

The evolution of channel engagement and B2B loyalty

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It's time to **start** thinking differently about channel engagement and B2B loyalty. And it's time to **stop** thinking differently about B2B versus B2C marketing.

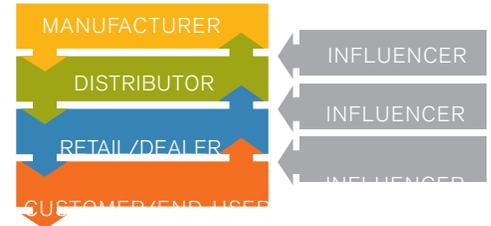
The B2B2C ecosystem

Channel engagement operates within increasingly complex and continually evolving economic ecosystems. These ecosystems differ by industry, vertical, product or service, brand and even customer segment. Understanding the unique characteristics and cross-channel dynamics of your ecosystem is a critical first step in thinking differently.

The loyalty/incentive continuum

At the foundational level, effective channel engagement requires an assessment of the role that businesses play within the

ecosystem. At one end of the continuum, businesses behave like customers or buyers. The restaurant industry is a great example. Here, a B2B loyalty or lifecycle marketing program is the most effective solution. At the other end of the continuum, businesses behave like sales people or re-sellers. Auto dealers fall into this category. Here, an incentive program is the best solution. Not surprisingly, most businesses exhibit characteristics of both buyers and sellers. In these cases, a hybrid approach is the best solution.



The blurring line between “B” and “C”

Regardless of position on the loyalty/incentive continuum, effective program design requires an acknowledgment that the line between B2B and B2C marketing is blurring. More and more, businesses are increasingly behaving like consumers. This is great news because it means that the marketing concepts at the core of successful consumer loyalty programs can be leveraged in the design of channel loyalty programs. It also means the behavioral economic theories that drive consumer behaviors can also drive business

behaviors. Let's explore some of the key theories and concepts behind the evolution of channel loyalty.

Reframe loyalty as lifecycle

Customer lifecycle marketing as a strategic framework for loyalty can be just as powerful for businesses as it is for consumers. Where loyalty is nebulous, lifecycle is tangible. And where loyalty is the destination or goal, lifecycle is the journey or the path to reach that goal. The key to a successful lifecycle marketing program is creating a win/win scenario by balancing the desired engagement and behaviors with the appropriate motivators and rewards. Start by identifying and prioritizing the critical touch points and behaviors tied to the optimization of your unique customer lifecycle. Then, determine the value of each behavior and rank those behaviors on the degree of effort required. Finally, identify the right mix of rewards and motivators based on value/effort alignment.



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Develop an emotional connection

Behavioral economics is based on the premise that emotion trumps reason when it comes to human behavior and decision-making. When applied to loyalty marketing, this means that developing an emotional connection is critical to evolving beyond transactional and mercenary loyalty (e.g., paying for loyalty with discounts and other pricing tactics) to brand preference and true loyalty. Historically, many have assumed that business customers are predominantly rational and, as a result, behavioral economic theories do not apply. This assumption is an increasingly costly mistake. For example, even with the growth of big data and marketing analytics, business leaders and owners still say they trust their gut first and foremost.

Establishing and nurturing an emotional connection requires the incorporation of relationship marketing into your loyalty strategy. This approach encompasses content, communications, education, resources, enhanced services and recognition. This doesn't mean that traditional transactional programs are obsolete – they are often still critical and appropriate for strategic, financial or competitive reasons.

Leverage the power of content

Content marketing is a powerful and often critical element to successful loyalty and lifecycle marketing. And it is even more critical when there are fewer transactions in the lifecycle. Unfortunately, content marketing is becoming increasingly challenging due to declining attention spans and content fatigue. Here are some simple guidelines for success:

- **START focusing on quality versus quantity.** Content should be relevant, targeted and personal. It should also be vivid, visual and interactive.
 - **STOP creating content just for the sake of having content.**
- **START adapting to your audience's changing content consumption habits and preferences.** Content should be accessible (wherever), immediate (whenever) and contextual (device/location appropriate).
 - **STOP taking an outdated, one-size-fits-all approach to content.**
- **START treating attention as a currency.** Begin with focused "snackable" content and earn the right to serve up more robust content and deeper engagement.
 - **STOP overwhelming your audience with a constant stream of copy-intensive content.**

As the line between B2B and B2C marketing continues to blur, it's important to make sure your marketing efforts are evolving too. Knowing how your customers behave and consume information will help you determine which type of program design will be most effective at engaging them.

To learn more about how BI WORLDWIDE can help with loyalty and lifecycle marketing, visit: biworldwide.com or email info@biworldwide.com.