Next came the powerful promotional phrase. In bold letters, I read: "You are part of the top 10% of all Bass Pro Shops retail customers." Hey, I did it! I outspent my peers! I have more fishing gear and Columbia clothing than the next gal! I must really be special!

Notice the subtlety. I am not the biggest spender. Spending isn't mentioned at all. Likewise, you would never brashly thank your top tier for being the biggest losers. Word choice is critical here — calling out your top tier should leave a winning feeling in the recipient's gut, not one of guilt. Focus on the strength of your relationship.

■ We're sorry, but buying a pack of gum in our store amounts to nothing. You're not even worth the stamp we put on this envelope. ■

Obviously, something is going right if the exchange of goods and services has risen to this level.

Avoiding words is one thing, overusing them another. There is more than one way to impart "exclusive" in your direct mail missives. "Exclusive" isn't exclusive any more. Put it aside with other tired adjectives like "luxurious," "world-class" and "award-winning." Come on, you marketing Gretzkys out there, surprise your readers with something spicier.

Artfully honoring loyalty is what these rewards programs are all about. You want to make people feel special. You want them to feel like they've achieved the top 10 percent of something. If you can, give them a symbol of their achievement to carry around with them for the rest of the year. Give them a limited edition preferred loyalty card — Bass Pro Shops did.

Next time I go to the store, if I bring my mailing insert, Bass Pro Shops will print out a new card for me that's different from the rest. But my special status has an end date; I'm only special if I continue to outfit my family in Bass Pro Shops gear at my current rate of spending. If not, when Dec. 31, 2008, rolls around, my card will turn

into a pumpkin and I'll languish amongst the riff-raff. We'll see what kind of messages I'll receive along the way to motivate me to maintain my status, as I may lose track of how elite I am after this first announcement. I could fall back to the top 11 percent, and then where would I be? One percentage point away from greatness.

The Bed Bath & Beyond Strategy

Alternatively, can you imagine what you would say in a mailing to the bottom 10 percent of your database? The message could read: "We're sorry, but buying a pack of gum in our store amounts to nothing. You're not even worth the stamp we put on this envelope." But *au contraire, mon frère*. This is an important message to manage as well.

Bed Bath & Beyond exemplifies a direct marketer whose primary goal is to make sure all consumers within a defined radius of a store has an offer in hand. Its oversized postcards never change. The mail piece is blue and white, and in huge letters it has "20% OFF" emblazoned on one glossy side. Usually, I have two or three of these postcards lying around the house — you never know when you might need a new blender. I don't have a like postcard coming to my home from Linens & Things. I don't even buy gum at Linens & Things.

Having an offer in hand — a reason to return, no matter how small — is an acquisition strategy as well as a loyalty strategy. For the bottom 10 percent of a database, the casino is still in acquisition mode. Either those players have yet to fully grasp the rewards

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Our Gaming and Regulatory Law Department is pleased to profile:

BRIAN HARRIS

Brian Harris is Of Counsel at Lionel Sawyer & Collins, where his practice focuses primarily on gaming law and regulation. After graduation from the University of Nevada, Las Vegas and George Washington University Law School, Mr. Harris practiced labor law with the federal government in Washington, D.C. until his return to Nevada in 1983. He held several positions with the Nevada Public Utilities Commission, including Director of Regulatory Operations and Staff Counsel, until 1989 when he was asked by Nevada Governor Bob Miller to join his staff as the Governor's legal counsel. Mr. Harris held that position until 1993 when he was appointed as one of three members of the State Gaming Control

Board. He joined Lionel Sawyer & Collins in 1999 following the expiration of his term with the Board. Mr. Harris is admitted to practice in Virginia (inactive) and Nevada and before the U.S. Supreme Court and the U.S. District Court for the District of Nevada. He is a member of the American Bar Association, the International Association of Gaming Advisors, and the Gaming Law Section of the State Bar of Nevada.

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program, or they need a taste of what it is like to be treated like a better player. Having a strategy for the bottom 10 percent is just as important having a strategy for the top 10 percent.

The bottom 10 percent get discounted hotel rates instead of free nights, and those rates are just a shade better than if the room was booked online. They get 2-for-1 offers. They get calendar notices of other acquisition promotions that require slot play for eligibility. They also get repeat messages explaining the benefits of belonging to the rewards program. The mailing costs associated with this group can be astronomical, so send them a postcard, not a glossy invite. Send them a letter periodically, too. As part of a larger acquisition strategy, you can

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send them coupon books, but watch the redemption rates closely. If it’s not working, end the program. The most crucial element to monitor with your bottom 10 percent is their ability to redeem what you give them without play. Your retail mix on property may support visitors who don’t game. However, cordon off the segment of people in your database who come in for your casino freebies, and then walk out the door. Always give these people a play component. Never give them cash. Consider free play, if anything. Designate a timeframe during which to invest in enticing them to travel up your player food chain. If they don’t bite, throw them back. Save your marketing dollars for a more loyal crowd.

An Au Revoir from *Bon Appétit*

Bass Pro Shops currently thinks I’m special. My periodic visits to Bed Bath & Beyond merit a monthly postcard. However, the love that *Bon Appétit* magazine has for me has faded. I received the subscription as a gift and have not responded to their entreaties to renew. For a wayward reader like me, what’s a publisher to do?

Most magazines and newspapers would never make it to the second date if they were blindly set up with you. Immediately after you choose them, they begin to panic about their status in your relationship. Do you like me? Do you *really* like me? Will you commit to me for another year? If you’re not sure, we’ll give you a free tote. Not enough? How about a free tote and a second year for free? Are you still playing hard to get? How about a discounted rate for giving a subscription to a friend?

Of course, there’s a lot to the publishing business that I’m not paying respect to. Many periodicals print their address labels months in advance. They also must find success in drowning their subscribers in renewal offers. (Notice that in the renewal offers you receive they never tell you exactly when your subscription will end. Your mind may be telling you that you just paid for your subscription, but the notice will make you feel like everything is coming to an immediate close.)

So what does a highly evolved master casino marketer do when the love fades with your customer?

First, designate a cut-off date. Sometimes a trial separation will rekindle the love that a wayward player has for you. You’ve conditioned them to receiving regular offers. You must now have the courage to stop the insanity of mailing down the black hole of non-responders. Feel free to up the ante in your offers, sweetening the deal as the cut-off date approaches. It may take a higher level of reinvestment to get juicy players to wake up and smell your

offers, but remember the odor of desperation that you detect from magazine and newspaper offers. If you send “we miss you” messages too soon or too often, you become the loser that obviously no one wants.

Second, put your intentions on the table. Tell them when the countdown to sayonara begins. After a set number of “no” responses to your fabulous offers, start breaking ties. Include phrases like “We miss you, and since we last saw you, X, Y and Z have happened on property.” In the second-to-last letter, the language should get tougher: “You’re a good friend, but we can’t keep going on like this. If we don’t see you soon, we’ll have to say goodbye.”

And finally, be prepared to send the kindly kiss-off. This is not a break-up letter. There’s always a chance for the recipient to redeem himself. Here’s what *Bon Appétit* did sweetly and succinctly.

The full-colored envelope arrived in hot pink to grab my attention. In white letters, the teaser read “Goodbye, good friend. We’ll miss you!” The letter inside continued: “It’s never easy to say goodbye to a good friend. So you can be sure that you’ll be missed here at *Bon Appétit*.” Here’s where the groveling ended and the face-saving began — the next paragraph read: “And frankly, I think you’ll miss us, too.” The letter went on to roll out what to expect in the coming year that can’t be missed. It closed with a final come-back appeal. The P.S. was not a call to action, but it did say that no money up front was needed, *Bon Appétit* would bill you later. *Voilà!* A face-saving kiss-off.

Mastering the Hat Trick

Consider this a strategic exercise in managing who you communicate with. Master these three items, and you’re ready for the playoffs: treat your top 10 percent one way, the bottom 10 percent another, and don’t be afraid to say goodbye. This allows you to be more effective with your limited marketing dollars.

Dr. Ruth Westheimer is a master of courtship and would be a very good hockey referee. I can see her skating backward, shaking her finger at the players. If she were to close this article, she might say: “A courtship isn’t always sugar and spice. It’s hard work. You have to celebrate your best players and set limitations for the ones who aren’t showing you the love. Although high sticking may not be allowed, consider being more aggressive about what it takes for all parties to mutually benefit from your burgeoning relationship.” Right on, Dr. Ruth.



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