



EXPAND YOUR EXPECTATIONS"

Summer 2015 Franchise Business Network Meeting

July 21, 2015

11:30 a.m. – 1:00 p.m. CDT 12:30 p.m. – 2:00 p.m. EDT

Agenda

Welcome and Introductions Joel Buckberg, Shareholder Baker Donelson

Department of Labor's New Overtime Regulations and What It Means for Your Business Dena H. Sokolow, Shareholder *Baker Donelson*

Why Execution is the Weakest Link in Your Marketing Program Tim Johnson, President *FranConnect*

Top Digital Marketing Trends Impacting Your Business Leslie Skelton, Director, Digital Marketing and Interactive Services *Sullivan Branding*

Suzanne Hamm, Brand Strategy, Sponsorships *Sullivan Branding*



Joel R. Buckberg

Shareholder Nashville Phone: 615.726.5639 Fax: 615.744.5639 jbuckberg@bakerdonelson.com

Joel Buckberg is a shareholder in Baker Donelson's Nashville office and serves as leader of the Commercial Transactions & Business Counseling Group and is the co-chair of the Firm's Hospitality Industry Service Team, the practice group serving the franchise, distribution and hospitality markets. Mr. Buckberg counsels clients on business transactions and operations, particularly in hospitality, franchises and distribution, including strategic planning, development, disclosure, equity and debt financing, mergers and acquisitions, system policy and practice development, regulatory compliance and commercial contracts. Prior to joining Baker Donelson, Mr. Buckberg was Executive Vice President and Deputy General Counsel of Cendant Corporation. In his career, he has worked on the acquisition of worldwide hotel chains and their financing, de novo brand start-ups, multi-unit acquisitions, initial public offerings, hotel management agreements for existing and new build hotels, divestitures, master license grants, area development agreements, supply chain sourcing, distribution agreements, sales and marketing arrangements, and technology agreements.

Publications & Speaking Engagements

- Co-author "<u>New Opportunities in Cuba for U.S. Travel and Medical Companies –</u> <u>Cigars but not Commerce</u>," Baker Donelson Global Business Alert (January 29, 2015)
- Speaker "Building Your Brand," Entrepreneur Minute, September, 2014
- Co-author "<u>NLRB General Counsel Office: McDonald's, USA, LLC and Its</u> <u>Franchisees Are Joint Employers</u>," Baker Donelson Labor and Employment Alert, July 31, 2014
- Author "<u>Were The GM, Chrysler Dealer Terminations Constitutional?</u>" *Law360*, May 2014
- Author "<u>Terminated Auto Dealers Revenge Were the GM/Chrysler Dealer</u> <u>Terminations Unconstitutional?</u>" *Hospitalitas* newsletter, Spring 2014
- Co-speaker "Product Distribution Agreements," webinar, Strafford, December 2013
- Co-author "<u>SEC Takes First Significant Steps Toward Crowdfunding</u>," *Franchising Business & Law Alert*, October 2013
- Speaker "Understanding Financial Statements," ABA Forum on Franchising annual meeting, Orlando, Florida, October 2013
- Co-speaker "<u>Perhaps You Are Your Brothers' & Sisters' Keeper</u>," Tennessee Hospitality Association's Annual Hospitality Law Symposium, July 2013

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- Author "<u>KFC Franchise Guarantors Not Subject to Mint Julep Jurisdiction</u>," *Hospitalitas* newsletter Issue 3, November 2012
- Co-author "Delivery and Updating" chapter, American Bar Association Forum on Franchising FTC Franchise Rule, 2012
- Co-speaker "Product Distribution Agreements," webinar, Strafford, September 2012
- Author "<u>FTC Modifies Franchise Rule</u>," *Hospitalitas* newsletter Issue 2, August 2012
- Co-author "Join the Crowd Is Franchising Uniquely Suited for Crowdfunding?" Hospitalitas newsletter Issue 2, August 2012
- Co-author "<u>Franchisee's Disregard of LLC Formalities Creates Exposure for LLC Debts</u>," *Hospitalitas* newsletter Issue 2, August 2012
- Author "Franchisor's Addendum Enhances Franchisee's Right to Assign Store Lease," *Hospitalitas* newsletter Issue 1, February 2012
- Author "<u>Are Shuttle Drivers Franchisees or Employees? Ninth Circuit Wants Lower</u> <u>Court to Decide</u>," *Hospitalitas* newsletter Issue 5, December 2011
- Featured "<u>The Rights Guard: What Floats Franchise Attorney Joel Buckberg's Boat</u> <u>After Hours</u>," *Franchise Times*, June/July 2011
- Speaker "<u>The Franchise System Post-Private Equity Investment</u>," IFA 2011 Legal Symposium, Washington, D.C., May 16-17, 2011
- Speaker "Fran-Guard: Sales Management and Compliance," 2011 International Franchise Association's 51st Annual Convention, Las Vegas, February 2011
- Author "<u>Oregon Affirms Commitment to Franchisee as Employee Ruling</u>," *Hospitalitas* newsletter Issue 1, January 2011
- Featured "<u>A Must-Read Q&A With Attorney Joel Buckberg</u>," Franchise Times SuperBook, October 2010
- Co-author "<u>Healthcare and Franchising–Compatible or Contraindicated?</u>" Business Law and Governance, AHLA, October 2010
- Author "<u>Tough Locations Produce Complex Litigation</u>," *Hospitalitas* newsletter 2010, Issue 3, September 2010
- Co-author "Does Your Point of Sale System Comply with PCI and New State Statutes?" *The Business Lawyer*, January 2010
- Co-author "Annual Franchise and Distribution Law Developments 2009," American Bar Association Forum on Franchising, October 2009
- Author "Franchisee Tips for Troubled Times," HotelWorld Network, March 18, 2009
- Co-author "Disclosure Law Violations: Understanding the Penalties," *Franchising World*, August 2008
- Author "Franchise Compliance Sets the Tone," *Franchising World*, November 2007
- Author "When Private Equity Knocks, Will You Be Ready to Answer?" about private equity in LJN's *Franchising Business & Law Alert*, August 2007

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- Co-author "Legal Issues Arising from the Ownership of Competing Franchise Systems," American Bar Association Forum on Franchising (October 1999)
- Author "Dealing with Franchisees in the Workout Process," in *The Real Estate Workout Deskbook* (H. Zuckerman, ed., Probus Publishing, Chicago 1992)
- Frequent Contributor to *Franchise Times* magazine and *Lodging Business*, the magazine of the Asian American Hotel Owners' Association.
- Lectured on the subject of condominium hotels at the Annual Meeting of the International Bar Association
- Frequent lecturer on domestic and international franchising and hospitality at programs sponsored by International Franchise Association, American Bar Association Forum on Franchising, The Lodging Conference, and Cardozo Law School.

Professional Honors & Activities

- President and founder National Franchise Council, 1998 2000; Chairman, 2000 2003
- Chairman International Franchise Association Legal Legislative Committee and Corporate Counsel Committee, 1997 98
- Administrator International Franchise Association Franchise Compliance Training Program, 2007 – 2011
- Trainer FRAN-GUARD franchise compliance training program, 2010 present
- Member American Hotel & Lodging Association General Counsel Committee
- AV[®] Preeminent[™] Peer Review Rated by Martindale-Hubbell
- Listed in *Best Lawyers in America*[®] in the area of Franchise Law since 2008
- Named the Best Lawyers' 2014 Nashville Franchise Law "Lawyer of the Year"
- Named to Who's Who Legal: The International Who's Who of Business Lawyers since 2009
- Named to *The International Who's Who of Franchise Lawyers*, 2008, 2011, 2012
- Named to "Legal Eagles" by Franchise Times, 2007 2015
- Named to "20 People to Watch in Franchising" by *Franchise Times*, November 2001
- Named to "New Jersey's Top Rated Lawyers" by ALM, 2012
- Member Board of Trustees, Immune Deficiency Foundation
- Member United States Coast Guard Auxiliary

Admissions

- Texas, 1980
- Georgia, 1981
- New Jersey, 1994
- Tennessee, 2006

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Education

• Vanderbilt University School of Law, J.D. 1980; M.B.A., 1980

• Union College, 1976



Dena H. Sokolow

Shareholder Tallahassee Phone: 850.425.7550 Fax: 850.270.6723 dsokolow@bakerdonelson.com

Dena H. Sokolow has more than 20 years of experience counseling and defending employers and management on a wide range of labor and employment matters. Her litigation experience includes arbitrations, class/collective actions, single and multiple plaintiff lawsuits, administrative proceedings involving employment discrimination and harassment, retaliation, wage and hour, state whistleblower claims and common law claims. With a practice spanning Florida, Georgia, Alabama and beyond, Dena has handled virtually every type of discrimination case at either the federal, state or agency level, including sexual harassment, race, sex, pregnancy, disability, religion, age, national origin and retaliation. Dena's clients range from start-ups to Fortune 100 companies.

Dena partners with her clients to best position them to avoid employment law claims or, at a minimum, put the company in the strongest position to defend such claims. She regularly conducts customized audits to ensure compliance with federal and state employment legal requirements such as wage and hour, record retention, hiring and termination practices, FMLA leave practices, job descriptions and personnel policies and procedures. She also conducts management and employee training on a variety of topics that are specifically tailored to each employer's policies, practices and particular needs.

A unique aspect of Dena's practice is her work as employment counsel leading up to corporate mergers, acquisitions and sales. In this role, Dena acts as an auditor for the buyer or seller, and conducts due diligence of a company's HR policies, agreements, staffing issues, and all other employment-related issues. Her advice allows companies to better position themselves throughout the buying or selling process.

Dena has spent her entire career working in, with or for human resources. Before entering law school, Dena was an HR generalist at a staffing company, and during her legal career she owned and ran an HR consulting business.

Recent Representative Matters

- Granted attorneys' fees in a Title VII race discrimination case after prevailing on a Motion for Summary Judgment and subsequent appeal to the 11th Circuit Court of Appeal.
- Represented title company in a Department of Labor wage and hour audit where the DOL was alleging the company owed in excess of \$120,000 in unpaid overtime. Negotiated with DOL and assisted in recalculation of DOL's figures. Company paid less than \$15,000.

- Effectively defended a national supplier of soft drinks and chips in a national origin discrimination case where the former employee appealed a "No Cause" determination from the Florida Commission on Human Relations to an administrative hearing and then an appellate court.
- Successfully argued new interpretation of Florida Public Employees' Relations Act before Florida's First District Court of Appeal.

Publications & Speaking Engagements

- Presenter "<u>Tight Around the "White" Collar The Proposed New Overtime</u> <u>Regulations</u>," Baker Donelson Webinar (July 14, 2015)
- Presenter "2015 FLSA Changes Webinar: How to Plan, Budget and Prepare," Baker Donelson Webinar (July 6, 2015)
- Author "<u>Newly Revised Model FMLA Forms Are Now Available</u>," Baker Donelson Labor and Employment News (June 15, 2015)
- Author "<u>Ah, Social Media: Blurring the Lines Between Work Life and Personal Life</u>," Baker Donelson Labor and Employment News (May 19, 2015)
- Presenter "The Inside Scoop Top 10 Employer Mistakes According to the Solicitor of Labor," Baker Donelson Webinar (May 12, 2015)
- Co-author "<u>The Inside Scoop: Top 10 Employer Mistakes According to the Solicitor</u> of Labor," Baker Donelson Labor and Employment Alert (May 7, 2015)
- Presenter "<u>Beyond the Water Cooler: Social Media Overload in the Workplace</u>," Baker Donelson Webinar (April 14, 2015)
- Presenter "<u>The Sky is Falling! Chicken Little and Florida's Whistle-blower's Act</u>," Baker Donelson Webinar (February 10, 2015)
- Quoted "<u>Pregnancy Discrimination: What ACSs Need to Know</u>," ACS Focus magazine (January 2015)
- Presenter "Baby Bump Blunders! Avoiding Pregnancy Discrimination in the Workplace," Baker Donelson L&E Breakfast Briefing (October 16, 2014)
- Co-author "Baby Bump in the Road: The EEOC's Recently Published Guidelines on Pregnancy Discrimination Create More Confusion than Clarity," *Complying With Employment Regulations* (2014 Edition)

Professional Honors & Activities

- AV[®] Preeminent[™] Peer Review Rated by Martindale-Hubbell
- Member State Bar of Georgia
- Member The Florida Bar
- Member Alabama State Bar
- Member American Bar Association, Labor and Employment Section
- Member Society for Human Resource Managers
- Florida Trend Magazine "Legal Elite" in Labor & Employment Law (2013)

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Admissions

- Georgia, 1994
- Florida, 1994
- Alabama, 2006
- U.S. District Court Northern and Middle Districts of Alabama
- U.S. District Court Northern, Middle and Southern Districts of Florida
- U.S. District Court Northern District of Georgia
- U.S. Court of Appeals 11th Circuit

Education

- Georgetown University Law Center, LL.M. (Labor and Employment), with Distinction, 1995
- Florida State University, College of Law, J.D., with Honors, 1994
- Tulane University, New Orleans, Louisiana, B.A., cum laude, 1990





Tim Johnson, President FranConnect

Tim Johnson serves as President of Brand Development at FranConnect.

Prior to that, Johnson started and ran Process Peak, where his team focused exclusively on achieving client success through services and software solutions at the brand and local level.

Process Peak specialized in the development, deployment and management of strategies and services to more than 125 brands for new franchisee acquisition and local growth.

Prior to starting Process Peak, Mr. Johnson served as the VP of Marketing for a California based Coaching franchise where he was responsible for System growth and technology systems.

He was chartered with developing the software foundation meant thorough discovery of existing franchise software solutions to grow the Area Developer fueled franchise model.

The results of that discovery process made it clear that the industry was ripe for a fresh approach and new technology, Process peak was born.

Tim's 20 plus years of experience developing and positioning targeted products and services along with surviving the <u>dot.com</u> implosion have resulted in a well principled understanding of how to integrate conventional marketing into highly converting online experiences required for success in today's marketplace.



Suzanne Hamm *Brand Strategy, Sponsorships*

Suzanne specializes in connecting brands and people — especially through highly targeted and heavily integrated marketing partnerships. Most recently Suzanne worked at Capital One Bank, the country's fifth largest financial institution, overseeing brand marketing for retail, small business and Commercial segments as the company expanded its footprint through large acquisitions. She also led the RFP process, conversion and launch of an enterprise-level web platform to better organize, track and report the use of more than \$155 million of hospitality assets.

Fluent in sponsorship and branding, Suzanne leverages the power of this channel to create multi-platform initiatives to create unique experiences that foster long-lasting relationships and, ultimately, drive revenue. During the course of her career, she has been responsible for leveraging elite sponsorship properties such as Super Bowl XLVII and XLVIII, the NCAA Men's Final Four Championship, New Orleans Jazz Festival and The Masters Tournament. She constantly seeks to ensure that each brand's position, promise and personality are understood across all marketing channels. And, with more than 20 years of experience in brand stewardship, community relations, and sponsorship creation and implementation, she never loses sight of the end game.

Client Industry Experience: Financial Services, B2B, Entertainment, Non-Profit, Telecommunications, Restaurants, Retail and Gaming

Leslie Skelton Director of Digital and Interactive Services

Leslie embodies our version of fearless. She grew our digital department from one person to a team of more than 10; she's an entrepreneur who founded her own T-shirt company; and she thrives on change and adapting to it, which is a good skill to have in the fast-moving digital realm. And when she sets her mind to something — watch out.

Her career began in publishing, but she quickly recognized the opportunity the internet could — and would — bring. She made it her mission to learn everything she could, and the rest, as they say, is history. Now, she helps our clients make

the most of the digital space, ensuring that they don't limit their focus to a website or a single email campaign. Instead, she helps them create a cohesive ecosystem where all their digital assets work together, both seamlessly and fearlessly.

Client Industry Experience

Automotive, Events, Financial, Publishing, Restaurant/Hospitality, Retail



Tim Johnson President

Why Execution is the Weakest Link in Your Marketing Program

Fundamentals

Desire-Commitment

Investigation-Benchmark

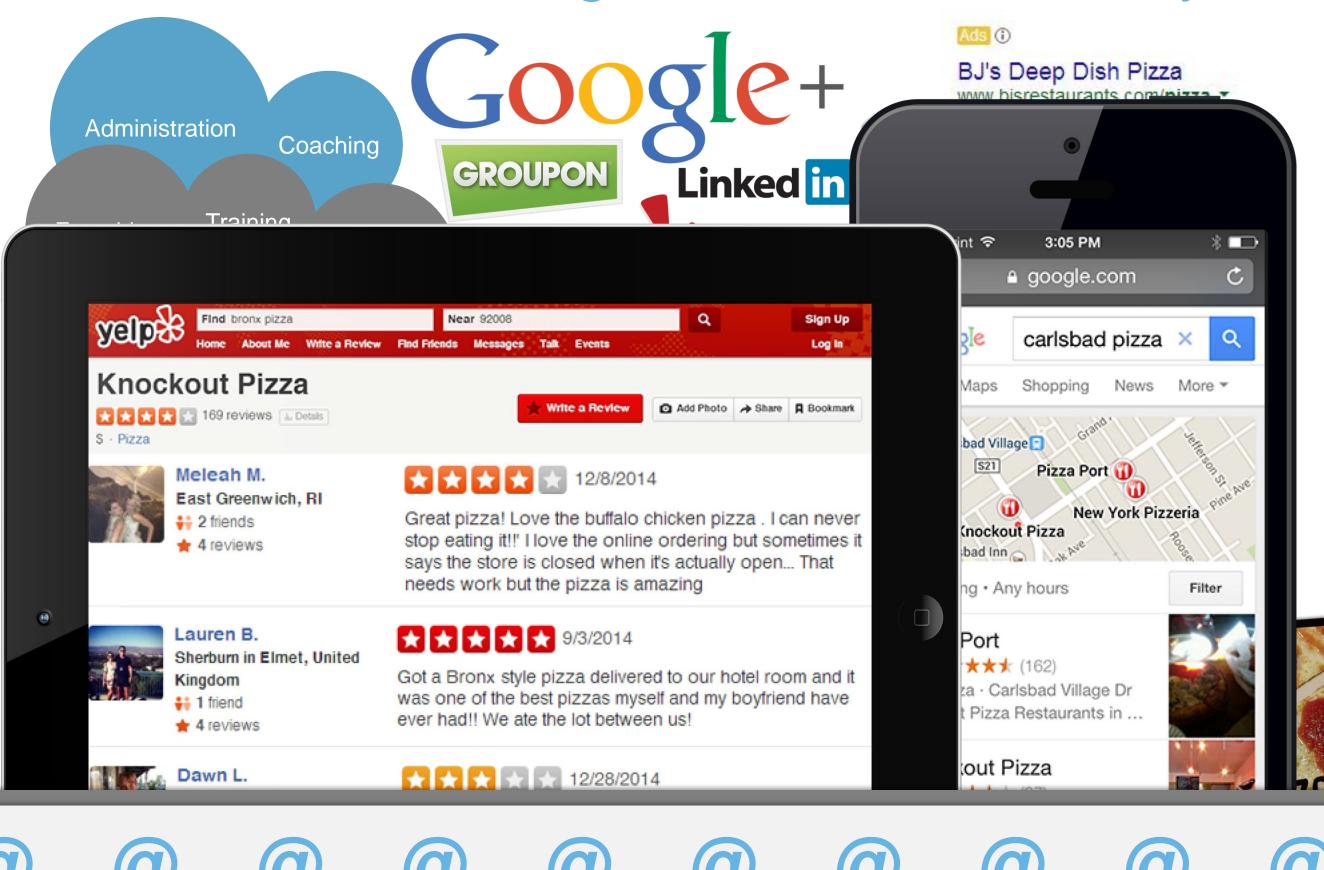
KPI's-Goals

Communication-Buy In

Execute-Participation

Share results- Repeat

The Growth of Your Franchise System is the direct result of Your Franchisees being able to execute locally



Training and Guidance are not enough anymore

Most Franchisees are too busy with the day to day operations of their business and do not have the competency or bandwidth to effectively execute marketing on their own.

677% of FRANCHISORS believe that SALES & MARKETING have the largest impact on the SUCCESS of their FRANCHISEES.

Local marketing is critical to increasing revenues and customers. Yet franchisees spend less than 2% of their time on marketing.

You Need MARKETING OPERATIONAL EXCELLENCE

Investigation-Benchmark

Communication tools, frequency, results

Emails, opens, click-thru's, actions

Intranet, log ins, assets accessed

Webinars

Past executions

Outcomes

KPI's & Goals

Memorialize Historic Benchmarks

Communication Strategy



Actions-clicks

Webinar attendance and recording views

Measurable initiative(s) Outcome

Communication & Buy In

Establish/utilize Counsel for creation

Why-Desired Outcome

Touches and frequency

Expectations

Tracking

Feedback cycle



Execution & Participation

Overview of actions

Method of measurement and reporting

Expectation

Roles

Communication/Publishing engagement

Results and Repeat

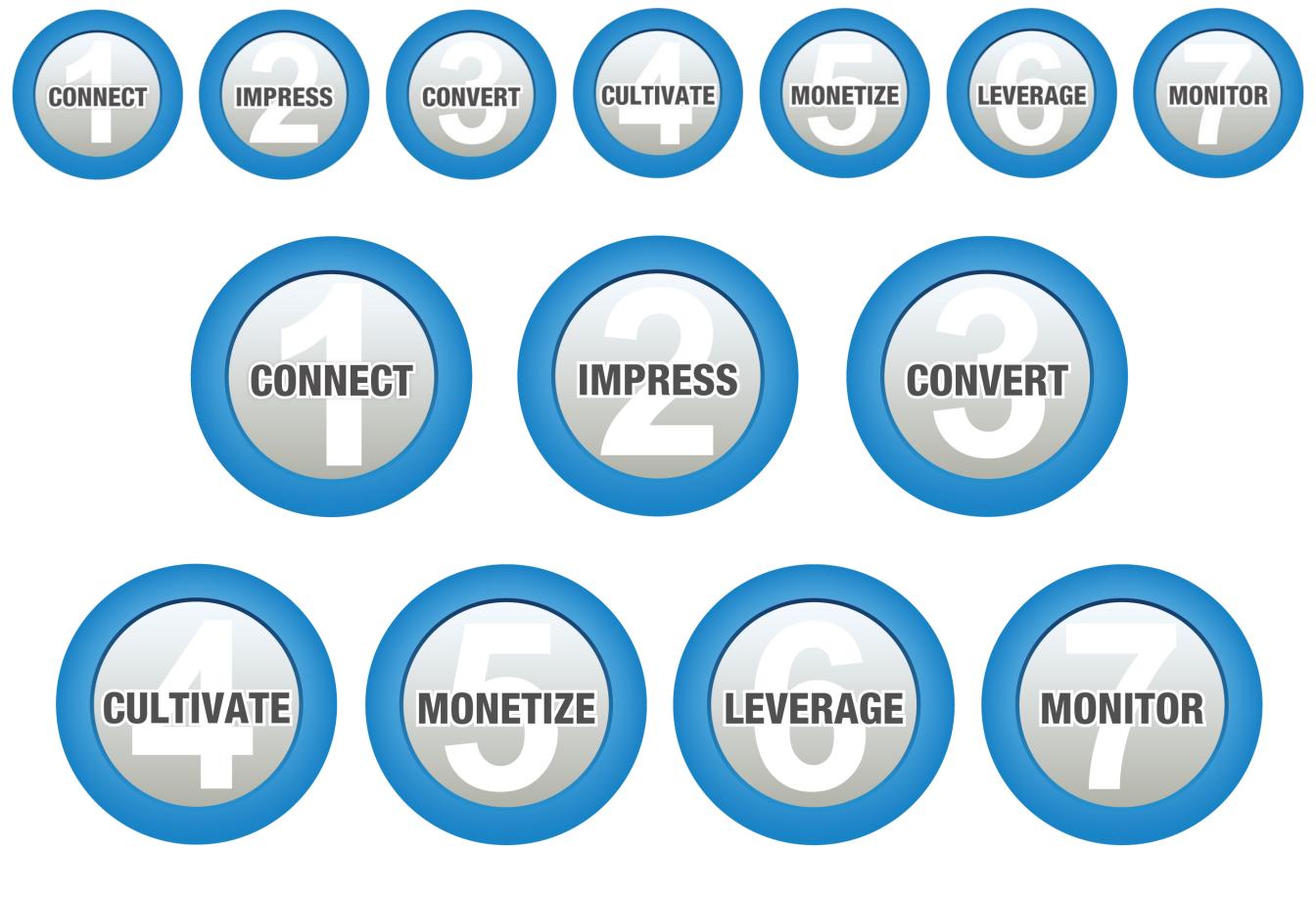
Share

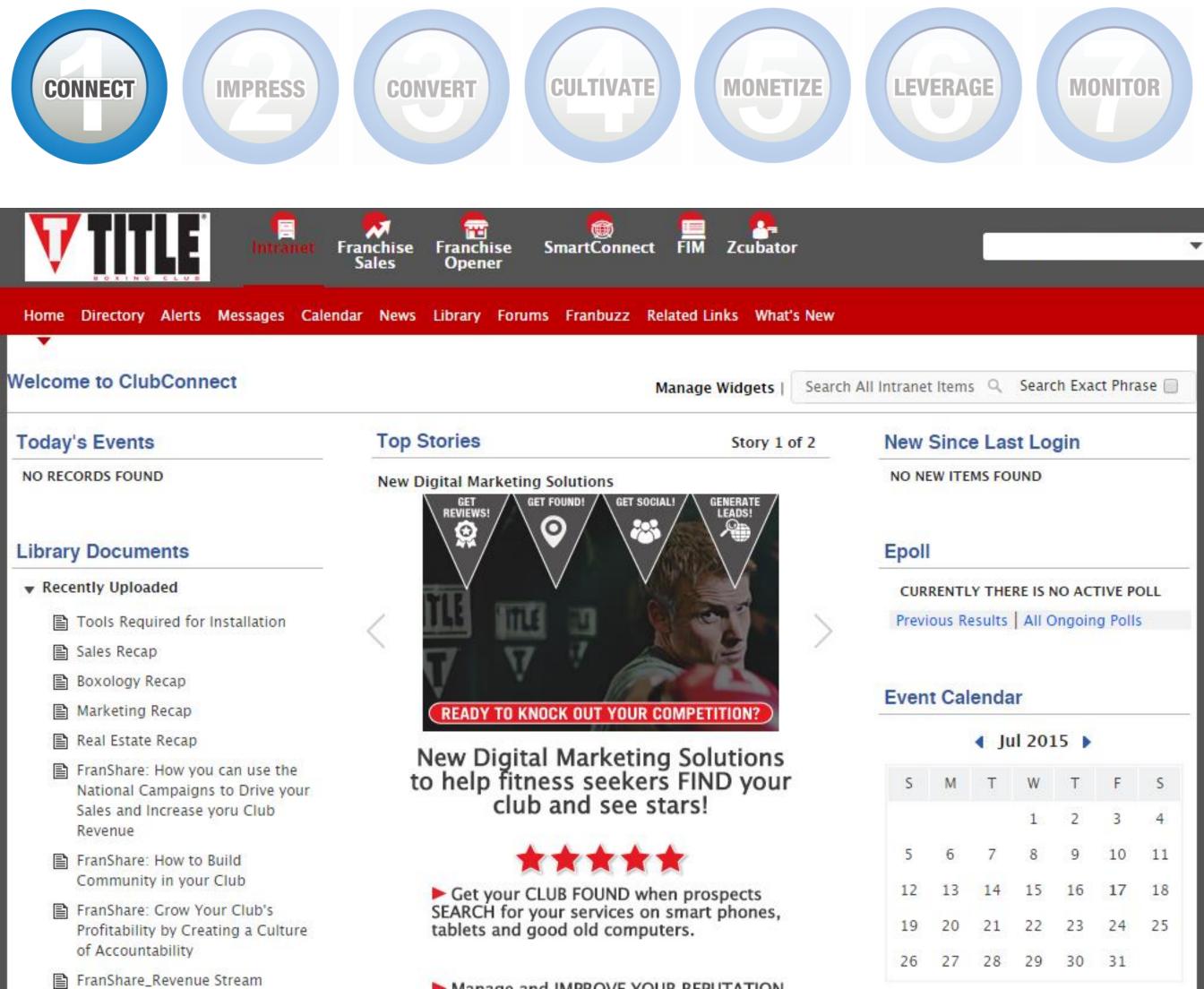
Engagement goals and results

Desired outcomes and actuals

Lessons learned





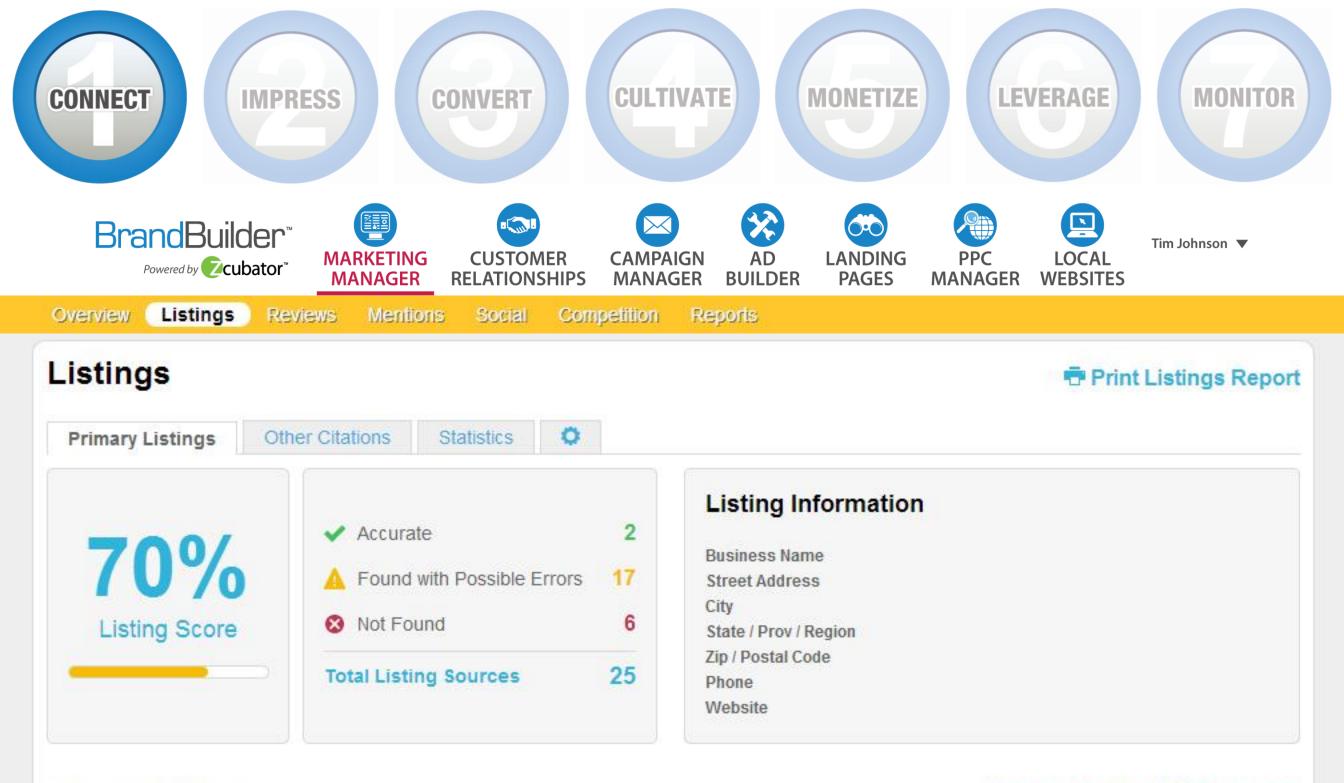




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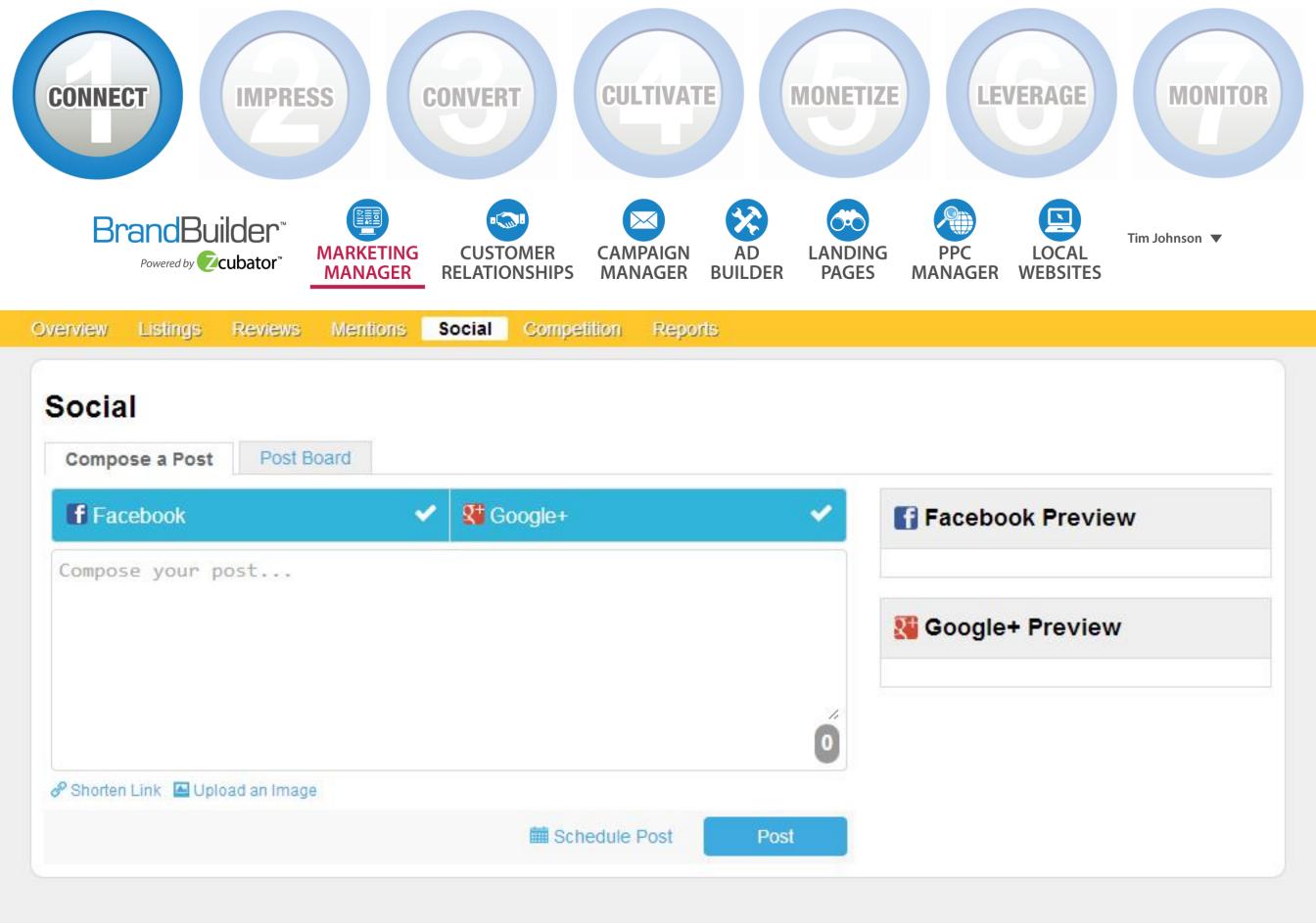
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	<u>TSK1577</u> ↓	<u>VST217</u>	Forward Customer Compliment in Writing to Performance Consultant	TX0055	Danielle Roppolo	Unassigned	Not Started	07/01/2015	07/02/2015	0
	<u>TSK1134</u> ↓	<u>VST161</u>	Forward Customer Compliment in Writing to Performance Consultant	WA0015	Danielle Roppolo	Unassigned	Not Started	05/08/2015	05/09/2015	0
	TOK4002	VOT457	Review Management Tools to Begin Implementing	MORE	Danielle	I I was a law and	Not	05/00/2045	05/40/2045	•

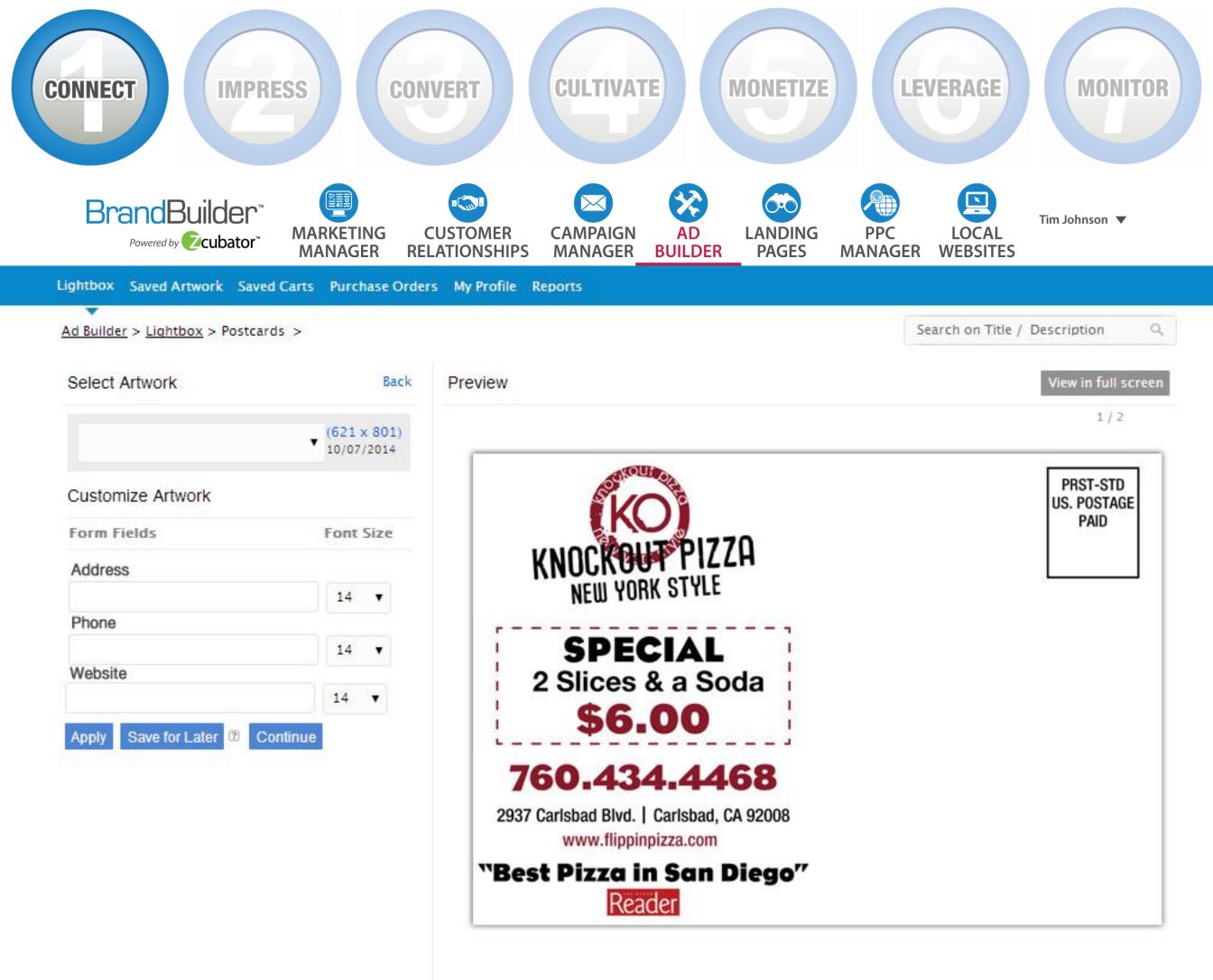


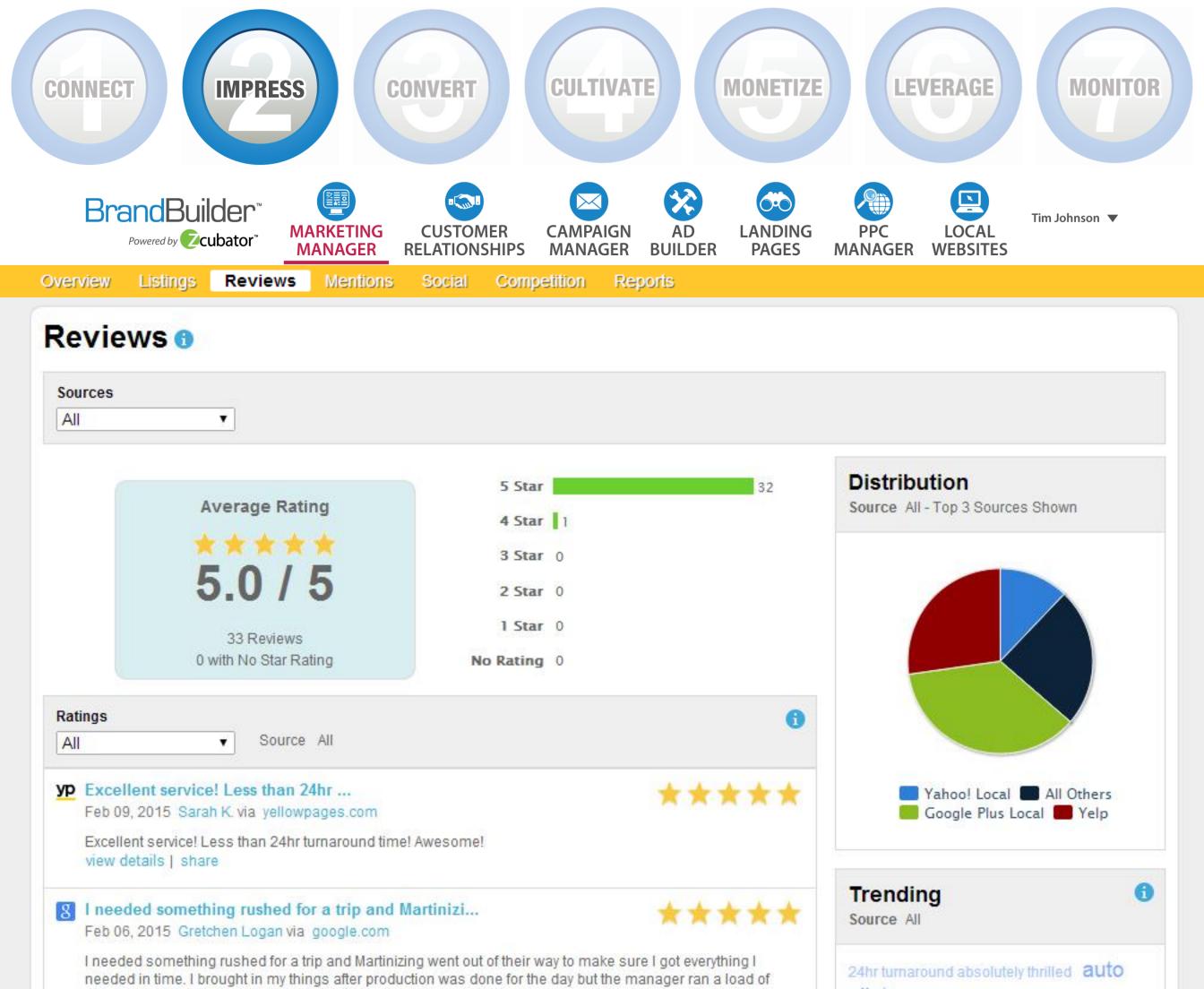
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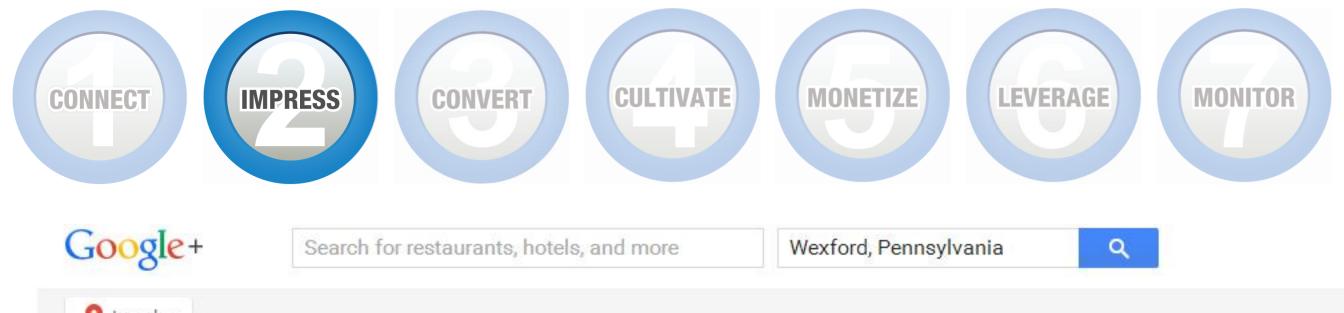
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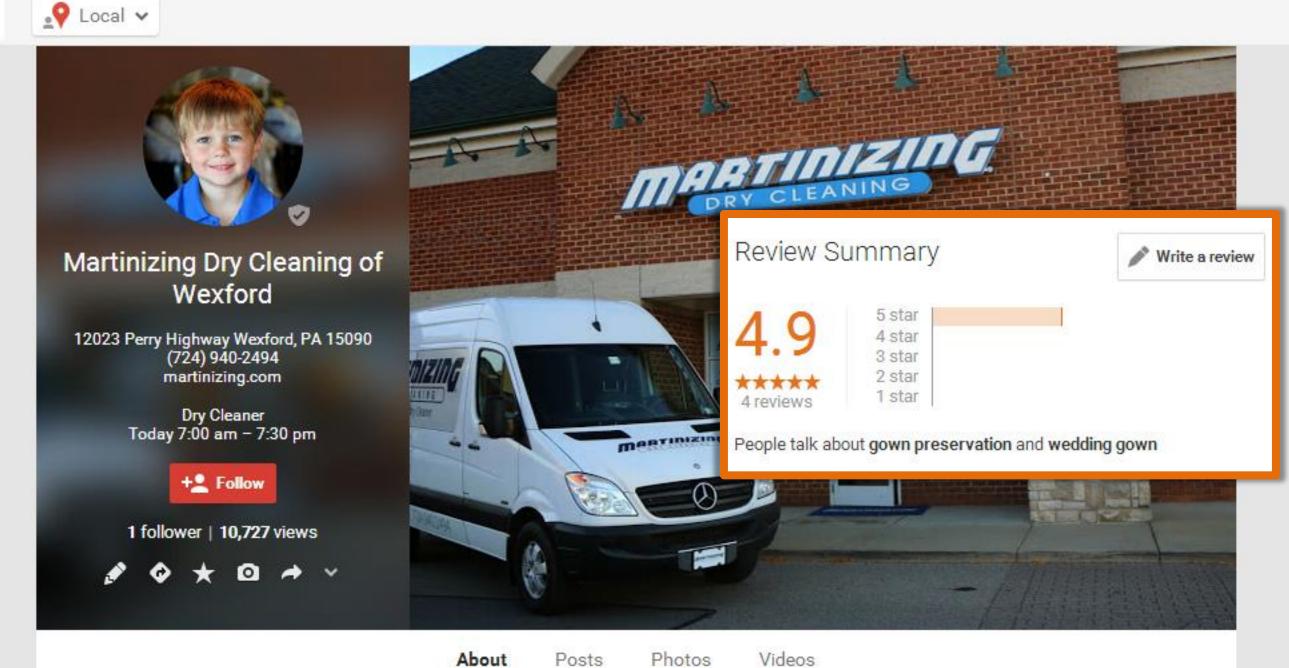
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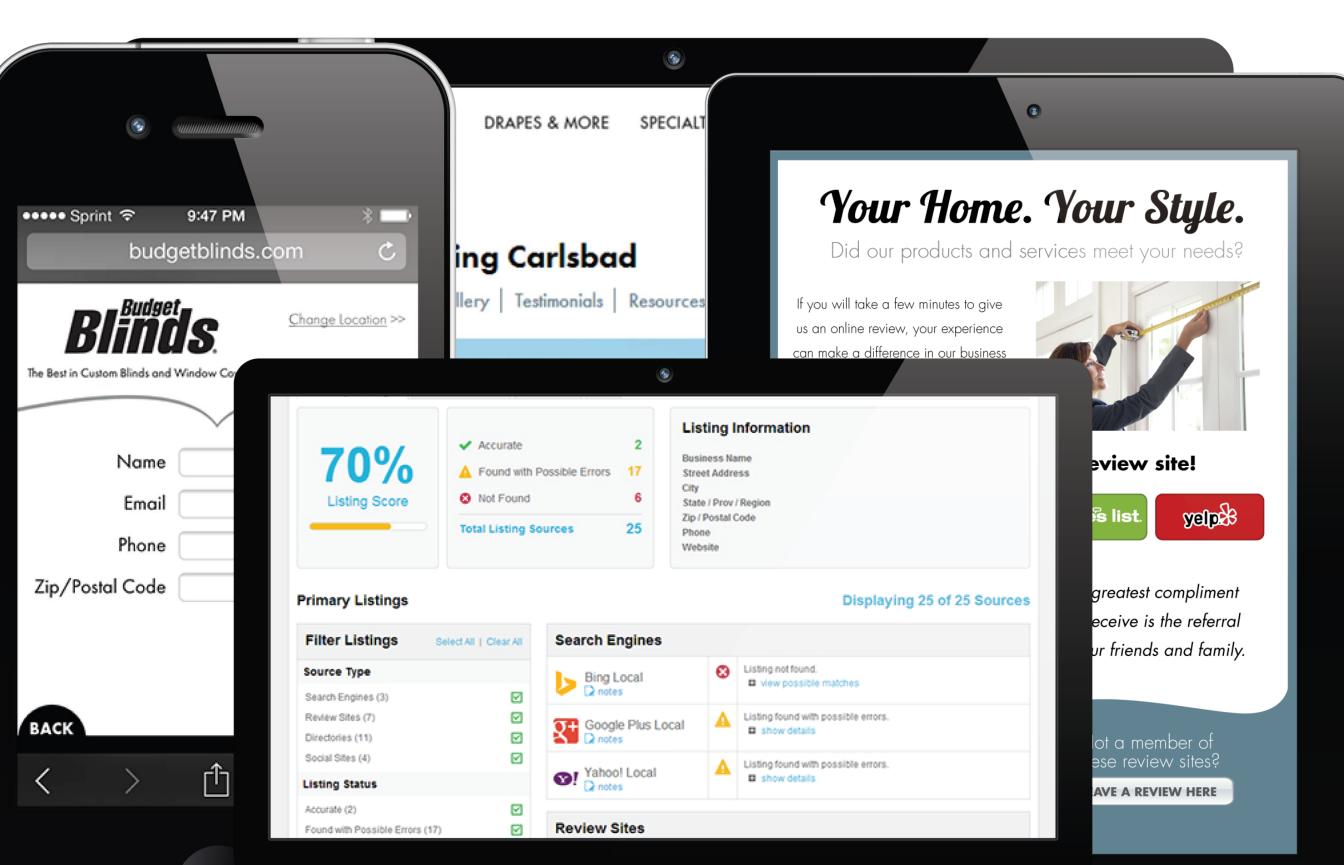


Q Donna Cosentino

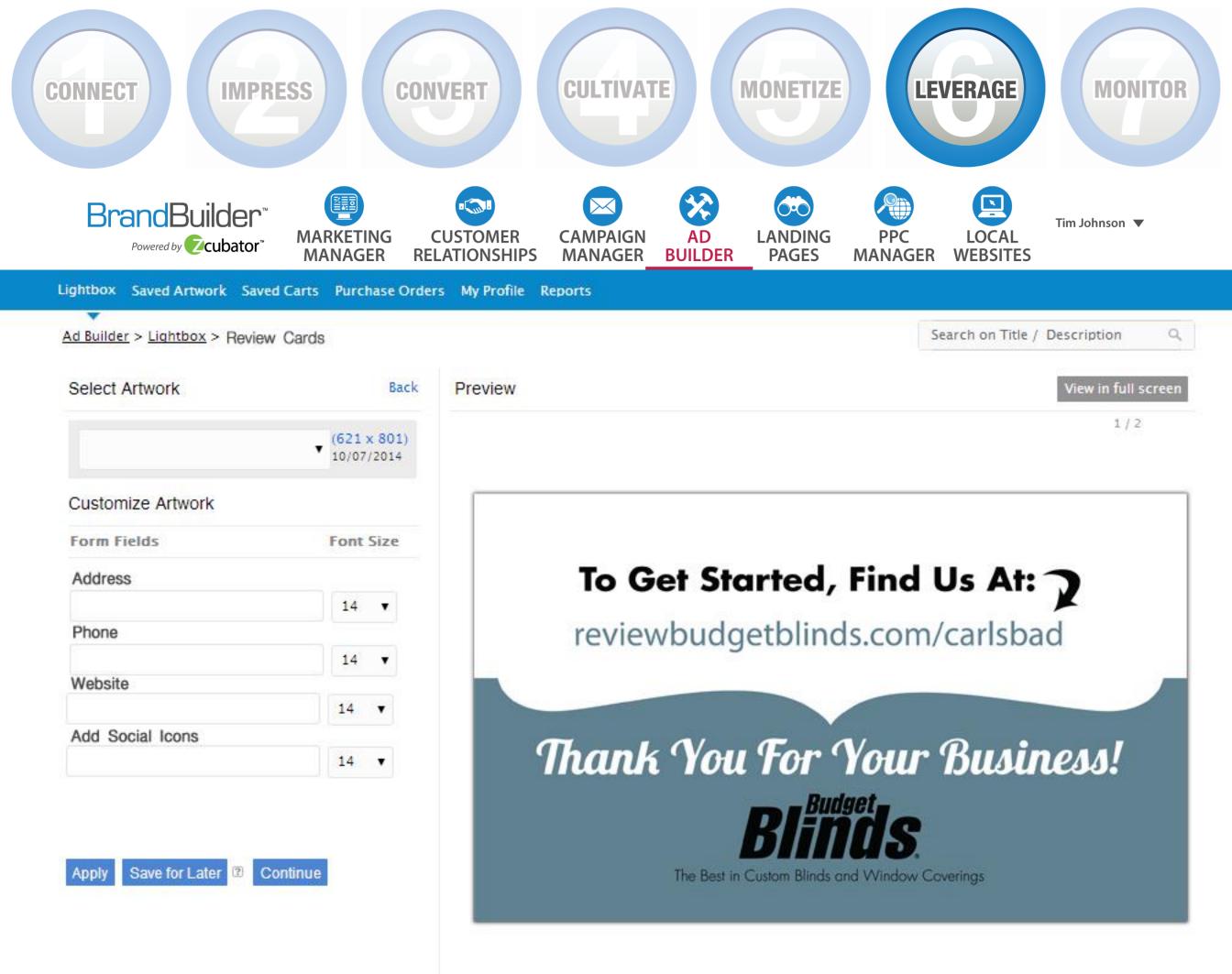
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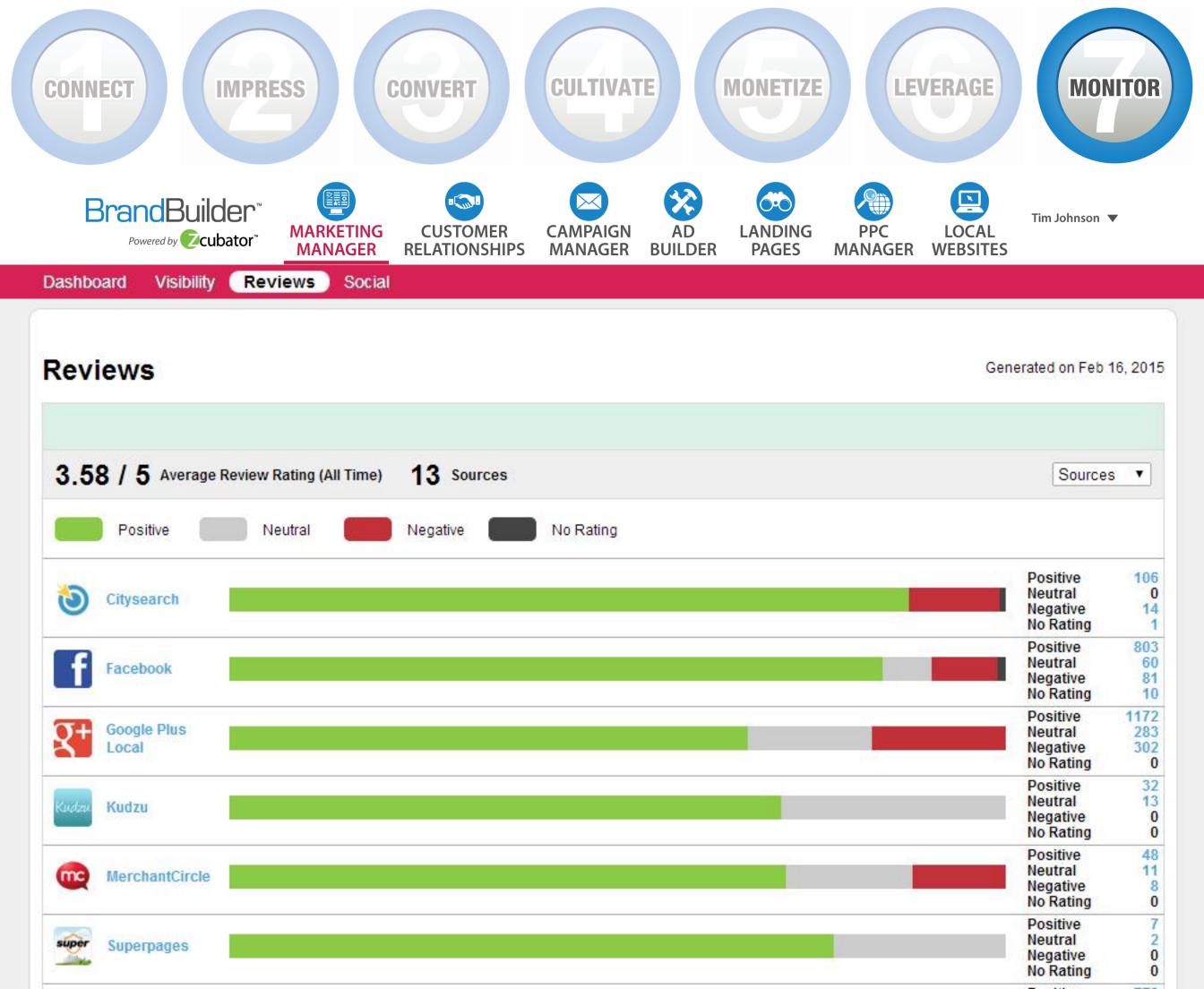
We had a sport coat dry cleaned that is very precious to us.





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Simple yet mandatory steps

Define ideal execution

Develop Marketing Plan and Metrics

Collaborate to optimize adoption

Introduce to the system

Train as required

Measure results and refine

Tight Around The "White" Collar The *Proposed* New Overtime Regulations' Impact On The Hospitality Industry

IFA Franchise Business Network Meeting July 21, 2015



Dena H. Sokolow

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EXPAND YOUR EXPECTATIONS*

Starting At The Beginning... Wage And Hour Law

The Fair Labor Standards Act (FLSA) is the federal law that governs wage and hour. The FLSA has three basic requirements:

- Employees must be paid at least federal minimum wage (\$7.25) for all hours worked;
- Employees must be paid an overtime premium (at time and onehalf the regular rate of pay) for all hours worked over 40 hours in a workweek; and,
- Record keeping.

Categories Of Exemptions

- Executive
- Administrative
- Professional
- Outside Salespersons
- Highly Skilled Computer Employees
- Highly Compensated Employees (HCE)



March 13, 2014 Presidential Memorandum to the Secretary of Labor, Tom Perez

- The "white collar" exemption regulations are outdated.
- Millions of Americans should be paid overtime and are not because the regulations are outdated.

"Therefore, I hereby direct you to propose revisions to **modernize and streamline** the existing overtime regulations... and **simplify** the regulations to make them easier for both workers and businesses to understand and apply."

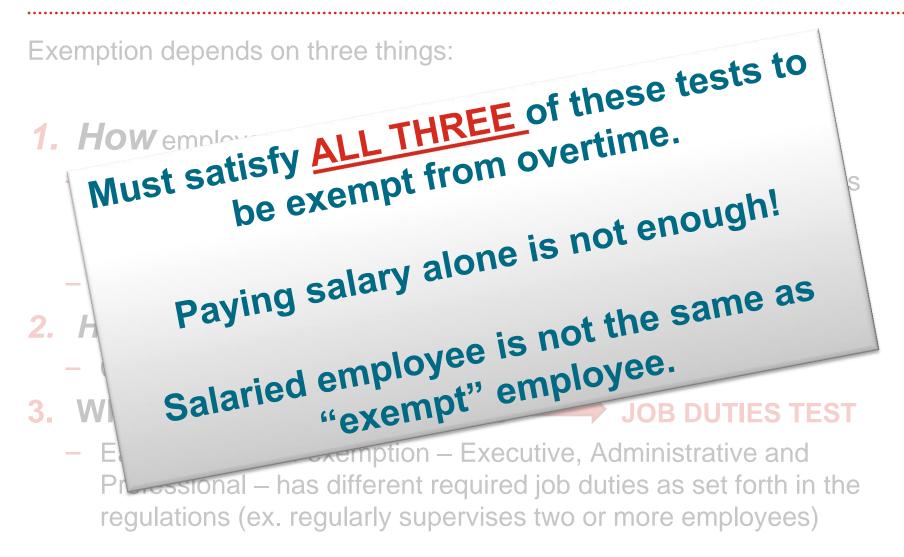
Hospitality And Retail On DOL's Radar

"The assistant manager at a fast food restaurant who puts in 60-70 hours a week for \$455 and spends almost all of their time performing the same work as the employees they supervise and who does not get overtime is getting a raw deal," says Labor Secretary Tom Perez. "We are updating the rule to prevent this situation."



Exemption depends on three things:

- **1.** How employees are paid **SALARY BASIS**
 - Employee must be paid a pre-determined and fixed salary that is not subject to reduction because of variations in the quality or quantity of work performed
 - No partial day deductions
- 2. *How much* they are paid **SALARY LEVEL**
 - Currently this is \$455/week or \$23,660 per year
- 3. What *kind of work* do they do **JOB DUTIES TEST**
 - Each category of exemption Executive, Administrative and Professional – has different required job duties as set forth in the regulations (ex. regularly supervises two or more employees)



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No partial day deductions

- 2. How much they are paid **salary level**
 - Currently this is \$455/week or \$23,660 per year
- 3. What kind of work do they do JOB DUTIES TEST
 - Each category of exemption Executive, Administrative and Professional – has different required job duties as set forth in the regulations (ex. regularly supervises two or more employees)

To currently qualify for exemption, employees be paid on a salary basis at not less than \$455 per week (\$23,660.00 annually).

The new proposed salary threshold for exemption is \$50,440 (\$970 per week)!

- More than two times the current salary basis
- 40th percentile of weekly earnings for full-time salaried workers nationwide
 - Compared to 2004 looked at 20th percentile of salaried employees in South and retail industry

What Is Included In The \$50,440?

• Bonuses or Incentive Pay?? Probably, but:

- no "catch up" payments
- non-discretionary
- "strictly limit[ed]" 10 percent?
- tied to productivity, profitability and/or specified performance metrics
- paid frequently "employees would need to receive the bonus payments monthly or more frequently"
- **Commissions?** Doubtful but seeking comments
- Other paid benefits? No

And There's More...

DOL is also proposing to include a mechanism to **automatically update** the salary and compensation thresholds <u>annually</u> using a fixed percentile of wages or the Consumer Price Index. Any of your salaried "exempt" employees (i.e., currently ineligible for overtime pay) who make less than \$970 per week or \$50,440 annually will be re-classified as non-exempt and entitled to overtime when the final rule goes into effect.

- Also required to comply with the DOL's record keeping requirements for non-exempt employees:
 - hours worked each day
 - total hours worked each week
 - daily/weekly straight time earnings for the workweek
 - overtime earnings for the workweek

What Is The Process Now?

- "Notice and Comment" Rulemaking
 - Comments are due before 11:59 p.m. on September 4, 2015. (60-day comment period) <u>www.regulations.gov</u>.
- After comment period ends, DOL will:
 - Proceed with the proposed changes (issue a final rule);
 - Issues a new or modified proposal (this will include a new comment period); or,
 - Take no action on the proposed rule.

Practical Impact

- More employees entitled to overtime
 - DOL estimates almost 5 million employees will become non-exempt under the new regulations
- More overtime claims and lawsuits
 - From 2004 (date of last revision) to 2007 the number of new FLSA suits rose 40 percent and there was a 98 percent increase in collective actions
- Expect increase in number of DOL audits will target restaurants and hotels



What Do We Do Now?

AUDIT

Self Audit

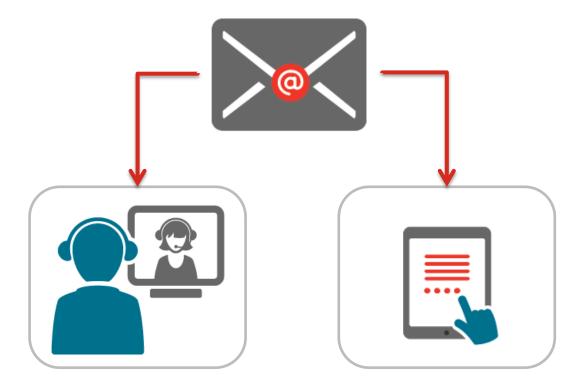
Identifying affected employees and possible impact issues

- Gathering data for compensation analysis
- Reviewing policies on pay practices, leave, etc. And impact on newly classified nonexempt employees

Outside Audit

- Privileged
- Assist in compiling data and providing legal alternatives on reclassification
- Golden opportunity to analyze and correct any misclassification... "The law made us do it"

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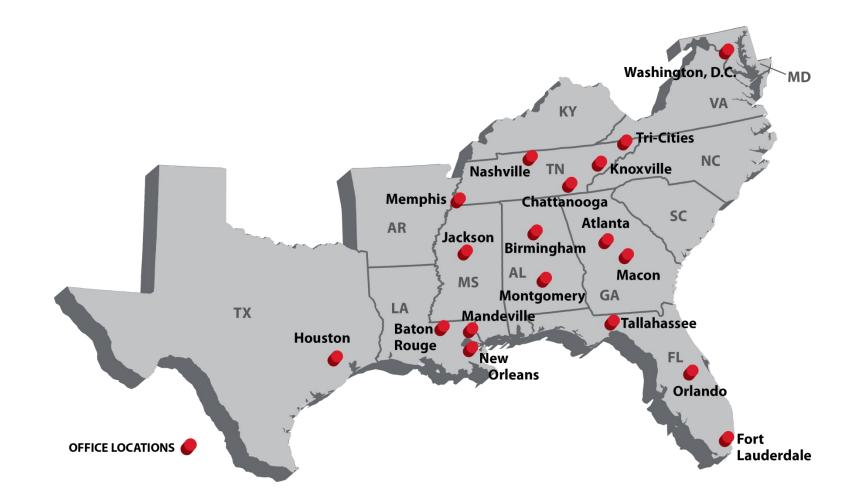


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Our Footprint





www.sullivanbranding.com

Wednesday, July 22, 2015

Top Digital Marketing Trends Impacting Your Business

Leslie Skelton - Director of Digital & Interactive Services

CONTENT

Content marketers are



of users find custom content useful

more likely to convert someone on their websites.



82[%]

 of consumers feel more positive about a company after viewing or reading custom content.



Online video now accounts for **64**% of the world's internet traffic

There was

almost 4 as mu Faceb

as much video content in Facebook users' news feeds in 2014 than the year before.



MOBILE

2013 was the last year people spent more time per day on laptops than their mobile devices.

It will likely never regain that status.



of American adults own a smartphone, almost **doubling** the number from four years ago.



of millennials say their device never leaves their side, day or night.



LOCATION

Location-based reviews grew tremendously in the last year, more than **doubling**, with

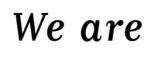
growth since 2013.

Airbnb alone had

user reviews last year.

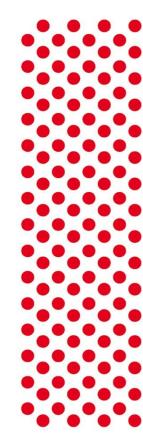
14 m

of "nearby" searches are done on mobile devices.



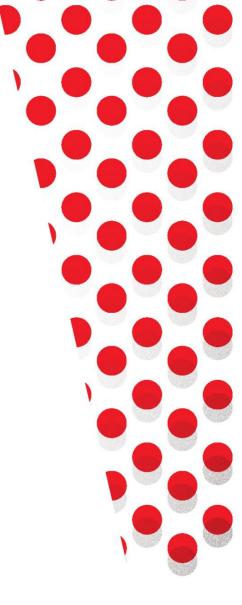








DIGITAL TRENDS

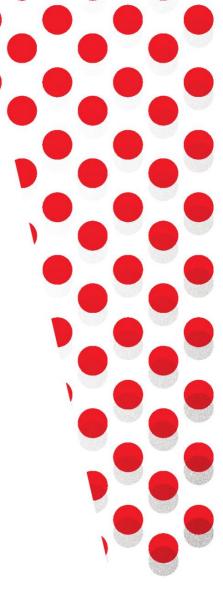


CONTENT

- Visual content continues to grow at a stunning pace.
 Instagram, Snapchat, Pinterest and other visually-centric platforms have grown unbelievably quickly.
- **34%** of American teenagers now say that Instagram is their most important social network.

The ones who say the same of Facebook? 14%

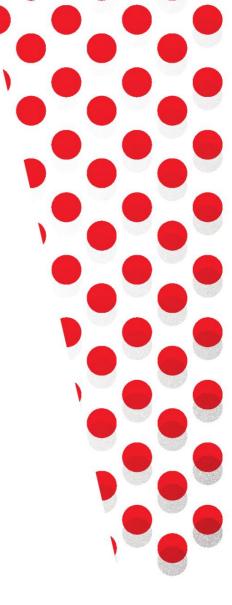
- Keep in mind that a solid plan for distribution is just as important as creating meaningful content. It's not Field of Dreams; If you build it, they may come. They may not.
- Organic reach is now between 2% and 6% for brand pages on Facebook



CONTENT

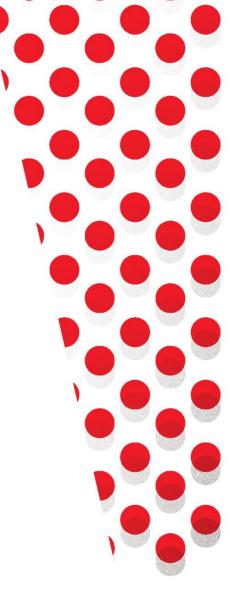
Content isn't just about making cool stuff. It's proven to positively affect business:

- 90% find custom content useful. 82% of consumers feel more positive about a company after viewing or reading custom content.
- Content marketers are 6X more likely to convert someone on their websites than others (2.9% vs 0.5%)
- Content is becoming more and more important for SEO as Google and others are measuring amounts and quality of content to influence top search results.





- YouTube is the world's second-largest search engine behind Google.
- There was almost 4X as much video content in Facebook users' news feeds in 2014 than the year before.
- For the last year, Facebook users watched more than
 1 BILLION videos on the platform every day.

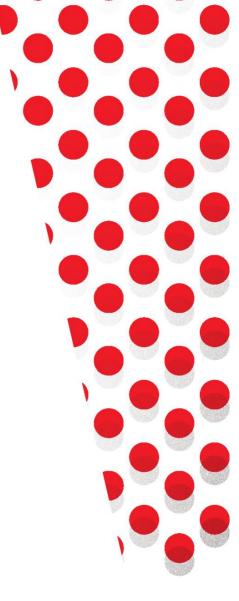




- Online video now accounts for 64% of the world's internet traffic
- This will continue to increase as more people have access to high-speed internet.

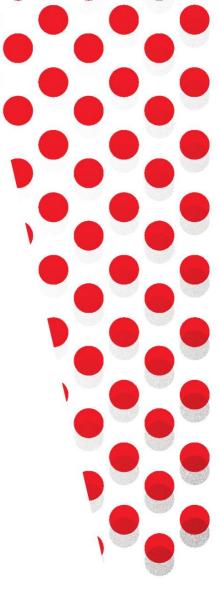
In fact, Cisco predicts that 80% of the world's internet traffic will be streaming video by 2019.

• Netflix alone now accounts for 35% of all US internet traffic



MOBILE

- 2013 was the last year people spent more time per day on laptops than their mobile devices.
- 64% of American adults own a smartphone, almost doubling the number from four years ago.
- 87% of millennials say their device never leaves their side, day or night.
- **Half** of YouTube views are via mobile device.
- Mobile ad revenue on YouTube is doubled in the last year.



LOCATION / NEAR ME

- Search queries that contain a location qualifier such as "nearby" or "near me" have doubled in the past year, according to Google Trends data from March 2015.
- 80% of those searches come from mobile devices. It's VERY important that your website work well on mobile devices.
- 67% of photos posted to the internet have an associated location.
 Locked within these photos are insights into merchandising, operations, and other valuable information that can be mined.
- **69%** of Google searches include a specific location.
- Retailers using geo-location technology to send offers to consumers who are physically near a store location will have greater success with their messaging.

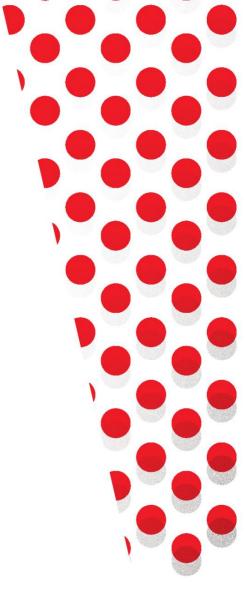
LOCATION / NEAR ME

- There is still a lot of room for innovation within the locationbased industry. Just think how quickly Uber and Lyft have transformed the transportation industry in the US. Others are bringing users new options as well, like Domino's and Pizza Hut with one-button ordering.
- Half of mobile searchers said they visited a store after searching for local information and 26% made an in-store purchase.
- Opt-in messaging campaigns and location-aware apps are attracting new customers and inspiring loyalty through location-targeted (and increasingly behaviorally-targeted) offers.
- **19%** of the people in one study made unplanned visits to a store and made a purchase as a result of a location-based advertisement.





SPONSORSHIP



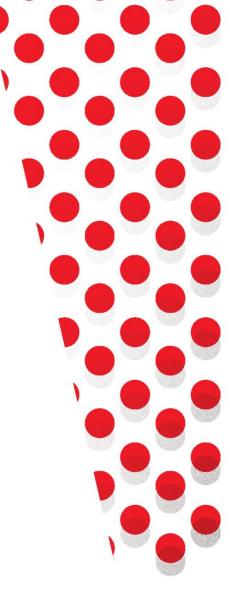
WHAT IS A SPONSORSHIP?

A sponsorship is cash or in-kind fee paid to a property

(sports, arts, entertainment or causes) in return for

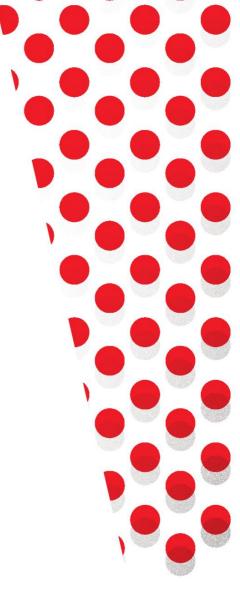
access to the assets associated with the property ----

with an expectation of a commercial return.



SPONSORSHIPS PLAY AN INCREASINGLY IMPORTANT ROLE IN THE MARKETING MIX

- Spending is forecast to increase 4 percent to \$21.4 billion in 2015
- Majority of this increase will be in Sports properties, followed by arts and entertainment
- This channel was the only one to see an increase during the Great Recession



SPONSORSHIPS REPRESENT ONE OF THE MOST "EFFICIENT" WAYS FOR MARKETERS TO BUILD THEIR BRAND AND DRIVE REVENUE

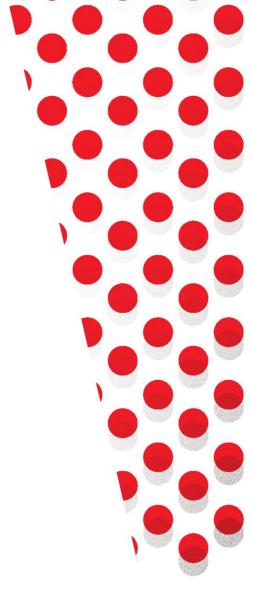
- Benefits packages can include paid media, public relations, sales promotions, experiential assets, employee participation and one-on-one client engagement
- All delivered under the "halo effect" or equity of the property you have aligned with
- It's this emotional connection that makes sponsorships unique and, most of all powerful
- Unprecedented recognition that sponsorships are a potent answer to the challenge of how to build attention, support and loyalty for brands in an environment that is increasingly cluttered and hostile to traditional marketing communications

AS MARKETERS INCREASINGLY EXPAND THEIR SPONSORSHIP PORTFOLIO, THERE IS ADDED EMPHASIS ON MEASUREMENT & REPORTING

- Historically, this channel was within the purview of the C-Suite and typically included static signage, tickets and impressions with no thought as to return on the investment
- Sponsorships are now more likely to be discussed in the context of integrated marketing programs to leverage the reach of traditional advertising as well as the emotional and experiential benefits earned through partnerships with sports, arts and other properties.
- Properties are encountering a "new breed" of corporate marketers who have specific expectations surrounding evaluation, activation and tracking the ROI of this spend

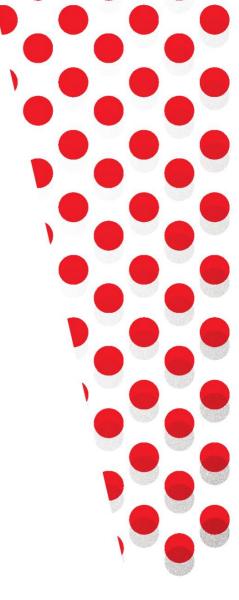
AS SPONSORSHIPS MOVES BEYOND ITS "SILO," NEW DEMANDS ARE PLACED ON THIS CHANNEL TO DEMONSTRATE RETURN

- Move beyond counting "impressions" to gauging how the sponsorship helps drive brand engagement
- Formalizing process to track who is using the assets and results



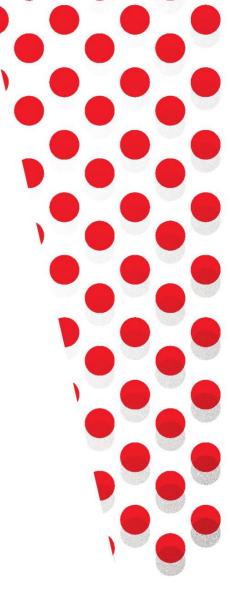
KNOW WHAT YOU WANT TO GET OUT OF A SPONSORSHIP BEFORE YOU SAY "YES"

- Understand your own endgame
- In order to derive value, you have to understand what will make a difference to your bottom line and architect the benefits package accordingly
- Increase sales, customer retention, customer acquisition, positive PR, employee recognition, one-on-one engagement



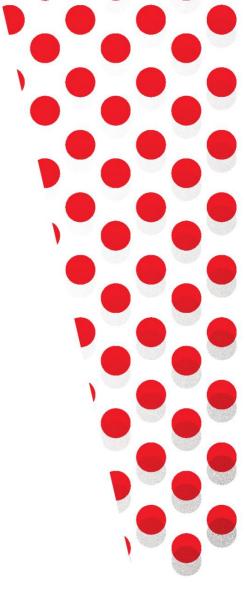
SPONSORSHIPS "NEW RULES"

- Properties know very little about your company and how you are planning to leverage this channel
- The best ideas for sponsorship are typically not on the initial proposal
- Communicate with them on what success will look like with this spend
- Request "proof of performance" to assist in reporting efforts
- Engage key stakeholders within your organization who will be activating the sponsorship



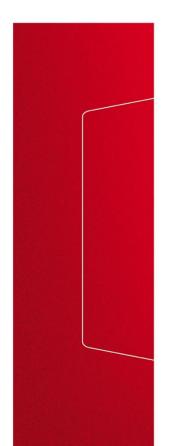


QUESTIONS?





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Long-Term Marketing Strategies Can Produce Immediate Returns

It is a franchise system's responsibility to constantly seek new marketing innovations and to seek ways to improve programs that are already successful.

By James Young

When it comes to marketing, every franchise system has high ambitions. Even for companies that have a successful marketing history, it's imperative to ask one question. To borrow from baseball parlance, "Do you ever take the opportunity to swing for the fences when it comes to crafting your marketing strategies?"

More often than not, a well-crafted, long-term marketing strategy can bring the additional benefit of delivering positive results sooner rather than later. But it is up to the company to occasionally step outside its comfort zone and try for a home run.

Companies can usually hit doubles, and even singles are acceptable, since the goal is to have a marketing program that is constantly churning. But every once in a while, a franchise organization needs to make some moves that will allow the company to hit a home run while still being selective in the pitches it swings at.

This is especially true for mature franchise systems that when crafting their long-term marketing strategies, might already believe they have a firm understanding of what will succeed and what will not. It is the responsibility of the franchise company to continue to seek additional solutions to increase performance. When mature franchise firms with continuous and steady growth stop challenging themselves to find innovative, long-term marketing strategies, they risk falling into a "maintenance" rather than "entrepreneurial" mode.

Direct Mail Marketing

Two marketing vehicles in particular, direct mail and the Internet, provide exciting avenues for franchise systems to build long-term marketing strategies that deliver shortterm results. This is especially true for service-based franchises that in the past may have had a strong reliance on telemarketing programs to generate leads. With today's telemarketing restrictions, most programs don't deliver the results they once did.

A properly executed direct-mail program can be a tremendous tool, especially with the many resources available to franchise companies to make it as effective as possible. For instance, don't overlook the role that company-operated units can play in field-testing new programs. By using a company-operated unit as a test vehicle for testing innovations in direct-mail marketing, franchise systems can spend one year or even several years building data that will support a program's feasibility. Having strong data makes it much easier for franchisees to buy into a program.

Likewise, make sure franchisees are actively involved in the process. By incorporating different franchise leadership groups in the decision-making process, franchisees take ownership and are able to see the economies of scale that are possible when all franchisees are "on board" with a program.

In addition, technology allows franchise organizations more control than ever in carrying out a direct-mail program. For example, "PLANET" bar coding is used as a mail-tracking service for direct-mail pieces. The PLANET bar code is a second bar code on a direct-mail piece and is scanned when the post office processes the mail. A PLANET code indicates the date, time and location of when a specific mail piece was processed. Not only does the technology allow franchise firms better coordination of marketing programs, but the information can be invaluable to franchisees, too, especially those who require additional staffing to meet increased business generated by successful direct-mail campaigns. They can plan staffing accordingly.

Being able to specifically target consumers' needs and wants is another advantage afforded by direct-mail programs. One-to-one marketing or variable data printing allows franchise systems to increase the effectiveness of marketing materials by personalizing them. Research conducted by the Rochester Institute of Technology has shown that response rates for mailings that use personalized printing are between 20 to 36 percent more effective than standard mass-mailing returns.

The lawn-care industry provides a strong example of the versatility that is possible with one-on-one direct-mail marketing. Not only can homeowners be sent mailings that give cost estimates based on the exact measurements of their property, but "proximity code" mailings can ensure that those who receive the mailing are within close proximity of existing customers of the lawn-care provider. Because the targeted homeowners are already familiar with the brand, they are more likely to become customers themselves.

Internet Marketing

While no longer a new frontier, the Internet continues to provide franchise firms with new marketing channels. Whether a retail, service-based or business-to-business franchise system, a Web site offers a company the ability to have a "conversation" with prospective customers who visit the site to learn more about their products or services.

With telemarketing's impact lessening, a content-rich Web site provides franchise organizations the type of leads that some companies might previously have generated through telemarketing. When a prospective customer visits a Web site in search of information, it's akin to someone saying to a telemarketer, "Yes, I am interested in learning more about your product or service."

But a Web site can generate even more buzz for a franchise system when coordinated with a direct-mail campaign. When the Spring-Green Lawn Care Corp., began offering prospective customers the ability to purchase service programs through its Web site, a significant amount of sales were generated. However, most of those sales came from homeowners who had also been recipients of a direct-mail piece that assigned them a customer ID to make online purchases. Because they were already familiar with the company, they felt comfortable making an online purchase.

Pay-per-click is another Internet tool that provides franchise systems a viable, long-term option that produces strong, short-term results. PPC is defined as the guaranteed placement of a small advertisement on the search results page of a search engine for a specific keyword or keywords in return for a specified payment, but only when a visitor clicks on that advertisement.

A successful pay-per-click program can provide a very strong return for franchise firms, especially with prospective customers who may not have been included in targeted mailings or those who might be looking for a specific product or service.

Public Relations Campaigns

Finally, an effective public relations campaign also provides a high-impact vehicle for franchise companies to establish brand recognition and both short- and long-term sales. When good public relations establishes brand recognition, it serves as a foundation to make other marketing tools such as direct mail or a Web site more effective. Effective public relations helps establish trust and credibility for a franchise company and can be one of the most effective ways to build a compelling image of a company's products or services with an additional benefit of attracting new franchisees to the system.

It is a franchise system's responsibility to constantly seek new marketing innovations and to seek ways to improve programs that are already successful. Although some marketing initiatives might be daunting to implement, they must appear seamless to the customer. If franchise organizations can manage to create programs that they can influence on a national basis, yet allow franchisees to easily execute on the local level, they will indeed have hit a home run that produces bountiful results. James Young is president of Plainfield, Ill.-based Spring-Green Lawn Care. He can be reached at 815-436-8777.

Source: franchise.org

Improve Online Marketing Results by Centralizing Your Digital Strategy

Monday, January 05, 2015

Centralized marketing solutions allow you and your franchisees to more effectively and more efficiently tell their stories, engage with their audiences.

By JEREMY LADUQUE, CFE

Marketing professionals at some of the biggest brands don't envy their counterparts within a franchise organization. Why? They face all of the challenges that come with the job — struggles with economic lead generation, digging in and really utilizing big data, building and executing the customer experience journey and much more. But in a franchise organization, you add a team of dozens, or hundreds of entrepreneurs, all with their own ideas on marketing, lead generation and branding. For many organizations, the result is either a tightly controlled marketing effort that limits the individual owners from capitalizing on their own efforts or a hodgepodge set of tactics that differ from one location to the next. Neither outcome is ideal: In one case, brand preservation undermines your brand's power; in another, the only consistency is inconsistency, which leaves customers confused. Thus, a distinct trend in franchise marketing has emerged: Distributed organizations are aiming to centralize all of their online marketing efforts starting with the underlying marketing software that supports functionality such as local websites, email marketing and social media management. And some have gone one step further, recognizing that control over suppliers that franchisees use also fosters consistency, and maintains best practices in digital marketing tactics on the national and local levels. More often than not, anything worth doing is difficult, and the journey toward centralization is not easy, although it comes with its rewards.

Three Key Steps to Online Marketing Centralization

1. The platform. A single, unified platform powering the websites for each local franchisee has become a requirement for any multi-unit organization. Franchisors need a simple, easy-to-use web management platform that can be distributed to each franchisee. The goal of this platform is to provide corporate-approved templates and copy, but still allow franchisees to add local, community information and execute micro-local campaigns. However, simply setting up a centralized web management platform only gets you halfway there. The risk of having too many platforms to manage is still high as new technologies and digital strategies emerge. Consequently, platforms that can integrate key marketing efforts like email marketing, social media, analytics and even commerce bring further centralization to your marketing goals. Why is this better? Digital management suites allow you and your franchisees to have a single repository for content, videos and images for use within social promotions, email communication and on individual local websites. This single dashboard makes everything easier, from onboarding new franchisees to gaining adoption from existing franchisees. Beyond a repository, a centralized suite of tools reduces overhead and eliminates the risk of creating "silo" technologies that operate separately from everything else. But the ultimate benefit of a single suite comes in one key area: your data.

2. The Data. According to research by audit, tax and advisory firm KPMG, seven out of 10 chief information officers and other top executives identify data analytics as a "crucial" or "very important" business driver. Understanding, and more importantly, using the macro-level data gained from your customers in a micro-level way is the foundation of personalized customer experience. And it's not slowing down. Baseline magazine recently reported that 90 percent of the world's data has been created in the last two years. Focusing and utilizing your data to make global decisions and deliver individual experiences is no longer a thing of the future. Centralizing your customer data in a single system means you can quickly identify trends related to customer engagement, conversion rates and campaign success. This will allow you to focus your efforts more effectively, engage deeper with your customers and gain better conversion rates across all your campaigns, whether they be website, paid advertising, social media or email marketing. New technologies are going to rely on data as a fundamental driver. An example of this is persuasive content, or targeting content to a specific user's attributes. Sophisticated platforms can leverage data from several sources — ranging from keywords someone typed into a search engine to the user behavior on your website or email — to drive more targeted, and more relevant content to each user interacting with your brand. This is true of all aspects of online marketing, from website content to paid advertising.

3. Advertising. The third key toward centralizing your online marketing is advertising. Local marketing spending is up: 66 percent of small businesses are maintaining or increasing expenditures on digital marketing, according to the AT&T Small Business Technology Poll. And with a strong focus on return on investment, spending efficiently has become critical. Unfortunately, in a distributed marketing environment, those crucial efficiencies are often lost. Individual paid search campaigns and display advertising mean lost insight and poor spending. The story is a common one: individual franchisees work with local agencies to run their advertising campaigns. The issue? They work in a silo, writing their own ad copy, researching their own keywords, designing their own ads and constructing their own campaign. They see results, tweak the campaign and hope they improve their ROI. And while that approach gives franchisees control over whom they partner with, it means there is literally no shared learnings or efficiencies with shared assets. Rather than using existing campaign assets, these franchisees end up paying for a PPC shop in Dallas to put together fundamentally the same campaign as another shop has done in Denver. A centralized advertising approach means individual franchisees can benefit from the shared knowledge of dozens of campaigns. Converting ad copy, top performing keywords and best ad group structures can generally be applied across all locations, with a local twist. The result? Advertising tests become insightful more quickly and valuable budgets are spent with greater efficacy. Additionally, individual franchisees can benefit further from a centralized strategy as it relates to shared history. Though Google's paid ranking algorithm is a secret system few know intimately, it's readily understood that your ad's click-through rate, landing-page quality, keyword and ad relevancy, and your historical AdWords account performance are the primary factors. What does this mean for franchisees? Historical knowledge on ad performance

will accelerate your click-through rates from the beginning. And, you can benefit from the historical performance of other franchisees to further boost your rankings and lower your cost per click. Technology moves fast. But digital marketing solutions that are built to handle the unique challenges of multi-unit organizations can keep you ahead of the ever-changing digital landscape. These solutions alleviate administrative headaches, control brand-handling best practices and enable franchisees to engage with their respective communities, as well as highlight services for their specific locations. Ultimately, centralized marketing solutions allow you and your franchisees to more effectively and more efficiently tell their stories and engage with their audiences.

Jeremy LaDuque, CFE, is senior vice president of multi-unit marketing for Bridgeline Digital, a digital engagement company. He is a member of IFA's Marketing and Communications Committee. Find him at fransocial.franchise.org.

E-mail Marketing Strategies to Boost Awareness and Sales

Franchising World November 2011

By: Eliot Grossman

When it comes to marketing your franchise, business owners are already well aware of the branding requirements and other rules of the road they must follow to comply with the terms of the franchisor. However, this doesn't necessarily mean they can't tap into the brand's marketing creativity to increase sales. One of the most effective and low-cost ways to do this is e-mail marketing.

By staying within the prescribed marketing framework designated by the franchise, and applying varied strategies in e-mail marketing campaigns, one can increase awareness of the brand and drive more business to a specific operation.

While e-mail marketing can be the best bang for the buck, it's important to design the campaign to follow best practices. For instance, understanding how e-mail marketing and social media marketing work together is an important driver for success. Don't forget: if executed poorly, a campaign can actually alienate the very customers you're trying to reach.

Success Factors

Yet why is it that some franchisees' e-mail marketing campaigns receive highly successful open rates hovering around 20 percent while others go unnoticed? There are a variety of factors that influence the outcome.

Some believe success is based on brand awareness. Others are convinced it's the time of the message delivery. Meanwhile, some marketers stand by the notion that responses are based purely on the offer.

While none of these reasons is necessarily wrong, none are exactly right, either. Certainly the perceived value of the offer, the timing of the message and the customer's previous experience with your business all contribute to the campaign's success.

The issue with analyzing only those tactical elements is that they don't take into account the strategy behind the campaigns. After all, without a solid strategy in place, the most creative and compelling e-mail marketing campaigns won't deliver results. With this in mind, following are 10 e-mail marketing strategies to help your franchise boost repeat business and referrals.

1. Ask for permission. Now that you know how stuffed a consumer's inbox is each day with e-mail from companies, you quickly realize how your message may get overlooked. Instead of sending out blanket e-mails to a mailing list, direct your messages to those consumers who have requested to hear from you. How do you build that list? It's simple: just ask. Whether they're on your Web site or talking to your cashier, ask for permission to add them to your mailing list.

2. Customize and segregate contact lists. If the products or services you offer can be grouped according to particular interests, allow your customers to "opt in" to category-specific e-mails.

By providing your target audience with content that's specific to their interests, you're more likely to have them as repeat customers. This approach also allows you to glean more information about them because they're self-selecting based on their categories of interest. Also, as you're combing through your lists, spend time identifying your VIPs. Remember that your loyal customers are your best resource for word-of-mouth referrals. The easiest way to get and stay connected with this group is to first acknowledge those customers that meet your VIP criteria. From there, create separate e-mail lists and provide them with exclusive offers recognizing their allegiance to your business.

3. Lead with content and then follow up with offers. Not surprisingly, franchises rely heavily on promotional offers in their e-mail campaigns. However, this approach may not always be effective for two reasons. The first is that you may end up with a customer base consisting of people only interested in your business when they can get a discount. While this may drive some revenue, it won't help you build a loyal following. The second issue is customer fatigue. Eventually, even your most ardent supporters will start to tune out your messages because they're too sales-centric. To avoid these two issues, try to strike a balance between sharing relevant and useful information and presenting an offer. In your next e-mail campaign, share a few tips that aren't widely known and can't easily be found elsewhere. Just be sure those data points complement the offer you're making. This way, your message is more likely to be acted upon because it sticks in the mind of your customer. And your readers are more inclined to share the tidbits of information during conversations or forward the e-mail to their friends.

4. Write content based on realworld questions. Now that you're balancing your e-mail messages with content, you may be wondering what types of content to include. Use the questions you're most frequently asked by customers during the workday as the foundation for your content. And ask readers to send in their questions to you directly.

This ensures the readers feel as if the content was written specifically for them and it gives you a constant stream of new content ideas.

5. Initiate conversations. In your messages, create an opportunity for two-way dialog with your readers by inserting polls and questionnaires or asking strong, open-ended questions. You'll find a majority of customers like to share their opinions electronically or in person at your business, especially if you attach an incentive to it. When you do this, you create more open dialog while also getting to know more about your customers so you can further tailor messages and offers to their specific interests and needs.

6. Extend the conversation to social media sites. If you initiate a dialog, poll, questionnaire or contest in your e-mail marketing campaign, direct your customers to submit their answers via social media. For example, if you own a chain of hair salons, your e-mail message may be asking for readers to take a poll on spring hairstyles. From there, you can direct readers to your Facebook business page, which includes photos of the styles and an opportunity for your community to vote on them. This helps to build a community where your followers can share comments while also extending your online presence to include your followers' friends.

7. Be brief. Readers should be able to capture the gist of your messages and absorb the content in less than one minute. If you're writing an e-mail newsletter, keep articles between 25-300 words to maintain your audience's interest. For longer articles, provide a "teaser" and link to the full article on your Web site or blog.

8. Be missed. The timing and frequency of your e-mails should be a priority. In fact, a 2010 study by the Chief Marketing Officer Council found that 22 percent of U.S. Internet users decided to stop purchasing from a company because of too many irrelevant e-mails. Along with dividing your e-mail lists and customizing your content, be sure you don't abuse the privilege of contacting your customers by sending too many messages or ones that aren't targeted to their interests. If you keep to a regular schedule of e-mail campaigns, such as Friday lunchtime deals for example, your customers will come to anticipate your messages.

9. Test and re-test: Before you send out your e-mail to everyone on your list, test it on a small subgroup first. This way, you can work out any potential kinks and get a baseline of whether your content is relevant to your audience.

10. Track your progress. While you will have a sense of the success of each campaign based on responses, it's important to regularly track your overall results.

Whether you're preparing to send your first or your 50th e-mail marketing campaign, applying these strategies will help you build closer ties to your local customers without losing sight of the franchise's business goals and marketing guidelines.

Eliot Grossman is senior manager, franchise & distributors of Constant Contact. Constant Contact provides e-mail marketing, social media marketing, event marketing, and online survey tools coupled with personalized coaching and support. He can be reached at 781-482-7090 or

egrossman@constantcontact.com

Source: franchise.org