

# Loyalty

# How to Create an Effective Loyalty Program with Salesforce B2B Commerce



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Customer loyalty is vital to the success of B2B companies. After all, a loyal customer is typically five times more likely to make a purchase and seven times easier to upsell. That's why more and more B2B companies today are investing in customer loyalty programs – as well as the digital technology and platforms to support them – to help drive sales and reduce customer churn.

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Are you looking for tips on how to create and implement an effective B2B loyalty program? Then, you've come to the right place. After reading this white paper, you'll understand:

- The benefits B2B loyalty programs can provide
- Why customer loyalty is so important for B2B companies
- Five essential steps for designing an effective B2B loyalty program
- Specifics on how to implement your B2B loyalty program in Salesforce B2B Commerce.

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“A loyal customer is typically five times more likely to make a purchase and seven times easier to upsell”



## What Is a Customer Loyalty Program?

A loyalty program is a marketing strategy used by businesses to attract, reward, and retain their most loyal customers. It's also a great tool for building stronger relationships with customers, in addition to providing insight into customer behavior.

Customer rewards programs are quite prevalent among consumer brands. More recently, however, B2B organizations are also realizing the many benefits associated with customer loyalty programs, including a significant return-on-investment.

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“Members of customer loyalty programs spend between 12% and 18% more than other customers”



## What Are the Benefits of a B2B Loyalty Program?

Keeping an existing customer is much more cost-effective than acquiring a new one. In fact, acquiring a new customer has been shown to cost anywhere from five to 25 times as much as keeping an existing one. That's why cultivating customer loyalty should be a top priority for companies. And a loyalty program for your B2B customers is an excellent way to do just that.

Here are some of the top benefits that can be achieved through an effective customer loyalty program:

- Improve customer retention and drive repeat business
- Increase a customer's lifetime value (i.e., loyal customers will keep coming back to do business with your company)
- Build brand awareness to create customer advocates, who drive more referrals and additional revenue
- Provide a good way to capture, track, and analyze customer data, which in turn can be used for segmenting your audience and targeting campaigns.

## Why Loyalty Is Important for B2B Commerce

As a result of the coronavirus pandemic, B2B companies today are looking for new and better ways to build a strong connection with their customers. And a customer loyalty program is a valuable tool that gives B2B sales representatives a tangible reason to reach out to their customer base.

An important way that loyalty programs benefit B2B commerce is by providing additional opportunities for sales representatives to increase the number of touchpoints with their customers. For example, sales reps could reach out to customers who were close to reaching the next tier of the rewards program.

The following are a few statistics that demonstrate the importance of customer loyalty in B2B:

- Increasing customer retention rates by only 5% can [increase a company's profits by anywhere from 25% to 95%](#).
- Studies show that members of customer loyalty programs spend between [12% and 18% more](#) than other customers.
- Companies that are loyalty leaders [increase their revenues 2.5 faster](#) than their industry peers.
- As this [case study](#) shows, integrating a loyalty program with a B2B e-commerce platform increased average order quantities by more than 300%. In addition, the customers who were enrolled in the loyalty program provided 665% more in monthly revenue.

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“Treat your loyalty program launch similar to the way you conduct the roll out of a new product”



## 5 Essential Steps to Develop an Effective B2B Loyalty Program

Whether it's for B2B or B2C, the fundamentals of an effective loyalty program are the same: to enrich the customer experience with the primary goal of building long-term relationships.

The following are 5 steps that are essential for creating an effective B2B loyalty program:

1. **Create a plan.** To complete this step, start by answering the following questions:
  - **What is your primary goal?** For example, are you looking to improve customer retention or more interested in increasing purchase volume?

- **Who is your target audience?** For example, is it predominantly made up of new customers or trusted clients who have been purchasing from your company for years? What are their demographics?
  - **What types of rewards are you going to offer?** When brainstorming creative ideas for the rewards to be offered, be sure to involve your sales and marketing teams. Some examples for rewards could include:
    - > Transaction-based discounts, such as a reduced price for multiple purchases.
    - > Perks, such as early access to new products.
    - > Free products or branded swag.
  - **How will you structure the loyalty program?** Develop a tier system in which incentive points earned are based on sales, such as bronze, silver, gold, and platinum levels. And the more points earned, the better the rewards.
  - **How do customers earn points?** Are rewards based on the purchase of certain items within a specific timeframe, for example, or perhaps the referral of a new customer?
  - **How will you announce and promote the loyalty program both internally to the sales team and externally to customers?** The success of any loyalty program is highly dependent on communicating program details to customers. This also requires training sales staff who enroll the customers and any team members involved in running the loyalty program.
2. **Establish a budget.** Begin by performing a cost analysis and determine what you are willing to spend to achieve your goals. Be sure to take into account the incremental costs for the loyalty program including:
- Research and development
  - The cost of the rewards, in addition to soft benefits, such as member events and recognition
  - Business overhead, such as payroll for staffing
  - Marketing and advertising

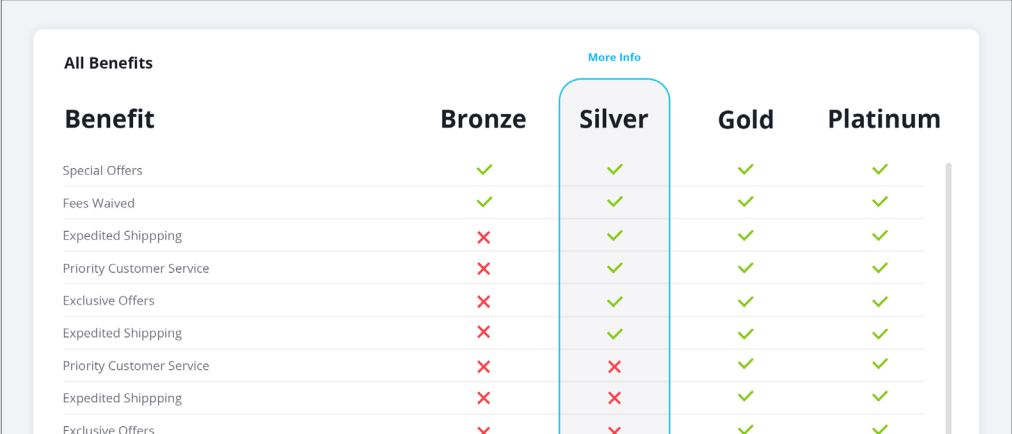
In addition, estimate the incremental revenues including:

- Increased purchase frequency and volume
  - Reduced customer churn rate
  - Increased referral rates
3. **Design your customer loyalty program experience.** Begin by developing a customer journey map that identifies all the key touchpoints on the way to earning and redeeming rewards. This step should also include creating a comprehensive

communications strategy that includes branding, a transactional email-marketing campaign, as well as dashboards for both program administrators and customers.

Using customer loyalty program software – including mobile applications – is both an efficient and cost-effective option for designing, setting up, and running a B2B loyalty program.

4. **Test your loyalty rewards program on a subset of your customer base.** This will allow you to test the mechanics of your loyalty program and to work out any kinks in the system before rolling it out to all customers throughout your organization. Whether it's a percentage of various customer segments or a select customer group, be sure to test your loyalty program on customers who frequently engage and purchase from your company.
5. **Launch your loyalty program.** Treat your loyalty program launch similar to the way you conduct the roll out of a new product in terms of energy and enthusiasm by:
  - Communicating about the program to staff and customers
  - Demonstrating the program benefits
  - Keeping constant focus on the loyalty program and your goals
  - Continuing to track the results of your loyalty program, monitoring how it's impacting your bottom line, and making improvements to drive even better results.



All Benefits				
Benefit	Bronze	More Info		
		Silver	Gold	Platinum
Special Offers	✓	✓	✓	✓
Fees Waived	✓	✓	✓	✓
Expedited Shipping	✗	✓	✓	✓
Priority Customer Service	✗	✓	✓	✓
Exclusive Offers	✗	✓	✓	✓
Expedited Shipping	✗	✓	✓	✓
Priority Customer Service	✗	✗	✓	✓
Expedited Shipping	✗	✗	✓	✓
Exclusive Offers	✗	✗	✓	✓

## How to Best Implement Your B2B Loyalty Program in Salesforce

Mobile apps are widely used by B2C companies to provide their customers with easy and convenient access to a loyalty program. For B2B organizations, mobile apps can also be leveraged to provide customers in loyalty programs with real-time program alerts, instant push notifications, and other customer benefits. In addition, the use of mobile apps in loyalty programs can provide valuable customer data to B2B companies.



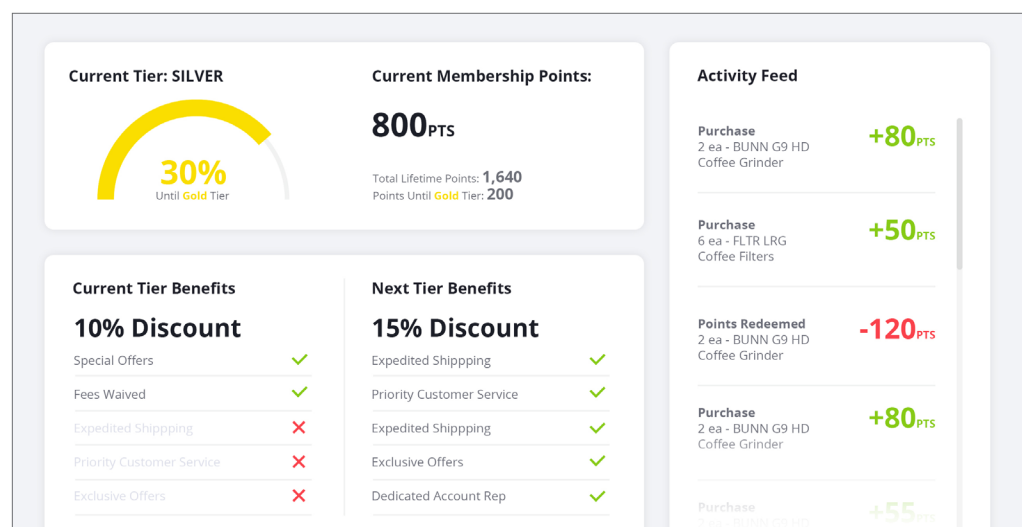
Although B2B rewards programs features are not natively built into the Salesforce B2B Commerce platform, there are third party Salesforce loyalty applications that can facilitate loyalty programs for B2B customers. **Fido Loyalty** app by **6 Street Technologies** is a Salesforce loyalty solution to do just that.

**Fido** is a native Salesforce app that unleashes the power of customer loyalty in B2B Commerce. With this new loyalty platform software, your business can quickly and easily:

- Create valuable, targeted reward programs and incentive options that motivate B2B customers and drive repeat business
- Increase purchase volume
- Turn your customers into brand ambassadors.

Key features of **Fido Loyalty's** Salesforce rewards management include:

- Reduced pricing by loyalty tier
- Non-monetary rewards (e.g., VIP perks, giveaway programs)
- Programs that foster customer relationships and increase customer engagements.



Interested in seeing what **6 Street's** new Salesforce loyalty management app can do to help increase touchpoints for your sales representatives, as well as boost customer retention? Then [download a free trial](#) of **Fido Loyalty** on the AppExchange today.

For more information, visit [FidoLoyalty.com](https://FidoLoyalty.com)

In addition, be sure to contact **6 Street Technologies** for a [free consultation](#) to learn more about the many benefits of **Fido Loyalty** and answer any questions about how to create an effective B2B loyalty program with Salesforce B2B Commerce.