

HOW TO GET THE MOST FROM **B2B CUSTOMER LOYALTY**

WHITEPAPER





Take a walk down your local high street and you'll see just how important customer loyalty is. Exclusive offers for club members, loyalty cards, rewards for spending above a certain amount - these initiatives are advertised all over shops and restaurants as a way to win repeat business from customers.

When it comes to B2B loyalty, however, organisations appear less devoted to customer retention programs, despite the fact that loyalty is just as important for B2B sales as it is for B2C.

Here at **Power2Motivate**, we understand this, which is why we've helped hundreds of businesses create successful B2B loyalty programs over the years. Here's our comprehensive guide to B2B customer loyalty, answering questions such as:

- Why is it important to consider B2B loyalty?
- What does B2B loyalty look like?
- How can you win B2B customer loyalty?
- What does a B2B customer loyalty program involve?

“Organisations appear less devoted to customer retention programs, despite the fact that loyalty is just as important for B2B sales as it is for B2C. ”





WHY IS IT IMPORTANT TO CONSIDER B2B LOYALTY?

Any business, no matter who it's selling to, needs to retain its customers. That's because it costs much more to win a new customer than to keep an existing one.

Think about it - people are scared of change. That's why you have to put more effort into making a new customer trust you, as well as understand your products. An existing customer, on the other hand, is already familiar with your products and both knows and trusts your brand.

That's why businesses have around a 60 to 70 per cent chance of selling to an existing client, but just a five to 20 per cent chance of selling to a new client, according to the book Marketing Metrics. Meanwhile, Gartner estimates that 80 per cent of a business' profits comes from just 20 per cent of its customer base (i.e. the loyal clients that come to you time and time again).

What's more, because loyal clients already trust you, they are usually going to spend more money. The average repeat customer spends 67 per cent more in months 31-36 of their relationship with you than in the first zero to six months, according to management consulting firm Bain and Company.

"No matter whether you're a B2B or B2C business, customer loyalty is essential for your bottom line - to ignore it is to risk the financial health of your organisation."





WHAT DOES B2B LOYALTY LOOK LIKE?

It's easy to think of B2B customer loyalty only in terms of sales. However customer loyalty extends far beyond this.

There are three elements that make up a genuinely loyal customer:

1. They are repeat customers over a long period of time.
2. They frequently return to you, even when prices might be lower elsewhere.
3. They are brand ambassadors, recommending you to other businesses.

All of the above factors come because the client trusts your business to deliver the best results and customer service, even if this means they are paying more to buy from you. In fact, customers are willing to spend 17 per cent more to do business with companies that deliver excellent customer service, according to American Express.

It's important to note, however, that just because a customer spends a lot of money with you in one purchase doesn't make them loyal. While it's great to have clients that spend a lot in one go, they aren't necessarily going to return to you, or recommend you to others, so you shouldn't take their loyalty as a given.

"Customers are willing to spend 17 per cent more to do business with companies that deliver excellent customer service."





HOW SHOULD YOU TRACK B2B CUSTOMER LOYALTY?

Now that you know what B2B loyalty looks like, you can begin tracking it. The easiest metric to review is whether a business is making repeat visits, especially if you know they can get your product or service elsewhere. Likewise, take a look at any social media or reviews to see who is recommending you and why. Another easy way to track brand advocacy is asking new customers how they heard about you, and if it was due to a referral, who recommended you.

HOW CAN YOU WIN B2B CUSTOMER LOYALTY?

Loyal customers add huge value to your business - to win loyalty, therefore, you need to find a way of giving back that value to them. A B2B customer loyalty and rewards program is one of the most effective methods, and we'll talk about this in more detail shortly. But there are other things you can do in addition to a loyalty program.

For example, consider running regular events and conferences that give your B2B customers an opportunity to meet you in person. This gives you a chance to debut new products and offer guidance on how best to use the services you currently provide.

In addition, creating useful content for your customers that adds value is another great way to win their loyalty and trust - consider a content hub that includes webinars, videos and blog posts filled with information that will help increase customer profits and enable them to use your products better.



INTRODUCING A B2B CUSTOMER LOYALTY PROGRAM WITH POWER2MOTIVATE

The most frequently used method of winning customer loyalty is a rewards program - these are more commonly used in B2C relationships, but are just as effective with B2B selling.

Loyalty programs are all different, but they tend to involve offering rewards for certain behaviours that you want to encourage. That could include incentives to:

- Return to your business over a specific number of visits.
- Be a customer for a certain period of time.
- Spend over a certain amount.
- Recommend you to a certain number of other businesses.
- Leave a specified number of reviews.

With any loyalty program, it's important you don't make it too complicated - otherwise you'll turn the customer off altogether. Likewise, you have to be just as generous with your customers as they are with you - offering miserly rewards will put you in a worse light than if you had no incentive program whatsoever.

Tiers are an excellent option for loyalty programs because they ensure everyone gets a reward while also incentivising your most loyal customers with the best prizes. This involves offering smaller rewards for your newer customers, and larger rewards as they move up the different tiers - reserving high ticket items such as travel for your best clients.

“With any loyalty program, it’s important you don’t make it too complicated - otherwise you’ll turn the customer off altogether.”





POWER 2 MOTIVATE

If you'd like to introduce a B2B customer loyalty program at your organisation, look no further than Power2Motivate.

We have years of experience making B2B customer loyalty programs as effective as they can be. Entirely customisable to your individual situation, we'll give you the edge no matter what type of business you're selling to. Our global rewards gallery offers customers a choice of thousands of prizes, meaning they'll always receive something they really want.

Customer loyalty can make or break your organisation. To find out how to create it at your business, contact Power2Motivate today.
