

B2B Loyalty, Incentive and Reward Ideas

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IN THIS ISSUE:

Flip Rebates to Rewards

Why reward programs outshine rebates as the preferred incentive type



Incentives to the Rescue

Staff Shortages? A loyalty & incentive program could be your superhero!



I Hate Loyalty!

Why am I such a cynic of B2C loyalty and how does it differ from B2B?



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25 years young – not old! That's what we wanted to celebrate with our teams across the 212F Group this year. We really feel like we're only at the start of our journey, and the work we do for our clients doesn't feel old at all!

As we kicked off this amazing milestone celebration, we reminisced about 25 years of highlights. We were amazed as past clients, staff and suppliers happily shared their time and stories about what the business has meant to them and achieved over those years.

At 212F Group, we really do lead the world in program design and reward options for the B2B loyalty, incentive and reward industry. Part of the reason is that we're always monitoring and staying ahead of global trends and program designs. After receiving eight international awards, we can safely say that our program designs and executions not just match, but exceed those of our international peers.

While we were reflecting on our place in the industry – reliving great memories and amazing experiences – it really hit home to us where we're heading as a group. We are currently achieving outstanding growth and scale, and one of the great benefits of this is the freedom to execute new opportunities and initiatives, including our incremental growth model, a new analytics and engagement model and – one of our proudest achievements – **KoruGreen**.

Developed from the ground up by the entire 212F team, KoruGreen is 212F Group's core sustainability initiative. Whilst working with global industry experts, we have developed the only greenhouse gas calculator specifically for travel incentives and event groups. Rather than just produce a GHG report, we ensure that every event is 100% carbon offset by paying for the impact at no cost to our clients.

Not to be outdone, our **incremental growth** model offers every B2B customer a structure for achieving self-funding sales growth. Working as part of a sales team, these self-funded programs can inspire the next generation of sales initiatives!

Of course, the ability to target individual customers and participants is crucial in any B2B loyalty program. So we created our own **engagement model**, using key metrics to segment a program database into behavioural and action-based cohorts. This segmentation elevates program communications and provides valuable insights for the future.

None of these game-changing initiatives would've been achievable without growth and scale. We are so proud and excited to see a locally owned Kiwi & Aussie business that has grown over 25 short years – and we're only just beginning!

In this issue, you'll find articles about our new plans, as well as other great content about strategic design concepts, rewards, travel incentives and communications. As always, we would love your feedback, so please drop us a line at info@212F.com. We can't wait to hear from you!



Simon Hilton
Executive Director
212F Group



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Managing Director
212F Group

In this issue

16



03 / DIRECTOR'S LETTER

Featured

06 / FLIP REBATES TO REWARDS

Rebates are easy and common practice in business partnerships, but they lack the emotional connection and flexibility that incentives and reward programs can offer. Get the balance right, and you can have the best of both worlds.

10 / LOYALTY LED DESIGN – THE 5 TYPES OF B2B LOYALTY

A strategy based on customer behaviours is vital to a successful B2B loyalty program. Understand the 5 types of B2B loyalty to build your incentive program for success.

14 / KORUGREEN – PATHWAY TO A BETTER, SUSTAINABLE FUTURE.

Our love for loyalty, incentives, and rewards, combined with our passion for a better future, gave birth to our sustainability initiative, KoruGreen. What does this commitment from 212F Group mean for clients and the Group itself?

16 / THE JOURNEY TO PERSONALISATION

Deep dive into B2B loyalty communication personalisation. We look at how creating a customer segmentation model that links to a B2B loyalty program design and pain points will help drive relevant and tactical communications that change behaviour.

18 / I HATE LOYALTY! (THE WORD THAT IS)

Why am I such a cynic of B2C loyalty and how does it differ from B2B?

22 / THE BEST THINGS IN LIFE ARE FREE!

Who wouldn't love financial success that is self-funded! With 25 years of successful growth incentives delivering results, we know the way to get both!

24 / ENEMIES TO LOVERS

The long-lasting feud between marketing and sales teams needs to end! We explore how a B2B incentive program can be the perfect setting for the two to meet and maximise their relationship.

27 / MOTIVATION & REWARDS

Why do rewards motivate us and why do they work better than cash or rebates?

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40



28 / INCENTIVES TO THE RESCUE!

There is no bigger challenge facing business right now than the massive labour and staffing shortage issues. Reward and incentive programs can be your superhero - giving you the superpower to retain talent and alleviate the pressure of staff shortages.

32 / CREATING THE RIGHT COLLATERAL MIX FOR INCENTIVE PROGRAMS

What makes the perfect mix of collateral, engagers and communications that provide the foundation for a program's life span?

35 / CONTROLLING YOUR FORTUNE: HOW TO INCREASE YOUR ORGANISATION'S SHARE OF WALLET

Regardless of the market conditions, business customers are still going to spend. The question is, will you be gaining the majority of the share of wallet? Don't leave it to chance and control your own destiny.

38 / THE PERSONAL TOUCH

Having worked in advertising and marketing, Mellissa Stapleforth shares her view of the two roles and their differences.

40 / SETTING TARGETS IN A POST-COVID WORLD

In a post-COVID market - how do you set relevant sales targets? While there is no single view on the outlook of the markets in Australia and New Zealand, you can still take important steps to deal with uncertainty and build targets on relationship, performance and best-case outcomes.

Industry Showcase

30 / SUPPLIER-FUNDED INCENTIVE PROGRAM

Implement a self-funded B2B incentive program in a highly competitive yet declining market that will grow your share of wallet and maintain sales.

Rewarding Ideas

42 / AMAZING TRAVEL EXPERIENCES

Adelaide: A City of Food, Wine and Surprises

Dubai: Scenic Views of a Spectacular, Modern City

New Orleans: America's Historic City



44

14



KORU
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Flip Rebates to Rewards

Why reward programs outshine rebates as the preferred incentive type

Mark Farrell, 212F Partnerships Director

Companies that sell through B2B sales channels use both cash and non-cash incentives to meet their sales targets and forecasts. Any B2B company that doesn't use both is probably limiting its chance to meet sales objectives, and inhibiting engagement and growth.

The importance of cash and non-cash incentives is increasing every year, as competitors fight for customers and share of wallet with limited sales and marketing resources and budgets.

Of course, it's always been like this. But these days, customers are busier and have less mental bandwidth than ever due to work and life schedules. So B2B businesses must incentivise customers to change their purchasing behaviour, to develop longer term buying habits and, eventually, brand advocacy.

Control over customers' purchasing habits is the holy grail for B2B marketers. Loyalty or brand advocacy heavily reduces the cost of marketing, as customers are buying products habitually.

For this reason, the choice and execution of the incentive is essential for B2B sales and marketing functions to get right. Yes, a B2B marketer needs to use the budget for brand awareness, lead generation and corporate identity positioning and messaging. But when they work with sales teams to achieve sales goals/growth, it's incentives that drive revenue and profit.

The big question is this: which incentive has the best chance of delivering the highest return on investment? This article will look at the options to find the answer.

Types of Incentives

Before we dive in, let's remind ourselves of what an incentive is. The Dictionary defines it as:

incentives: *something that motivates or encourages someone to take an action.*

Sales and marketing teams have a range of cash and non-cash incentives in their toolkit, which they can use to motivate or encourage customers.

Here are the main ones

- **Discounting:** This is a weak incentive because it is not sustainable and implies a lack of trust in the company's product. On a tactical level, discounts drive sales but don't create profit or benefit beyond the transaction.
- **Supplier Funding, Partnering & Service:** These complementary strategies can effectively drive longer term behaviour and 'stickiness'. They are essential to the overall mix. However, they don't power behaviour change the way rebates and rewards do.
- **Rebates & Rewards:** These incentive types work very well when resources and budgets are limited, and sales targets and objectives are set.



Rebates or Rewards?

This is a common question asked by sales and marketing leaders who are driving growth strategies: ‘To hit our sales objectives this year, what incentive strategy will give us the best ROI, using the limited resources and time we have?’

Many believe the answer is rebates, but in fact rewards outperform as the preferred incentive type. Currently, rebates are the most common incentive used in B2B segments.

Here are the pros and cons:

Advantages of Rebates

- Rebates are simple to understand.
- It’s easy to distribute the funds (trade credit, EFT).
- Cash has a universal value.

Disadvantages of Rebates

- It’s difficult to reduce the rebate percentage once it’s been provided.
- Rebates exist throughout industry, so there’s no differentiator.
- Rebates are expected by business customers.

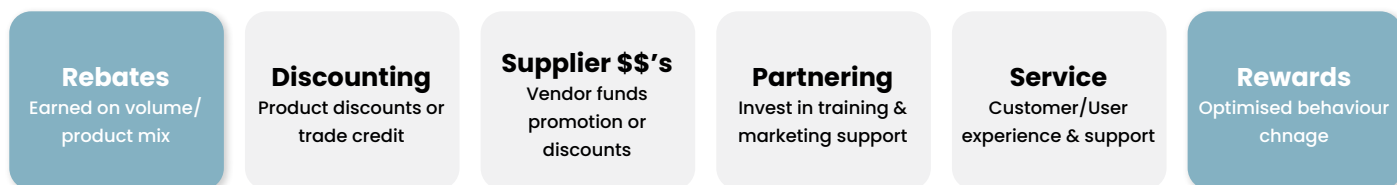
So rebates are easy to use as incentives, as they’re simple to set up and easy to manage. However, these advantages tend to cloud their lack of success as an effective tool for growing sales and profits.

Rebates are expected and common, and don’t help businesses differentiate from competitors who are vying for the same share of wallet from a customer. For these reasons, rebates don’t perform as well as rewards on a dollar-for-dollar comparison.

Financial

CASH & NON-CASH INCENTIVES

Emotional & Financial



Why Rewards Deliver More

Again, it's important to define our terms. The Dictionary provides these useful definitions:

reward: *a thing given in recognition of service, effort or achievement*

rebate: *a deduction or discount on a sum of money due.*

When applied correctly, a reward can achieve more with the same incentive dollar (either a marketing dollar or a percentage of margin from the sale). Here are three main reasons for that:

1. Reward Severability

Reward severability exists when a customer earns rewards through their business spend and changes their behaviour to maximise the opportunity to earn rewards, and in turn trophy and halo value.

In an incentive and reward program, customers can earn back value on their business transactions for personal spend. They can enjoy the result of the transaction on a personal level, often in the form of a physical product or an experience. In contrast, rebates end up as income or are re-invested back to the customer's business.

Rewards are also emotional and personal, which can result in significantly better purchasing outcomes (behaviour) compared with rebates.

Finally, rewards are tangible and experienced, so it's not easy to attach a purchase price or worth to them. At 212F Group, we ensure that our clients' customers perceive their reward spend is higher than the actual spend.

2. Emotional Connectors

Several components of a B2B rewards program are designed to create emotional connections with customers. For example:

- Rewards are earned within a program, not returned to customers as dollars or credit (as with rebates).
- The program has an online presence (website), its own look and feel (branding), personalised communications, and a targeted rewards mix.

- Reward programs recognise achievement, celebrate redemptions and create heroes.

Rewards redeemed and activity in the incentive program identify customers who are engaged beyond the transaction. Specific strategies and personalised content are created for these customers, linking their behaviour to the success and outcome of the rewards investment. This is not possible with a rebate model.

Additionally, program and sales data educate sales channel and territory teams, who are emotionally driven to hit financial goals. This doesn't occur in rebate models because teams don't receive credit immediately, but often months after the financial year ends.

3. Behaviour Change at Point of Purchase

Rebates are geared more towards company accountants and business owners, while rewards are more flexible. Like rebates, rewards target can influence a whole company's purchasing strategy. The business owner may take all the value, but the value is typically higher and can be shared throughout the business.

Not all purchasers for a company will be 'on point' with the volumes, locations and products. And, under a rebate model, they're not incentivised at the time of purchase (or any other time). The rebate is not seen, not emotional and, often, not shared with the purchasers as individuals. So where is the incentive for them to change their behaviour?

Alternatively, a rewards program incentivises multiple people from the same business customer and they experience an emotional attachment to the reward value at time of purchase. This drives significantly more behaviour change and sales success.

4. Target Tracking & Immediate Rewards

Rebates are usually set at the start of a financial year, and the customer has little or no visibility of the rebate until the end of month 12. This is an obstacle to growth.

In contrast, in a strategic B2B rewards program, the customer (and their sales rep) is reminded of the incentive throughout the year, encouraged to overachieve, and paid the benefit or value at the time of action. Compared with rebates, rewards provide greater scope for specific behaviour change that drives more loyalty or share of wallet from a customer.

The Journey From Rebates to Rewards

Rebates are still the most common incentive used by B2B companies.

However, as companies and channels evolve, they will find that non-cash rewards and reward programs deliver more profitable and longer-lasting positive outcomes.

Rewards incentivise specific, targeted and personalised purchasing behaviour. They also increase awareness, and use engagement connectors, reward severability and target tracking to work every dollar harder.

If you currently use rebates to foster loyalty, and drive specific purchasing behaviour and reward spend, then you should continue to do so. But we also recommend talking to 212F Group to find out how you could better use that rebate package to include cash and non-cash rewards and/or a rewards program.

Gradually introducing emotional engagement layers into your rebate program could be the key to the growth percentage you're after. We can show you how we've taken several clients on their own journey from rebates to rewards, and helped them achieve sales growth by transitioning from a traditional rebate program to their own highly successful rewards program.

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Loyalty Led Design



TYPES OF B2B LOYALTY

Understanding customer loyalty types in an ever-changing market

Matt Griffiths, 212F General Manager Sales & Marketing

To develop any successful B2B marketing initiative, especially a B2B loyalty program, a business must have a strategy based on customer behaviours. A customer's behaviours will shape how they purchase products, engage and commit their dollars to a brand. In other words, their behaviour defines their loyalty type.

While price is a considerable factor in influencing loyalty (i.e. a strong incentive), there are other benefits and intrinsic values that customers look for in a brand. For example, in B2B settings, relationships and personal connections are highly regarded and often critical in building loyalty.

In today's ever-changing market, it's never been more important for businesses to understand their customers. Every industry has seen changes to its landscape, and customer relationships have started to evolve beyond just transactions. Ethical operations and brand purpose are now

heavily valued, and how staff conduct themselves with customers is a strong motivator of loyalty.

'Customer loyalty' is a broad term, so defining it can be tricky. Not all loyalty is the same – business-to-business relationships are very different to the business-to-consumer market. And the fundamentals of these groups are quite different. So when we talk about 'loyalty', we need to understand and recognise these differences.

At 212F Group, we sit unashamedly in the B2B camp. Our approach to customer loyalty is formed by how your company, sales teams and customers engage with each other.

However, implementing a B2B loyalty program will not guarantee you customer loyalty. If you design a program without fully understanding your customers' various loyalty types, you'll end up with an underperforming loyalty program. So let's take a deeper look at customer loyalty.

Incentives and Loyalty in B2B Context

First we need to define incentives and loyalty in a B2B context for Australian and New Zealand markets.

Incentives and loyalty are interrelated. An incentive program encourages transactions and behaviours that are important to a supplier or vendor relationship with partner clients and customers through rewards.

These behaviours result in loyalty created through recognition and built on rewards – which influence the relationship. Loyalty isn't just about transactions, but about making personal and emotional connections with a brand.

Your goal is to target specific behaviours with an incentive to build loyalty through relationships and recognition.

THE 5 TYPES OF B2B LOYALTY

So what are the different types of B2B customer loyalty, and why are they so important? There are various ways to view loyalty. Here, we identify the five most common ways that customers commit their business to a B2B brand. These types result from different value propositions that a brand may present to customers through an incentive program.

1

Price-Induced Loyalty

There's no doubt that business customers are looking for competitive prices. Resellers, channel partners and account customers need to keep their costs down to grow their margins or maintain value for their customers.

So, for some, a great product and service price is the top reason to remain loyal to a vendor or supplier. Depending on your industry, this loyalty may be induced through trade discounts, promotions and special offers, as they all hold monetary value to the customer.

When you run an incentive program, carefully consider whether you want to induce price-based loyalty and whether it's the best move for your brand.

Reducing your price isn't always the best decision when you look to incentivise your business customers via a sale, sign-on discount or rebate structure.

Customers may join your incentive program or respond to your offer only to get their hands on that discount in that moment. This will give you access to those customers for a one-time purchase or the short term. A new customer might enrol in your incentive program to achieve the benefits of their initial purchase and not purchase again. However, others may stay in the program and buy more than once.

If you lead with price, you might see customers switch when they see a competitor's offer. It's hard to add value to a loyalty program when you have the cheapest price in town. Additionally, an incentive that results in price-induced

loyalty could impact your long-standing business relationships.

Customers who purchase based only on price can't provide true loyalty, as they're entering a relationship on a pricing bias – so a competitor with cheap offers could flip them. But if you can offer new benefits to take the focus off cost, you will give them more reasons to repeat purchase.

When you're aware of how price-induced loyalty acts, you can change customer behaviour and move them away from price.

2

Relationship Loyalty

Relationship loyalty is the loyalty type that B2C businesses would love to compare

notes with B2B businesses. The aim of loyalty is to create consistent, constant purchases based on the relationship between a business and its customers. In B2B, good relationships are a leading indicator of loyalty. Most B2B companies are able to make relationships more personal, meet customers face to face, and share experiences with customers through sales teams and support desks.

Fostering good relationships with customers is paramount in B2B, as selling to businesses can yield much more profit than selling to consumers (where transactions are typically impersonal). If you have a B2B loyalty program that targets business customers, you need a design pillar to retain and recognise your most valuable clients to ensure their loyalty.

In the trade industry, strong relationships between customers and store or account managers are built over time. They can even evolve to a 'mate-like' status. This bond creates brand loyalty, like building a community with similar business interactions, personalities and demographics. The strength of these relationships can also eliminate certain purchase barriers in negotiations, contracts and agreements.

B2B customer loyalty built on relationships is one of the hardest to shift, even when customers are approached with better prices and terms. Not only are their behaviours influenced by commercial considerations, but personal connections and mateship as well.

Relationship loyalty is mutually beneficial, as each party knows what the other party is looking for. As a result, a brand can align with a customer's business goals and transform customer loyalty from transactional to relationship-based.

In this sense, relationship and customer loyalty is a dynamic partnership that promotes long-term and mutual success.

3

Transactional Loyalty

Often seen as functional in nature, transactional loyalty occurs when a customer weighs up

the value of a product or service when deciding who to engage and make purchases with. A customer sees value in the purchase, realises the transaction, and then there's no further commitment. It's largely functional.

This type of loyalty is common in B2B and defines a transactional relationship between buyer and seller. It's also a foundational step in creating strong customer relationships. You can see a good example of this loyalty in the way that share of wallet influences a customer's buying decisions. Most business customers have a preferred brand that they deal with and then a back-up brand. Your goal is to be the greater share of a customer's spend – be the preferred brand. Brands can change a customer's behaviour and their tendency to repurchase a product or service through incentives or tactical promotions. However, these can be limited due to timing.

Another good indicator of B2B customer loyalty is the frequency and value of transactions, as all brands want consistent business from their customers. To achieve this, you need develop more business purchases and give customers good reasons not to look elsewhere for alternatives or change suppliers.

You won't build transactional loyalty through a passion or emotion for your brand. But a strong B2B loyalty strategy can target a customer and demonstrate their value to the business. Offering more tangible benefits can make transactions more emotional and nudge a customer to shift a portion of the share of wallet.

Transactional loyalty is a key loyalty type. If you can win customers' hearts or minds and still offer value in purchases, this group can be your retention gold mine!



Emotional Loyalty

Emotional loyalty is a psychological preference and 'affective attachment'.

In B2B, emotional loyalty occurs when connections are formed beyond transactions and relationships.

Here we're not talking about positive perceptions and attitudes about a brand that occur within transactions and relationships (which can drive customer behaviours like repeat purchases). Instead, we're talking about devotion, which is the result of positive associations with a product or brand, and a feeling of commitment based on emotional preference.

Customers who exhibit emotional loyalty are devoted to a product or service. They demonstrate this through repeat purchases, despite competitors' efforts to lure them away. Emotionally, they have a brand preference. In B2C, you can see this in fans of brands like Apple and Harley Davidson.

The question is: how do you create devotion and loyalty for your B2B brand? How do you bring business customers closer to your brand emotionally? The key is understanding what your business customers feel so you can create a personalised interaction with them – from the first contact (whether personally or via advertising) to the deal close and aftersales interactions. Incentives can achieve devotion by creating fans via the program; for example, an 'elite' incentive trip for top customers. Being part of an elite group

creates a halo effect and drives that emotional connection with the brand.

Creating emotional loyalty is about giving customers a positive experience. They must walk away with the sense that doing business with your brand is seamless, positive and, most importantly, customer-centric.

Recognition and connection are essential. If you can achieve both in a fragmented market, you will attract business operators who are looking for it. They want to see themselves and their values represented by your business and other customers. Focus on creating real partnerships, not just customer transactions.

More and more, customers are choosing to work with companies based on their purpose, values and ethical attitudes; the way the company and staff conduct themselves; and whether the company is doing right by its customers and society. If they see you demonstrating the values they respect, they will look to partner with your business.



True Customer Loyalty

True customer loyalty is the B2B loyalty to strive for, as it's a true commitment to a

brand. This loyalty isn't easy to establish and happens over time. But once you achieve true loyalty, your customers will rarely switch brands.

True loyalty is built from parts of the other four loyalty types. These are reciprocal relationships, supported by a strong two-way exchange of value.

When you achieve this level of customer commitment, things like competitive offers, convenience and the promise of something better don't matter because customers trust your business. The brand commands their loyalty!

Trust comes from delivering experiences that a customer values and feels good about at all levels. This creates a sense of belonging, where customers know that you have their best interests at heart. It shifts the focus from transaction to devotion.

Knowing Your Loyalty Types

Understanding these five types of B2B loyalty and how business customers engage will help you decide what kind of relationship you want to have with them. For example, knowing that a customer's allegiance to a brand is based purely on price will make relationships feel mercenary, but may also be a strategy to win customers.

If the main benefit of your relationship is convenience or lack of a better option, customers may stick to your brand. This works well in some contexts – such as new markets, locations or scarcity – but your relationship will be transactional, not emotional.

B2B incentive programs drive and create loyalty. But every brand must consider what type of loyalty they have and want their incentive to create. What behaviours do you want your customers to change? Should your incentives focus on customer commitment to transactions, or taking offers and driving incremental sales?

No matter what, a successful B2B incentive program needs to encourage and nurture personal and relevant relationships to achieve long-term gains and true loyalty.





KORU GREEN

212F Group's Commitment to a Harmonious and Sustainable Future

At 212F Group, our love for loyalty, incentives and rewards, combined with our passion for working towards a better future, has given birth to our new sustainability initiative, KoruGreen.

As the leading independent agency managing B2B loyalty, incentive and reward programs including travel incentives, conferences and events across New Zealand and Australia, we have always moved the needle in terms of new developments and offers in the marketplace.

Taking the same view on sustainability, we wanted to authentically put us in control of our place in the world and raise the bar across the industry. This decision led 212F Group to this commitment:

Net Zero by 2030 across all our client programs.

We kick-off this journey by committing to making all the 212F Group Travel Incentives, Conferences & Events net zero. At ZERO cost to our clients!

KoruGreen Initiative

In New Zealand, the koru resembles the unfurling frond of the native fern. It represents new beginnings, life and hope. The koru fern is an iconic symbol that all our trans-Tasman teams in Sydney, Melbourne and Auckland can connect to.

KoruGreen represents our commitment to a sustainable future.

Just as 'koru' in Māori symbolises new beginnings, the KoruGreen initiative will see the 212F Group bring to life a new vision and pathway to a better and sustainable future through all our client programs.

Calculating Emissions

The incentives and loyalty program industry is unique, and the current toolkit for measuring our greenhouse gas emissions (measured in tonnes of carbon dioxide equivalent, or CO₂e) is inaccurate or incomplete. We have taken steps to change this.

We strongly believe that you should always partner with experts to achieve the best outcomes. For that reason, we're ecstatic to partner with Meegan Jones, an event sustainability expert from GreenShoot Pacific.

We have developed an industry first: the KoruGreen Calculator. This tool is designed to measure the impact of 212F Group's highest emitting domestic and international activities: travel incentives, conferences and events. The calculator helps estimate greenhouse gas emissions based on the GHG Protocol corporate standard and offers the users a step-by-step process to estimate company emissions for specific programs or incentives on offer.

Zero Cost To Clients Across All Travel and Events Programs

What makes the KoruGreen initiative exciting is that we are committed to a 100% offsetting program at zero cost to clients across all Travel Incentives, Conferences & Events. To do this, we will purchase carbon offsets via the United Nations Carbon Offset Platform.

As well as making payments on behalf of our clients' travel and event programs, we will provide clients with:

- guidance on reducing emissions in their program
- an end-of-program report on the CO₂e consumption
- an annual report on the sustainability initiatives

We believe in continuous improvement, as it encourages a growth mindset. The KoruGreen initiative will give us the perfect platform to continue improving and leading our unique industry into a harmonious future.

Currently we are the only Travel Incentive, Conference & Event provider in Australia and New Zealand & likely globally to take responsibility for the greenhouse gas emissions at our cost, and we are proud of it. We believe the KoruGreen Initiative will inspire other organisations to join us in taking a responsible approach to the climate impact of their businesses.

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The Journey to Personalisation

Putting customers at the centre of your loyalty program

Matt Griffiths, 212F General Manager Sales & Marketing

It's true that the outcomes of a strategic B2B loyalty and incentive program design are usually linked to sales. However, every business that implements an incentive program also wants a better understanding of their customers.

For that reason, the customer should always be at the centre of every aspect of a B2B loyalty and incentive program.

Recognising Customer Differences

There has been much discussion recently about how loyalty communications should be created and delivered, and their relevance for the target audience inside a program. When designing a program, it's vital to move away from generic campaign and statement blasts. Like every customer database, not all customers segments are the same, so the messaging and offers within your loyalty program must allow for those differences.

It sounds simple, but it's not without obstacles. Customer databases, relationships and changing markets all influence how customer segments, and the resulting communications strategies, will be developed. Knowledge is power and setting up a B2B loyalty and incentive program gives you the opportunity to obtain that knowledge – by building 'customer personas'.

Understanding Personas

A persona is an easy way to describe a group with similar attributes that represents a customer segment. Although it's essential to constantly keep your individual case in mind, you can use diverse description types to develop them.

Typically built from feedback surveys and sales and category insights, you might develop a business customer persona with a name (such as 'Terry'), with some defining demographics, a business type category and details of how they engage with the business. You can group customers of similar types with similar behaviours and needs under this persona. And create different personas to group customers with different behaviours and needs.

A downside of this type of persona build is the reliance on survey responses, and it might not show the entire picture, as the questions asked or response rates will affect the true profile as it builds. Regardless, you can build a customer persona and develop specific communications for them.

Using Personas to Design Programs

When we consider personas in the context of a B2B loyalty, incentive and reward program database, rather than having named personas based on demographics or business types,

we want to understand customer interactions and behaviours inside the program, as they link the behavioural pillars of a program.

To achieve this, we created a customer segmentation model that would link back to a B2B loyalty program design and pain points. It would place our customer database into cohorts, enabling us to develop relevant and tactical communications to change their customer behaviour.

We want to bring a 'program management through personas' perspective by aiming to raise awareness of the program, while nudging program participants to engage in behaviours that achieved the program objectives. That is, to keep the program front of mind, reinforce the program benefits and total value proposition of a client's product, and recognise a *buy > reward > recognise > buy* cycle that resolves a pain point.

The 212F B2B Engagement Model (right) helps you understand critical activity within the incentive program. This knowledge will allow you to begin segmentation of your customers in like for like groups, regardless of demographic.

By controlling the segmentation of a reward program, based on behaviours, we can create engagement campaigns with a message that speaks directly to a cohort within the incentive program and cuts through the business-type barrier.

When you place business-type communications at the top of program-related comms, you have a well-rounded communication plan. Think about it this way: within a B2B loyalty program, engagement and points or value earned in the program relate to a customer relationship's performance and value, regardless of type. Our customer segmentation model takes two vital parts of a loyalty program and weighs them against the entire program database. Creating groups of similar customers and the chance to communicate to them not just on spend. It's a setup that allows for one to many into one to few communications and the targeting of relevant messages and offers.

Engagement Score

Engagement within an incentive program is a key metric that will determine its overall success. When certain customers or cohorts aren't engaging with a program destination or communications, this can indicate that the customer group has left or is leaving. This will have a flow-on effect for the sales results of initiatives.

The Apostle model, developed by Harvard, uses satisfaction as an indicator of customer groups and loyalty. By taking a similar view as with rates of transactions, activity and emotional interactions within the program, you can gain important insights.

For example, customers who are earning points but won't talk to sales reps, or engage or redeem, may be seen as hostages. They are doing business with the company but feel stuck, perhaps

due to contractual arrangements or a lack of alternatives.

When program managers understand engagement scores and percentage of the database within cohorts, they can gain vital insights and start deploying win-back or targeted offers, recognition or value-based communications. They can activate change using the various communications and platform tools available to them. Drilling into this group can create real one to one personal communication, as you can target a person and change their behaviour with offers aligned to their current status in the program.

The Power of Reward Redemption

In a loyalty program, the moment of success for a customer is not the purchase or accumulation of points – it's the achievement of the reward. Whatever the offer, they have something to celebrate in that moment.

The value that customers get from a B2B program allows them to receive real value on redemption, and getting to that moment is paramount. Sales offers are the way to support that success.

Celebrating the success of reward achievement relates to the effort taken to earn it. Customers who are frequent reward redeemers or point bankers are often brand advocates for your loyalty program. Finding new reward options or ways to earn points for these groups can provide real benefits for both the person and the company.

Spending behaviours will influence the buy cycle so, if you can tap into the frequency, you are onto successful

communication campaigns. Knowing what reward goal a customer is targeting can also guide sales teams to tailor offers and hunt for new deals to help the customer earn that reward.

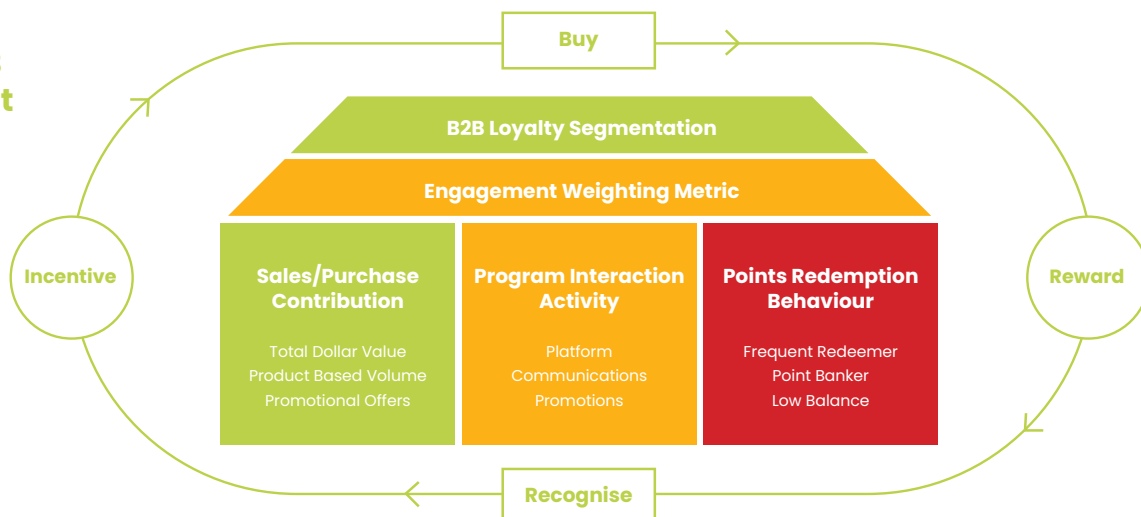
'Rewards redemption power' is the outcome of sales effort. More often than not, higher balances are held by "A-list" customers, and there are benefits of targeting a loyalty program for them. However, within these groups may be customers who are truly loyal and spend 100% of their potential revenue on your business. By placing them within a similar cohort of power, not just an annual review, you have a new way to communicate with them as the loyal customers they are.

Targeted, Strategic Communications for Customer Groups

All communication that is sent to a B2B loyalty program customer database should support the overall business marketing strategy. Whether these shift from one to many to the ultimate one to one touch points. Segmentation on actions rather than demographics can help great organisational communications teams know what they're selling and can demonstrate the benefits of your products and brand.

A well-designed and fluid loyalty communication strategy lifts those messages by creating and sending relevant, targeted offers and to specific customer groups. The aim is to create brand advocacy built from moments all anchored to the ultimate outcome – rewarding moments for the customer.

The 212F B2B Engagement Model

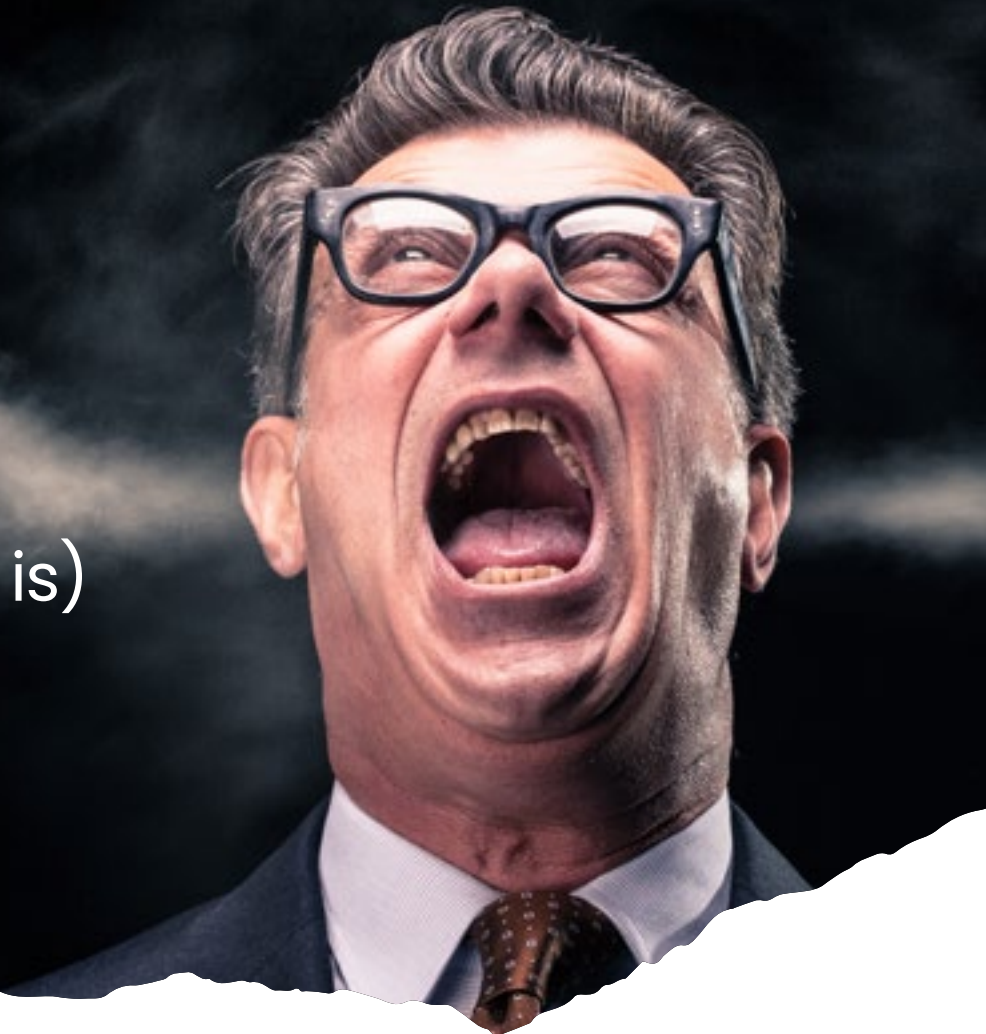


I Hate Loyalty!

(the word that is)

How I finally made peace with the word 'loyalty'

Rob Morrow, 212F Managing Director



Throughout my career, I've always been irritated by the word 'loyalty'. I wouldn't use it to describe our programs and cringed at the very thought of it. Once, I made the marketing team remove it from our keywords across all our digital assets!

So why did I dislike this word so much? In part, it was because the word is so often used to describe B2C programs that mask themselves as 'loyalty programs' but actually appear to be something else.

Recently, I heard B2C industry experts evangelise the success of B2C loyalty programs and then quote newsletter subscriptions as a key indicator of loyalty. Now, if you're like me, you've signed up for a newsletter mainly to receive a discount, an e-receipt or a record of the transaction. But have they earned loyalty yet? That's a big NO.

Perhaps I'm cynical because I have a B2B lens and can't see past what we do. But I don't think I'm naïve about this topic. We have ex-B2C experts working in the 212F Group

and, in our 25 years, we've supported and run B2C loyalty programs for major international hotel groups (e.g. Starwood now Marriott, Millennium Hotels and Sarovar). And we currently manage an elite frequent flyer customer program for a major international airline.

So why am I such a cynic about B2C loyalty and how does it differ from B2B?

Where Loyalty Programs Fail – and Succeed

I've always had difficulty articulating my belief about B2C loyalty until I read a research document this year that framed what I've been thinking: *HWZ Working Paper Series – Loyalty Program Assessment 2022 by Alexander Meili*.

The white paper noted two major criticisms about the effectiveness of loyalty programs:

- Member enrolment doesn't automatically lead to higher revenue and profit, which results in a gap between financial returns and expectations.

- Customers don't clearly see the benefits of a loyalty program and view the program's rewards or communication as irrelevant to them, resulting in high levels of program inactivity.

These points are foundational to designing and executing a B2B incentive and reward program.

Firstly, signing up a customer to an incentive program gives you the opportunity to communicate with them. All incentive program communications must be targeted and relevant. As B2B customer communities in programs are generally smaller, we can do this fairly easily, and achieve exceptional EDM open rates of 40–50% and click-through rates of 28 to 32%. This result is double what most B2C EDMs achieve.

Additionally, many programs allow us to speak directly to a large number of participants. So we know who they are on a personal level, not just as an item in a database or an email address. Not only does this help build an integral

program relationship, but it gives our program managers actionable insights about how to improve the program experience and outcomes.

Secondly, the benefits of any loyalty program must be clear. Generally, these should be the main advantages of a B2B loyalty program:

- Customers buy meaningful amounts of your product and service regularly. (Often, you just need to get them to buy more of it.)
- The reward value that customers earn in a B2B are much higher than B2C. (So we can design and offer more engaging reward offers.)
- Intangible benefits are extras, not the main game. (They are often linked as recognition of the customer's value.)

Here's an example that compares the rewards and earning potential of B2B and B2C loyalty programs.

As a consumer, if I spend \$5,000 per year at Woolworths, I expect to earn a \$25 reward. But in a typical B2B program, a customer would spend \$5,000 per month, not year, and earn \$100–\$150 of reward value per month. Many of our trade B2B programs would see 5–10 times more reward value for this monthly spend. Once you get to these values, the benefits are real and tangible. The brand, program and individual can be easily celebrated, which is a true acknowledgement of your customer loyalty. More than newsletter subscriptions!

Drivers of Effective Loyalty Programs

So why did Meili's research paper change my view about loyalty programs? Because I realised that, regardless of earning power in a B2B incentive program, there are many

more variables you can combine to create a great program design.

Even 3% reward contributions in B2B programs aren't sustainable if you're not achieving a sustainable business outcome. So it all comes down to the additional drivers behind your design.

Where this really gets interesting is the research and the framing of KPI drivers.

The drivers of a program's success must be considered from two perspectives: the 'inside out' view (customer's perspective) and 'outside in' view (program owner's perspective). Both views are essential when assessing the effectiveness of a loyalty program.

Through his research with academics and practitioners, Meili developed a KPI table with a ranking of KPI importance:

Key Performance Indicators	Ranking, overall (n=12)	Ranking, practitioners (n=6)	Ranking, academia (n=6)
1. Customer lifetime value (CLV)	1	1	1
2. Member lift in spend	2	2	6
3. Incremental revenue/margin	2	2	6
4. Churn rate	4	4	3
5. Repeat purchase rate	4	7	2
6. Engagement rate	6	7	3
7. Program cost rate	6	7	3
8. Growth rate	8	7	6
9. Activity rate	8	7	6
10. Redemption rate	8	4	11
11. Acquisition quality	11	7	11
12. Participation rate	11	13	6
13. Average order value	13	13	14
14. Accrual rate	13	13	11
15. Net promoter score	13	4	16
16. Elite in spend	17	17	17
17. Share of non-transactional earning	16	17	14
18. Share of elite members	18	20	17
19. Turnover penetration rate	19	13	19
20. Points expiration	20	20	19

Meili notes that these results reflect the opinions of interviewed experts and aren't meant to be statistically representative. Based on this premise, the paper provides some interesting conclusions:

- “Customer lifetime value” (CLV) was the undisputed favourite of all the experts surveyed. This shows that customer loyalty programs go beyond mere retention and have the mandate to increase quantitative customer values by focusing on the right customers, i.e. separating the wheat from the chaff.
- The next four most important KPIs were strictly economic in nature. They show the incremental direct financial contribution of customer development: the percentage of increased sales, profit, and purchases, as well as of customers lost.

With these KPIs, the mission for the loyalty program is clear: to drive incremental revenue and go the extra mile.

- It is striking that the classic KPIs, which are relatively easy to calculate – “activity rate,” “redemption rate,” and “expiry rate” – were not among the most important parameters. Whereas “redemption rate” was regarded as being important among the practitioners (fourth place), this was not the case among the academics (11th place). “Expiry rate” (decisive for liability accounting) was a surprisingly unimportant metric to all the respondents (20th place). This may also be because CFOs (who are interested in all the financial implications of expiring points) were not represented among the interviewed experts.

- The comparison of practitioners versus academics did not reveal any major differences. Both groups agreed on the ranking of the top KPIs. What they did consider differently, however, was “redemption rate” and “net promoter score” (important for the practitioners) and “repurchase rate” and “participation rate” (important for the academics). The difference between practitioners versus academics was most obvious for “net promoter score” (4th and 16th places, respectively). This finding presumably reflects the fact that this metric (based on customer opinion and willingness to recommend) is becoming increasingly widespread in practice, but is still controversial among academic experts.

Now I feel like we're getting somewhere in understanding the path to a great loyalty program.

A loyalty programs needs to

- mean more than just enrolment
- have clear benefits for the participant/member (meaningful benefits)
- have both ‘inside out’ and ‘outside in’ measurements
- have a foundation of KPIs that are measurable (drivers).

Unfortunately, the research paper fails to explore a loyalty program's return on investment. Granted, this is probably a white paper in itself. However, the exclusion of ROI may point to the issue that B2C marketers don't fully consider ROI results in their design thinking – and actually see it as an expense to be reduced.

Loyalty is back!

So where have I changed my thinking and developed a new love for the word ‘loyalty’? Basically, if a business has a well-designed incentive program that clearly addresses the objectives, engages participants and drives a behavioural change, I believe that's a great loyalty program!

During my time within 212F Group, I have seen many B2B loyalty programs that were not designed properly and therefore failed, so we push hard for our clients to think strategy first. But, based on Meili's white paper, it's possible that great programs do exist in the B2C environment, so now the word ‘loyalty’ is back on the table. (Or maybe just B2B loyalty for me – because I'm biased!)

References

(1) Meili, Alexander. (2022). Loyalty Program Assessment: KPI-Based Evaluation of Customer Loyalty Programs. 10.5281/zenodo.6521984.



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Tony Nay, Incremental Managing Director

'The best things in life are free!'

This phrase has been used by many songwriters over the decades, from Bing Crosby to Janet Jackson. It might seem a stretch to link these music lyrics to ROI on business growth incentive programs – but here's the connection:

An incentive program carefully structured for customer growth can deliver both double-digit growth and be fully self-funded.

'Self-funded growth' means that the growth from incremental sales and margins more than covers the cost of the reward offered to the customer. Another budget isn't required to fund the rewards.

And, at 212F Group, we believe that achieving low-cost, measurable growth has got to be right up there with the best things in life!

Delivering a Real 'Step Change'

Customer incentive programs should be an integral part of any B2B sales team toolkit. The core goal is to offer more to your customer in order to get more back from them – usually sales!

Over 25 years, I've seen customers in many previously low-growth markets achieve consistently spectacular growth, often in the hundreds of percent! Sounds too good to be true? Not at all.

Our B2B incentive programs are structured to provide unlimited opportunities for customers to keep earning. For example, we're currently concluding a B2B promotional buying period with a group of customers that includes a high-end travel incentive to Hayman Island. This incentive program operates across Australia and New Zealand – and one customer's incremental growth will fund 10 couples packages for the trip!

While this customer is the largest achiever, they're not alone in their overachievement. A total of 14 other customers across the program achieved 2 or more packages, with each package costing \$11,000. These customers could not have achieved these results without delivering real step change.

Making Big-Value Rewards Self-Funded

At the heart of these results is our resolve to make all our programs self-funded. I often say, 'You can keep your marketing budget. We don't need it.' But I don't mean it in a cocky way. It's just that my years of experience and results have shown me that it's 100% possible to design a self-funded growth incentive program for every customer.

Even customers who purchase low-margin products can have customised targets that allow their rewards to be fully funded. They might have to achieve some big numbers, but it's possible. We had a customer purchasing indent commodity lines that returned a net margin of 5% – which self-funded their travel incentive reward.

It's about knowing what to ask and how it will fit into your program structure. Will it truly shift sales and buying behaviour towards your products and achieve your goals?

Massive Growth from Just One Customer

The results that one customer can achieve are truly astounding – if the reward offered is aspirational and matches the effort that the customer is prepared to invest.

This proves how little many of us and our sales teams understand about our customers, their purchasing power and, most importantly, their buying potential. Through a self-funded program, companies can discover the true amount that a customer was previously spending with competitors. We call it 'discretionary value', where a customer has an opportunity to favour one supplier's brand over another's.

By providing sales teams with real benefits – beyond price or product – you allow a growth incentive program to unlock a customer's real buying potential.

A Single Year is Never Enough

One major reason to launch a growth incentive program is the real ROI and added value that the program can deliver in Years 2 and 3.

Granted, it may be difficult to repeat some of the initial growth results year after year. However, the growth-rich numbers that you achieve in Year 1 will become the baseline for further growth for the Year 2 and Year 3 programs.

Growth incentive programs provide so much extra value over time. Here are just a few examples:

- Justifying a sales team's effectiveness is a constant focus in many businesses. Growth programs provide many opportunities to increase transparency within your sales teams.
- Growth incentives give customers a great reason to support new products, but many of our long-standing clients also say that their team's knowledge of each engaged customer's business has improved greatly as a result of the program.
- Well-structured growth programs that deliver aspirational rewards or amazing life experiences to customers provide a sustainable competitive advantage.

Conversations with motivated customers become more elevated, as they share deeper insights about their business objectives and opportunities for your company.

I am so passionate about achieving profitable sales growth for our customers that I've done it in 17 countries around the world! That's why I'm always singing 'The best things in life are free' – including business growth!

Enemies to Lovers

Ending the sales and marketing cold war to smash loyalty targets

Ankit Singh, 212F Marketing Executive



Relationship Status: It's Complicated

In many organisations, sales and marketing teams are constantly at war or, at least, engaged in a cold war. Unfortunately, this complicated relationship can lead to below-par, if not disastrous, results.

Marketing professionals feel that sales teams are too focused on individual customers and short-term results. Sales professionals believe marketers focus too much on project performance (which doesn't look like action to them) and waste time generating useless leads that the sales team can't convert.

In short, each team undervalues the other's contributions.

The lack of cohesion between sales and marketing is one of the key challenges underperforming organisations face. When these teams collaborate well, companies see a major improvement in critical performance metrics, including shorter sales cycles, lower market-entry costs and lower cost of sales.

If your sales and marketing teams aren't getting along, a loyalty program may be the ideal relationship counsellor to bring them both together!

Playing Cupid

Every organisation has a responsibility to create a harmonious relationship between sales and marketing, so these traditional 'enemies' can work together to boost top-line and bottom-line sales growth.

This relationship is critical when you launch a new B2B loyalty and incentive program or expand an existing one. The relationship status needs to change from 'undefined' to 'integrated' to align the two teams and get the best out of the program.

The relationship between sales and marketing is often undefined because the individual teams are working in silos. Instead, the teams must meet in the middle (as in every good relationship!) to get the best results from the program. Customers will receive their rewards and the business will benefit from their success.

The Expense of Internal Communication

At the risk of being Captain Obvious, internal communication is the best way to integrate your sales and marketing functions, or at least move them towards integration. But is it as simple as communicating more? No. Because communication can be expensive.

A monthly sales and marketing meeting can remove 40 staff for more than 2 hours. That's a whopping 80 hours of productivity lost on a meeting! During that time, the sales team could've closed a deal and the marketing team could've gotten closer to launching a new product or design.

An incentive and reward program that targets business pain points can overcome this. The ideal way to get the best out of your resources – such as the number of hours spent – is to set a robust meeting agenda and stick to it.

At its core, a B2B program answers sales outcomes. It places the customer in the centre, and program communication is built around the performance of all. There's no vested interest or 'wasted' time – there are benefits for both the sales and marketing team.

Bringing Team Knowledge Together

Giving the two teams a central project that requires insights and expertise from both departments will promote collaboration and maybe even a little respect for each other's skills. An incentive and reward program is the ideal project for marketers and salespeople to collaborate on!

Marketers will benefit from the sales team's information about their relationships, market conditions in different locations, and what rewards could help drive customer engagement.

Likewise, the sales team will benefit from understanding how branding and messaging can determine the success of a rewards program, as well as the frequency of the collateral and reporting.

Both teams should be focused on getting the best offer and communication in market so customers can achieve rewards.

Your organisation's B2B loyalty and incentive program is a great opportunity to bring the teams together to map out the complete project.

Your sales team can provide frontline knowledge, such as how customers perceive your product and why a competitor's product is doing better than yours. Your marketing team can use this information, perhaps to create a bolder message or unique advertising to improve product placement or visibility in your preferred marketplace.

The knowledge that the sales team brings from the frontline is invaluable for marketing to get the message and placement of that message bang on! And giving the sales team advice on using marketing skills in sales pitches could create the perfect coupling for your business needs!

Creating a Feedback Loop

The marketing team often complains that the sales team is too busy with their targets to share vital feedback about experiences, ideas and insights. Similarly, the sales team complains that marketing doesn't action the feedback they do provide, so it's a waste of time.

Sometimes it seems that neither team has any real incentive to share their information, but this situation is detrimental to your organisation.

A loyalty program will allow you to align the teams and create a feedback loop, so they can share information effectively.

With enticing incentives, your B2B incentive and rewards program should be relatively easy to sell. Make the loyalty program manager the centre of all information (the centre of truth!) to help define each team's role in the project.

The manager should work with the marketing and sales heads to work out the following aspects of the project:

PROGRAM TRAINING

Sales

The sales team will gather knowledge about the loyalty program: how it works, how to sell it to consumers, what competitors are doing better and the steps to ensuring product visibility. They will give customers a pathway to success – what they could purchase to help achieve a reward. They will also structure deals or sales opportunities, so customers can easily visualise how they can achieve.

Hint: Allocate incentive points for completing all or part of the training.

Marketing

The marketing team will determine branding, language and the best presentation for program information. The training will include product USP, incentive structure and how the sales team can track their progress.

Hint: Have a marketing liaison officer work with the sales head to consider how to encourage the sales team to buy into the program.

LAUNCH COLLATERAL & PROGRAM COMMUNICATIONS

Sales

As the team at the frontline of the project, the sales team knows the reality on the ground. Therefore, the sales head will provide the 'real truth'.

For example, the sales head might inform the program manager that the program flyer isn't the right approach because the sales team can't keep track of sales or the pathway to redeeming points, or they find the process confusing and laborious.

Marketing

The marketing team will determine what avenues to use when communicating about the loyalty program to the sales team. All messaging must be aligned and the promotion material eye-catching to encourage the sales team to buy into the process.

For example, the marketing team can flex their creative muscle to create personalised program communications and support documents for the sales teams to use. Depending on the reward program, they might develop personalised content and sales targets via the website. They could also promote the best (pinnacle!) reward in the program and communicate how the sales staff can achieve it in the shortest time.

The marketing team and loyalty program managers need to keep all promotional material fresh and up to date, based on the program journey.

FEEDBACK AND ACTION

Sales

The sales team will provide regular updates from the ground about how the program is performing. This includes real feedback from customers about any changes that might make the program more successful.

The program manager and sales head will work together to track the progress of rewards redemption, the process and any operational issues.

Marketing

The marketing team will collate all the information shared by the sales team and program manager. Where relevant, the team will develop personalised communication techniques to assist the sales team to sell the product.

For example, if feedback says that program uptake is slow, the marketing team can create a real-time tracking system and regularly announce the leaderboard, congratulating the best salesperson. This will create an aspirational and evidence-based pathway to success.

If the feedback is positive, the marketing team can encourage that behaviour by promoting the highest reward of that program, such as travel incentives.

For example: 'Adam is currently leading the race to take his family on an all-paid vacation to Greece. What are your plans this summer? Log into the loyalty portal and start collecting points today!'

BRING EVERYONE INTO THE PROGRAM

Sales

Self-motivation and personal success are embedded in every salesperson's DNA – so nothing ensures a successful customer incentive program more than salespeople sharing in the rewards and accolades. A targeted sales team incentive program that aligns with customer objectives will give the sales team another reason to get out, promote and sell products in the program.

Leaderboards are a simple and effective way to encourage competition between salespeople, regions and teams. If they sit at the top, not only are they the 'best', but their customers are probably on their way to achieving their targets. Additional elements like personal rewards, recognition or even a place on a travel incentive program will elevate the program.

While all the marketing activities help promote the program, the sales team must also be engaged and have several actionable points throughout the program.

Marketing

It's just as important to offer success measures for the marketing team as it is for the sales team. Marketing needs to consider the most effective ways to keep the loyalty program top of mind and sell aspirational goals to customers. At several instances in an incentive program, actions are required to ensure the program's success. Defining these against the overall program communication and outcomes can provide ways to reward the marketing team.

For example, you might link engagement like EDM open rates and click rates, or link new promotional material to individual or marketing team bonus rewards. Additionally, when the program is launched, the marketing team could engage with customers in points redemption. The customer's redemption of points could equal reward points for the marketing team or individual.

The idea is to create heroes in the program once sales efforts have been recognised.

Focusing on Today and the Future

A strategically planned B2B loyalty program will bring your sales team's intimate knowledge of your customers into the company's core. These improvements will help your organisation serve your customers better right now and help marketing teams build better products for the future.

Best of all, these improvements will boost both your top-line and bottom-line growth.

Give Peace A Chance!

Marketers are experts at creating versatile and engaging content for each stage of the buying process, and salespeople know how to use the content strategically and modify it for an individual customer's preferences and circumstances.

That's the true meaning of a customer-centric business model!

Some things are just meant to be together – and that includes sales and marketing. These teams often have more success together than independently. Each one needs the other to succeed.

Overall, your business and incentive program will benefit greatly when both teams are on the same page. So it's time to book a table at a fancy restaurant (your loyalty program) and watch the sales and marketing lovebirds flourish!





Motivations & Rewards

Understanding How the Brain Works to Create Successful Reward Programs

Everybody loves a reward.

Whether we admit it or not, the thought of a reward usually encourages us to work and achieve beyond a level we would normally reach.

There are some interesting psychological theories behind why rewards work, and why they're better than cash payments or rebates. They arise out of the science of how our brain works.

These theories are useful to keep in mind when you're considering a reward and incentive program for your organisation.

Rewards are a 'No-Brainer'

In 2017, a study in the international journal, *Nature*, found that different sets of neurons fire in our brain when it comes to rewards. One set fires when we anticipate a reward; others fire when we receive the reward; and another set reacts negatively if we don't get the reward.

This understanding of how the brain works shows that rewards cause strong emotional reactions in people – whether we're expecting, receiving or missing out on them.

But what does this mean for rewards in B2B loyalty and incentive programs?

Change Behaviour > Earn Rewards

At the Vrije Universiteit Amsterdam, the Department of Experimental and Applied Psychology stated: 'A reward should be defined as reinforcer only if its delivery increases the probability of a behaviour.'

Simply, rewards that create great behaviour changes are considered motivators or 'extrinsic rewards'. Some external motivation is causing a strong emotional reaction in a person and reinforcing their behaviour change. Their improvement is not coming from inside them.

The best way to use an extrinsic motivator is when someone is used to doing an activity and you add elements to enhance their performance of that activity – but not so much that it becomes a 'job'. The reward must provide a benefit beyond the frequency of effort.

The Psychology of Incentive Rewards

In Issue 2 of *Engage*, we discussed how Maslow's Hierarchy of Needs should influence the creation of status tiers and the identification of customer groups in a loyalty program.

Rewards need to go beyond cash payments, as monetary rewards don't fit into the higher Esteem or Self-Actualisation tiers of the pyramid. At this level, cash and rebates aren't as effective as motivators. A person's motivation to change is linked to the value of the reward to them.

Understanding What Drives Customers

What all this means is that, as a sales or marketing leader, you must understand the psychological desires and motivating forces of your customers to continue or even grow their business with you – or move their business elsewhere.

This knowledge will determine the success of any incentive and loyalty offer you have in place. If you offer something that doesn't cause an emotional response and corresponding behaviour change, they won't work to achieve the reward. Your program will fail.

However, when you get the reward mix right, you can move people away from a 'job' mentality and give them a powerful, extrinsic motivation to achieve their reward. Everybody wins!

INCENTIVES TO THE RESCUE!

Ankit Singh, 212F Marketing Executive

Turning the focus from labour shortage to recognition and celebration



As we have come out of COVID restrictions into market recovery, there's been no greater pain point for businesses than labour and staff shortage issues. These shortages have been felt across entire channels. As businesses try to bounce back, the labour to support growth simply hasn't been there.

Job mobility in Australia and New Zealand is the highest it's been in a decade. It's been rising since the pandemic began in almost every age group and industry—thanks largely to record vacancies and greater jobseeker bargaining power. When combined with the current labour shortage, this spells big trouble!

However, there are several ways that a business can meet this challenge head on, including a focus on staff recognition to build an engaged and capable workforce again. You can ensure your existing staff aren't wooed by another company and potential staff don't choose your competitors over you. You just need a superpower!

Finding your superpower

Rewards and incentive programs are a powerful way to meet the challenges that businesses face currently. We don't necessarily claim that rewards and incentive programs are superheroes, but they can give you the superpower you need to keep your current staff happy and engaged, and help fill staffing gaps.

Incentive and rewards programs have long been proven to inspire extra motivation in both customers and staff. Great programs provide unique, memorable experiences that can be earned over time. This allows you to address new pain points and redistribute workload effort into new products or services—shifting the share of wallet rather than acquiring and growing new customers.

A program can also include design elements that reflect your commitment to the current teams by incentivising excellence and demonstrating appreciation for their hard work.

It's a positive solution to the current 'people problem'.



We're the Robin to your Batman

The obvious question is, how do you implement a program when you are already facing a staff shortage? That is where we come in. Every superhero needs a sidekick. And one benefit of working with an incentives and rewards agency like 212F Group is that you get a great partner. Here are just some advantages of working as a team:

- Our program account manager acts as a subject matter expert, and the operations, promotion, and ongoing communications are all executed by us. The program manager covers critical aspects of your business that you usually have several employees deliver.
- Focus is on sales initiatives and roll out network. Your incentive program will support sales teams with key messages at regular intervals to remind them of the program and reward them for the shift in purchasing. A B2B incentive program can fill the void with communication of sales offers and new promotions directly to customers taking the burden off a stretched sales team that would need to roll them out.
- The database you provide will be critical in helping our project manager develop an engaging communication plan that promotes your program and grows your share of wallet in the marketplace.
- Our team is geared up to ensure program success. We have customer support teams, reward options and marketing skillsets that can be deployed immediately.

Critically, at this moment while there is internal pain, it's not just you that is facing a staffing challenge. Look around and you'll quickly realise that most B2B companies are going through the same issues you are—including your customer and their sales team.

This means that their problem will eventually impact your bottom line! It's not just your customer's problem; it's yours as well.

So how can you develop a rewards and incentive program that really delivers relief for you and your customers? By bringing in the big guns!

Let your program be your superpower

An initiative that will end up costing you money and not be efficient can be like 'kryptonite' in such times. You do not want to waste both time and budget, as that will only compound the staff shortage problem. In fact, you want a program that pays for itself.

The real superhero to power your brand is a self-funded reward program. At 212F Group, we have built many successful self-funded programs that support and propel teams. With over 25 years of experience designing self-funded programs, we have the history to see what these programs can do! So when we tell you a program will pay for itself and provide double-digit sales growth, you can bet on it!

In fact, this superpower can deliver significant results in extremely difficult circumstances—our last four programs delivered individual participant growth of 4% to 302% above budget! And, across those decades, our Incremental Growth Model has never failed to deliver over-budget growth and margins.

If your incentive program is set up to relieve your pain points—in this case, a self-funded program that gives you positive sales growth—it should also do most of the heavy lifting. It will give you another outlet to communicate with your customers. Marketing and communication directing all staff and customers to the product, or your brand marketplace, will create engagers and positive triggers. This will help improve performance

and strengthen your brand position from a channel partner perspective.

Will an incentive program replace your customer's sales team? No, but it will integrate everyone into one spot where you can use a megaphone to talk about your brand and impress all your stakeholders.

Remember to celebrate the victories!

A problem to avoid with some incentive programs is the lack of motivation to promote the rewards and results of the recognition program.

You should be excited to share how the program has positively impacted your company's performance, and celebrate individual and team achievements.

Self-funded growth programs enable sales teams to hunt in groups—targeting the right customer with offers to convert sales, rather than acquiring new customers. This change in focus will allow you to deliver amazing results that should be celebrated together!

Of course, support for this from top management is critical, so you need to involve company leaders in presentations and get them on board early.

Get ready to claim victory

While there are no easy fixes for finding a new sales team during this labour shortage, there are endless options for supporting your current team's workload and brainstorming ideas for new initiatives.

A self-funded incentive program that's built with a strategic view (rather than a short-term, result-driven view) can create a direct contact point with customers, and allow you to frequently communicate with offers, track sales and celebrate performance.

Have fun with it! Get creative with your rewards and how your company recognises the hard work and dedication of your team members. Then get ready to enjoy the results and success that your company will achieve as a result. You might even be hailed a superhero!

Showcase

Industry Segment: Print
Subcategory: Supplier

Supplier-funded incentive program

The pandemic has been one of the biggest global challenges in recent history. While COVID-19 has affected every type of business, traditional businesses have been hit the hardest. Many traditional industries are now targeting customer retention rather than customer growth, as they shift to new methods in the hope of halting their decline.

But changing markets and reduced sales potential aren't necessarily signs of impending doom. Contrary to popular belief, many great opportunities still lie within a well-designed, self-funded incentive program.

Here is one example of how we helped a print client develop a program that delivered more than they could've hoped for.

Focusing on Pain Points in Challenging Times

Despite these challenging times, the need to create customer desire will still influence business owners' purchasing decisions. Therefore, we decided to focus primarily on pain points that would target our client's major goals:

- **Primary goal:** Maintain sales
- **Secondary goal:** Gain a greater share of wallet

Our solutions are always based on behavioural principles driven by strategy. So, what elements do your incentive and reward programs need to be successful in a highly competitive yet declining market?

Using Tiers to Add Value and Benefits

Tiers are a powerful way to give program members the motivation to keep purchasing from you and engaging with your loyalty program. When you add tiers to your rewards program, you create more opportunities to customise to your customers' needs and add great benefits to their program experience.

For our print client, we created two sales-based tiers that recognised every customer and every purchase made. We determined these tiers by forecasting the potential sales performance of their customers.

The two tiers allowed everyone to earn tokens that they could use to purchase our client's products. The token rates were linked to actual sales growth to meet the main objective of halting the decline in sales.

The tokens had a much higher value than the single-dollar conversion value offered by traditional incentive programs. So whether they were accumulated or spent as earned, the value of the tokens would ensure that the redemption was a memorable reward and tied back to the sales behaviour.

Everyone's a winner

In any market, a successful B2B incentive and rewards program must entice everyone. If your winning percentage is marginal, it will be difficult to sell the idea that customers will make the reward cut-off. Instead, you can introduce reward tiering based on the forecasted sales growth from a customer segment.



To do this for our print client, we placed their customers into two tiers:

- **Tier 1:** Key or large customers
- **Tier 2:** Small and medium-sized customers

We created a merchandise reward pool for Tier 2 customers, offering an extensive range of personal and industry-specific packaged rewards exclusive to the printing industry. This way, customers who achieved rewards would reinvest their rewards back into their business.

Next we created something special for Tier 1 customers – the pinnacle reward! These customers would work towards an exclusive travel incentive reward – two tickets for a high-end study tour to Las Vegas to visit the world's largest tech innovation show, CES.

With reward achievement for both tiers linked to the target criteria, customers could choose how much they wanted to earn by maintaining sales or even shifting sales from competitors

to this program. The share of wallet gain, growing sales and earning the participant even more rewards points.

Personalised Information

While creating the incentive and rewards program, we had to ensure the program was unique to get buy-in from all customers.

When each customer got their personal invitation to the program, they received a launch kit with different branding, colour and style based on the tiers created. The launch kit contained a video brochure about the program's highlights and sales targets. There were also how-to cards and a how-to brochure guide.

Additionally, every sales rep for the company received handouts so they could discuss the program with their customers. This created a powerful introduction to the program, as sales reps could work with customers as they knew exactly what they had to do to achieve rewards.

We also developed personalised monthly communications that gave every program participant a view of their progress towards their target and a forecast of the sales they needed to achieve that target.

Outstanding Results

The final outcome of our work for this client? Smashing all of our measurables and objectives!

Our client's self-funded program not only achieved the primary goal of maintaining sales, but gave customers a real reason to shift the share of wallet – the secondary goal. This truly self-funded growth program achieved 13% growth on forecasted sales expectations.

So whether you're in a declining market – where the primary objective is to halt declining sales – or a market that demands sales growth to achieve company goals, our well-structured growth incentive programs can drive results and deliver game-changing returns – not just for the client, but for their customers as well.

Creating the Right Collateral Mix for Incentive Programs

Create a memorable member journey for every program participant

Karen Fedden, 212F Account Manager



Critical to the success of any B2B loyalty program is the mix of collateral, engagers and communications that will serve as the foundation for your program's lifespan.

This includes collateral for:

- pre-launch, where you need to create a buzz
- at launch, where you create an exciting event
- post-launch, where you welcome and follow up
- ongoing communications, where you create as many relevant touchpoints as possible.

One of the best things about working at 212F Group is seeing the never-ending creativity that drives our B2B incentive and loyalty programs. Here are just some ways we ensure the right mix of collateral for every stage of a program.

Our Program Communications Philosophy

Our philosophy about incentive program collateral is driven by the principle that communication is not a one-time activity. We don't just 'launch and leave' a program. Instead, we devise and deliver clear communication strategies, with strategy-led communication plans, that are relevant to our target audience and their motivational triggers.

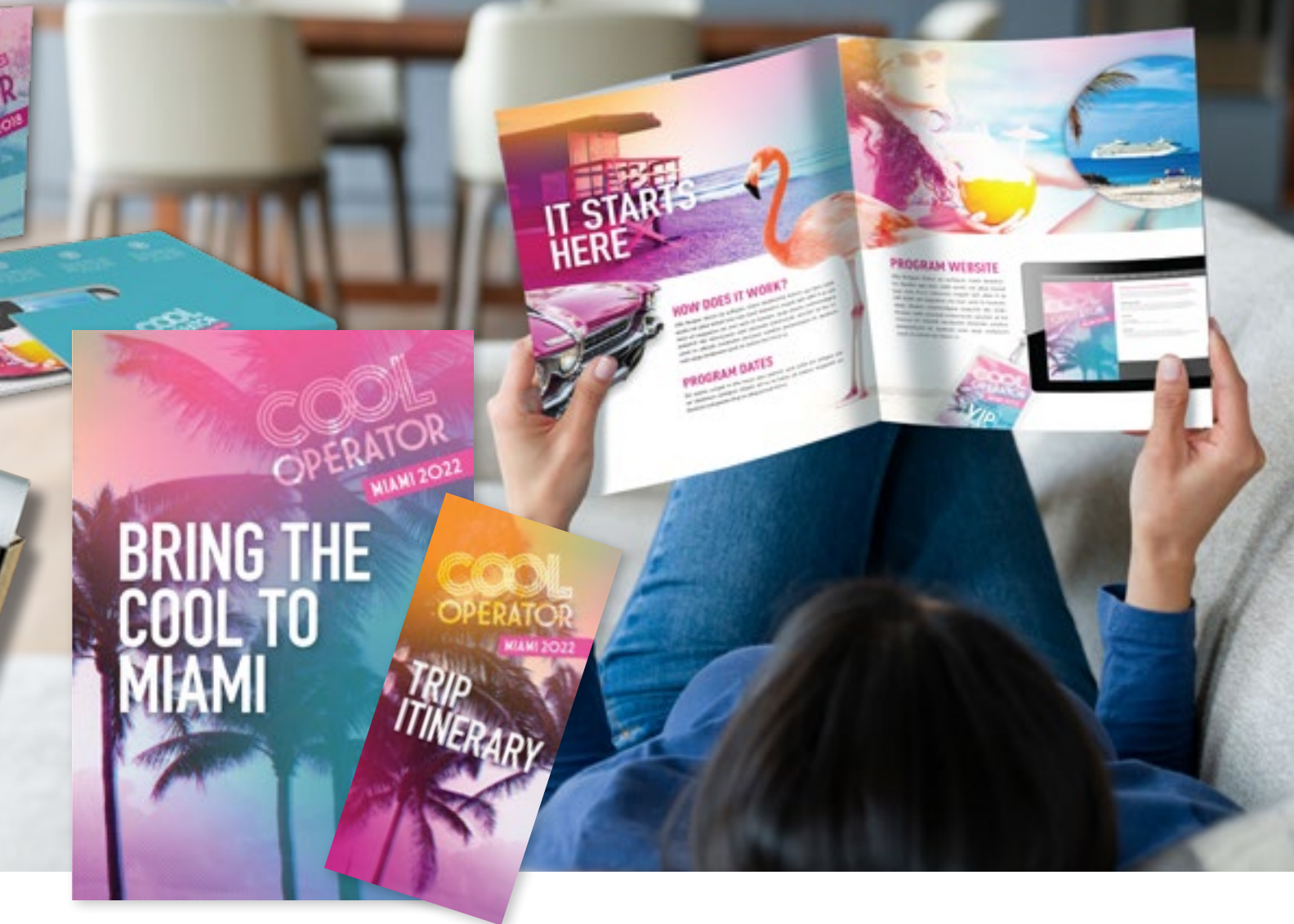
In a world where information is readily available, we must beware of creating communication overload, exhausting loyalty program participants and causing confusion. So every communication strategy we develop is crystal clear in:

- its messaging
- the mode of delivery
- the frequency of delivery
- how we measure its success.

A strong brand anchors all incentive and loyalty program communications. The theme, tone of voice and creatives all speak to that brand and what it means for program participants to engage in the program.

Once we've defined an incentive brand, we spend much of the program development phase planning engagement touchpoints for the program. These are often personalised and dynamic to keep up with the most successful participants and encourage underperforming ones.

This is where a strategically developed communication plan really shines, outlining the appropriate mix of collateral at every stage.



Pre-Launch

Where possible, you should allow time before the launch to onboard internal stakeholders and gain their buy-in for the program roll-out. This can provide a more engaging experience for customers.

In the pre-launch phase, we work closely with head office employees, sales staff, field teams and more. We provide how-to guides, program infographics, videos, onboarding training sessions and tangible assets in both digital and print format.

Stakeholders can use this collateral as a sales tool to further develop strong relationships with their customers. The personal influence of sales teams can really help customers with their plans for how to succeed in the program.

Leaving this extra time also allows you to tease the program launch with pre-launch activities to create awareness. Whether you choose a physical or virtual teaser, the aim is to generate excitement and build suspense.

Program Launch

At program launch, your key messaging will be delivered. At this stage, the launch collateral must set the tone for the program and answer that important question: 'What's in it for me?'

We have extensive experience in providing the answer to that question in various ways, including a launch event or creative launch kits that include memorable items like:

- gift boxes
- launch brochures
- launch videos
- promotional materials
- branded gifts

Post-Launch

After the launch, the communication focus turns to activating and registering program participants, followed by a welcome to the program.

We may offer program sign-up incentives, like early-bird points.

We will also plan personalised communications, like emails, phone calls, and face-to-face visits from internal stakeholders. They will showcase the rewards available and distribute collateral, such as welcome packs.

These are all ways that we continually surprise and delight participants from the outset of the program.

Ongoing Communications

Once the loyalty program foundations have been set, regular personalised communication will ensure continued engagement in the program. This communication should be informative, but mostly inspire action. It might include information about:

- submitting a sales claim
- checking performance status
- redeeming a well-deserved reward
- reading about a tactical promotion
- logging in to view program information, news and updates.

A newsletter and an EDM points statement is the usual way to deliver this information, supported by a targeted SMS text messaging campaign. Having a mix of personal messaging and general program information is crucial to the success of a communication plan. Not every message will meet the needs of every customer.

As the program evolves, celebration campaigns are a great way to promote the program's ongoing success and encourage inactive participants. At 212F Group, we really enjoy celebrating participant wins and showcasing them through creative engagement touchpoints, such as:

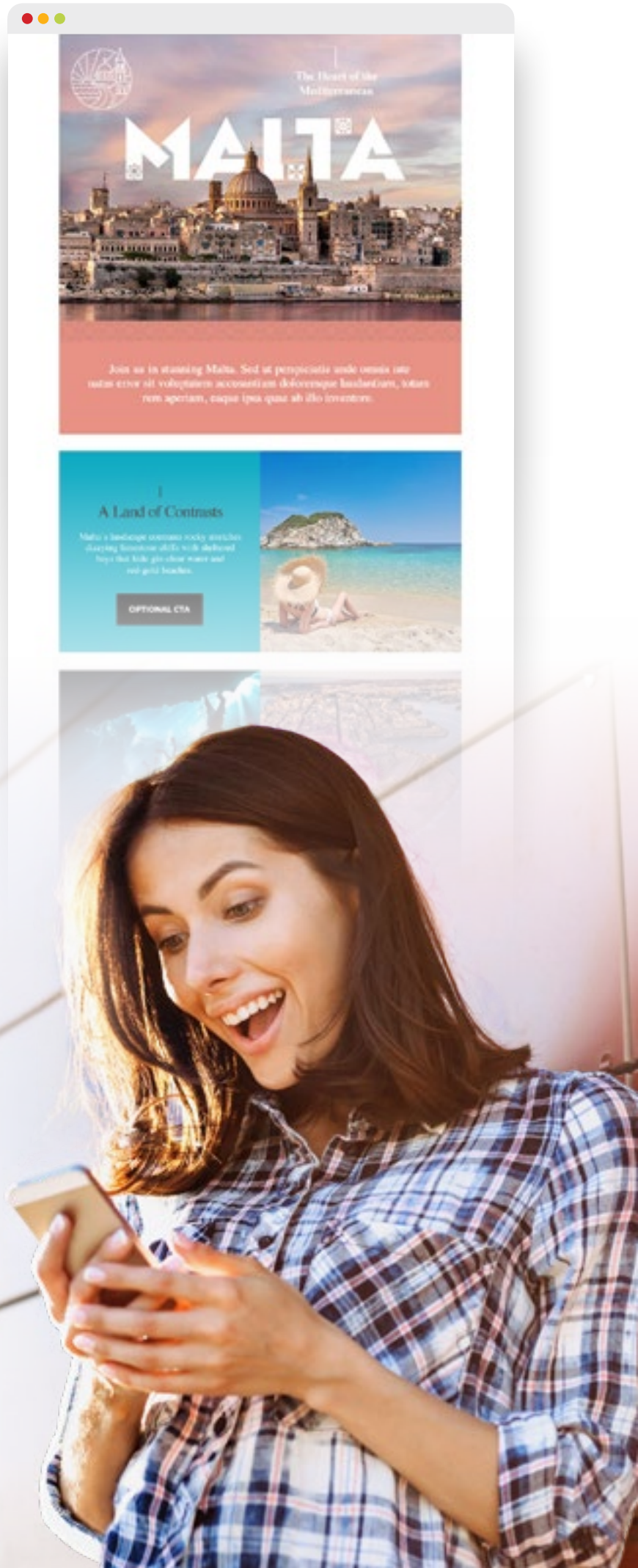
- thank-you EDM campaigns
- testimonials
- vox pops
- ad-hoc 'We love you' points
- photos
- celebrating program heroes and sharing success stories
- comments in newsletters, on websites, etc.

Social media is also a great way to grow the program community and provide a 'shout-out'.

Creating a Memorable Journey

For us, delivering the right collateral mix at every stage of a communication plan is vital for supporting a successful program. When we're in the program development phase – even if we're working to tight timelines – we work hard to create a memorable 'member journey' for our customers and their loyalty program participants.

Ultimately, effective communication establishes trust and drives loyalty. So it's important that communications strategies don't just manage and distribute information – they encourage program engagement at pre-launch, launch, post-launch and long after. The right mix of collateral and communication channels will give your program the best possible chance for success.



Controlling Your Fortune

How to Increase Your Organisation's Share of Wallet

Ankit Singh, 212F Marketing Executive



With inflation currently rising in Australia and New Zealand – and expected to continue rising over the remainder of 2022 – it's easy to feel uncertain about the economic outlook for business and markets.

One way to view it is that, regardless of market conditions and changes in purchasing behaviour, business customers will still spend money. The question is whether they'll spend it with your products and services?

While there are ways to create interest, you don't want to leave your fate up to fortune. Instead, take control of your destiny by increasing your share of wallet with the customers, resellers and partners you have today.

There's no doubt that many challenges still lie ahead for business owners. But what they will be and how they will impact will be different for every business. That's why every business owner would employ a fortune teller if they could – someone with a crystal ball who could tell them the future!

While I don't have a tent with a tarot card reader who can read your future, but I can give you a guide to controlling your destiny rather than leaving it to chance. What do I see in your future? **Share of wallet** – specifically, using this design pillar to navigate any challenges ahead. But, first, let's read the cards.

Three of Pentacles – Creating a Pathway

In these uncertain times, we need to collaborate with partners and implement programs that solve business pain points. Targeting the right behaviours and solving business pains are true measures of a successful B2B loyalty and incentive program.

As market conditions, supply chains, and economic and labour factors evolve, your challenge is to create new pathways or refurbish old ones to increase your share of wallet.

As mentioned earlier, regardless of inflationary impacts, customers will continue to spend – and every business wants to gain the larger percentage of that spend. To achieve this, you need to focus on a strategic program pillar: share of wallet. This is the amount that an average customer regularly devotes to your brand rather than a competing brand in the same product category.

We love share of wallet in our incentive program designs because most people are familiar with the concept, regardless of their industry. This program design feature and the initiatives built around it can help you make the most of every customer opportunity.

Share of wallet design focuses on two areas of customer relationships:

- understanding and recognising your current customers' spend through incentives and rewards
- recognising the shift of their spend from your competitors to reward them even further.





The World – Completion, Integration, Accomplishment

The design of a B2B incentive and loyalty program must target rewards and benefits to shift consumer spending and build a better relationship.

Unfortunately, there are many distractors, multiple offers and discounts in the market, so you need to get the balance right within your program. This is true even if you're not looking for new customers and only want to gain incremental sales from a current customer or engage with disengaged ones.

When you grow your share of wallet, will you see an increase in customer loyalty? The answer is yes, depending on your long-term approach to your B2B loyalty program. As a customer, I might be very happy with your brand, but I might like your competitor more. A customer's share of wallet will give you a more accurate picture of your brand perception, which presents opportunities to integrate more offers and measures to increase the share of wallet in your favour.



The Chariot – Success, Action, Determination

Various design elements can influence share of wallet in a B2B loyalty program. Your goal isn't just to reward a single transaction; it's to recognise customer loyalty beyond a single purchase in a way that benefits both the person and the business.

You can explore a mix of soft rewards (e.g. a sense of belonging, special treatment, recognition and appreciation) and higher tier service levels and customisations to increase the loyalty program's attractiveness. These tactics could increase the perceived costs of switching at the point of purchase, further enhancing the share of wallet.

It might also be beneficial to let customers choose from several reward options to account for individual preferences and maximise customer utility from the rewards offered.

If you haven't considered share of wallet as a pillar of your incentive program, you should take a closer look. A strategic share of wallet program ensures that the person selling your

product pushes it further than your competitor's product. If an incentive is enticing enough, your salesperson will favour your product when they're selling or recommending a product in a competing category.

Your incentive and rewards program will need a dedicated communication strategy that focuses on motivators that will shift the share of wallet spend. Every positive action that a customer takes towards success will not only help them achieve rewards and recognition, but give the business valuable consumer insights based on spend categories. This information will enable you to target new or more influential and aspirational offers.

You will also need a strategic plan that's unique to your business objectives based on your business insights. It must outline:

- how your share of wallet engagement elements will look
- what your key program metrics will be (to ensure it kicks goals!)
- how you will measure the results



Don't Leave Program Design To Fortune!

You don't need a fortune teller to tell you that you can't expect 100% of customers to spend with you. But having share of wallet as a key measure of your B2B loyalty and incentive program will give you options to tailor offers, win back lost customers, and nudge more sales from customers.

Markets are becoming tougher as inflation grows. So having an additional offer based on more than just price, which shifts share of wallet spend to your business, could help you ride out the bumps.

A share of wallet is not fixed to a single outcome. Having multiple measures that you want to address will go a long way to answering the question, "Is your destiny in your hands?"

Have you taken measures to create pathways for a successful partner relationship? Or are you leaving it up to favourable tarot cards?



The Personal Touch

My journey to real customer connections

Melissa Stapleforth, 212F Account Manager



Coming from an advertising background, I always struggled to differentiate between advertising and marketing. Both seemed to involve promoting a brand or service, attracting customers and creating desire.

However, in my account management work at 212F Group, I have finally discovered the difference between the two. At its core, marketing is about building relationships through real customer insights. This is likely to be unique in the B2B incentive and loyalty space, but has given me a new love of marketing.

How Advertising can Miss the Mark

Any advertisers reading this article might be offended at the assertion that only marketing builds real relationships with customers. But I believe it would be difficult for them to argue that the personal touch doesn't get lost in advertising much of the time.

In advertising, targeting depends entirely on mass preferences and locations (which some people call guesswork!).

Generally, advertising tools are not based on actual customer knowledge, but on predictive analysis of how a product will sell based on previous success factors. It's like throwing a fishing net to catch every fish possible – and the size of the fishing net depends on the budget!

Like me, you probably don't remember the last advertising email or sponsored ad you saw because you deleted or skipped it within seconds of seeing it. It may not have even been relevant to your needs. (Just because I once liked an Insta pic of a wedding dress doesn't mean I want to get married!)

The Missing Element: Connection

I see the difference between advertising and marketing most clearly whenever I communicate with my customers. My communication is targeted and personalised to them in every way possible. Additionally, my conversations with them are about rewarding them, which always makes my day (and probably theirs!).

Now, I would never claim that advertising isn't necessary for the success of a product. But the reality is that marketing has better cut-through and more personalised messaging. It creates a stronger connection with the target customer. This stuff really gets my creative juices flowing!

In advertising, I had zero connection to the customer. I fired off a mountain of mass communication campaigns to entice customers with a new product or special offer, without ever knowing whether the campaigns worked or the offer was relevant for them. I never had an opportunity to get to know the consumer and their needs, and then bring this vital information to my client.

Getting Real Feedback

In comparison, as an account manager at 212F, I get to work closely with clients and their customers, which allows me to draw insights from customer behaviour. How do I do that? By picking up the phone and speaking to clients and customers regularly.



By speaking to them directly, clients give me feedback about the overall program and customers give me nuanced details about their likes and dislikes. So the next time I pitch a program improvement or create marketing collateral to promote a program, I know that my suggestions are backed by a combination of actual feedback, my experience and program sales numbers (i.e. points redemption, user activity, etc.).

Providing Real Value

When I transitioned from advertising to client services, I particularly enjoyed one major difference – giving customers an opportunity to earn something tangible for their efforts. In this area, every sale the client makes or target they hit is related to ‘winning’ something, which creates a harmonious synergy between program strategy and consumer behaviour.

Additionally, the opportunity to help someone with their problems – from ‘How do I log into the portal?’ to ‘How long until I can earn a place in

the travel incentive trip to Hawaii?’ – is very special and something I missed out on when I was in advertising. Providing this value is an important element of marketing.

Balancing Marketing and Advertising

Of course I should add that, no matter what business you’re in, both advertising and marketing are a must for any successful product or program. Advertising reminds people about the brand, which encourages them to talk about it. For example, someone hears about a product from a colleague and then sees an advertisement online, which seals the deal.

Marketing and advertising work best when they act as complements, rather than substitutes. Once you’ve tapped into the perfect balance of advertising and marketing, you’ll find it easy to tap into your audience and deliver your message seamlessly.

Making a Real Connection

Ultimately, what I love most about my work with 212F Group is the opportunity to deep-dive into customer communication. Whenever I start to write an EDM, a brochure or web content, I first tune into the client I’m about to help and imagine that I’m speaking directly to them. I imagine what they’re like.

They may not be there physically, but I know that hundreds of people are going to see that content soon. So I tune into that mindset and communicate directly with them – and then I’ve got a connection. People can really feel that connection in the emails, SMSs and all the other content I write.

So now you know the main difference between marketing and advertising. Every business needs experts in both – but I definitely know which one I enjoy more!

Setting Customer Targets in a Post-COVID Market

Danielle Dobson, Incremental Senior Account Manager

Many businesses use growth incentive programs to improve their sales and acquisitions performance or start a behavioural change in a business channel over a set period.

Through a combination of enticing rewards and relevant sales plans, you can empower your customers to aim high and earn for themselves, and also get better sales results for your brand. This style of incentive program is powerful in the B2B space because it's transparent and measurable for businesses, driving profitable and incremental growth.

Usually these incentive programs set targets based on year-on-year growth. So the target must be relevant and achievable to ensure engagement from customers.

But here's the conundrum: how do you set relevant targets in a post-COVID market? In this new market, sales volumes and margins vary wildly due to restrictions and supply chain delays, and demand is outstripping supply. Somehow you have to align these factors to meet new business objectives!

We all know that the pandemic has wreaked havoc on some businesses and industries, while others have enjoyed record sales growth. So how do manufacturers and suppliers set a target to grow their share of wallet from their

customers or channel partners when their sales baseline from the last two years is all over the shop?

While we still have no certainty about the outlook for Australian and New Zealand markets, you can take some steps to deal with the uncertainty and set targets based on relationships, performance and best case outcomes.

Variable Targets for Incentive Programs

Is your growth or decline uniform across all your customer segments? Probably not.

There is some good news as you start planning targets post-COVID. As incentive and growth programs overarch all the other sales activities – including promotions, price discounts and benefits you provide a customer – you're not restricted to applying the same growth rationale to every customer or customer group.

Every target can account for individual situations or segment changes. Stop for a moment and consider the progress of all your customer categories. Are they uniform? Are some segments outperforming others?

Targets can actually vary, but should also be transparent so that customers understand your rationale, especially if you provide concessions in the target structure.

It's also essential to alter your customer targets so they remain achievable. This will keep your retailers and wholesalers motivated, especially in uncertain times.

While the pandemic has affected some industries more than others, it's also affected some parts of the country more than others. So your company must be flexible enough to vary growth targets for customers facing different local market and pandemic conditions.

By doing this, your organisation will demonstrate a huge understanding of a customer's trading factors, rather than just setting one target revenue figure.

Investing in Long-term Relationships

If you can offer reduced targets over what was achieved in 2021, you will give customers a token of good faith. Empower your sales teams to develop plans to help customers achieve both sales and incentive targets. Strong relationships can overcome many perceived sales barriers.

Great sales teams will find innovative ways for a customer to achieve a target. If there are supply chain issues, they should suggest range of new items that benefit both parties. You could sell products with higher margins that close the sales target for a customer and give the business



a greater share of wallet (rather than waiting months for the stock to return).

While we know that incentives drive sales growth for customers, they can also empower sales teams and boost overall engagement among teams and businesses. Being willing to put relationships at the centre will help you retain business over the long term. When the market does recover (and it will!), you'll be in a much stronger position with those customers.

Adjusting Time Periods

This might be the year to adjust a target period away from the financial year, and consider market conditions and factors when defining your program. For example, you might widen the target performance and payout periods from 9 to 12 months to allow more time to cover any volatility in the current environment. Reducing monthly values, but with a longer view on overall achievement, would also be beneficial.

Several major manufacturers that we dealt with during 2020–21 had to lower their global growth expectations back to 2019 sales estimates. They took the time to invest in their relationships and customers, knowing they were affecting their own forecast. Customers would also appreciate smaller incentive targets, which would enable them to achieve the incentive earlier.

Building a Firm Baseline for Greater Growth

No matter what base target rationale you use, the monetary or reward benefit must be funded and paid for from the incremental sales and margins that the customer achieves. Having a self-funding model that can deliver an outcome is extremely important. It provides certainty that, while a return may not be your desired amount, your business won't be left out of pocket due to underachievement.

Today's B2B incentive programs use aspirational travel or reward offerings, and carefully structured sales targets, to inspire team performance and product switching, and ultimately drive growth for the company. Simply, these programs are a profitable way for businesses to give more in order to get more from customers.

Adding Incremental Growth Kickers

When you set a target, you're defining a baseline achievement for your customer. This first target can be seen as the opening gateway, where you cover your costs.

However, the real value for you and your customers comes in incremental overachievement – more value and more rewards. When you build targets

for incremental growth, you cover the program and reward cost, and then every incremental dollar earned funds more rewards for the customer.

The important thing is that you don't consider your approach to target creation – adjusting or reducing targets in this post-COVID market – as a loss. By maintaining positive customer relationships based on flexibility, understanding and value, you will retain strong, valuable relationships and attract more loyal customers. By engaging with empathy and focusing on customer retention, you can actually increase their expected value in the longer term.

When you generate customer and sales team engagement through a B2B growth incentive program, the quality of the reward will establish strong emotional connections with your brand or company – which will get you through this post-COVID era in one piece!

Rewarding Ideas

Showcase of amazing travel experiences

Adelaide, South Australia



**A City of
Food, Wine
& Surprises**

BUDGET:

AUD \$3,000–\$5,000 / NZD \$3,250–\$5,500 per person

SUGGESTED DURATION:

4–5 nights

GROUP SIZE:

24 delegates (12 partners)

BEST TRAVEL MONTHS:

Mar–May or Sep–Nov

WEATHER:

Highs of 26–30°C

FLIGHTS:

Direct from major Australian cities & Auckland

OVERVIEW

Adelaide used to be underestimated as an Australian tourism destination, but these days it gives the other cities a run for their money with events and incentive offerings.

This fun travel destination is just bursting with culture, flavours and entertainment. With luxurious new hotels on the scene, as well as wineries, beaches and great gin, Adelaide punches well above its weight in dishing up the goods.

Your group, whether large or small, can experience world-famous wine regions only minutes from the city, and indulge in award-winning restaurants right in the heart of Adelaide.

Whether your next group trip to Adelaide is for a conference or incentive program, here are some of our favourite experiences in this historic city.

ITINERARY EXAMPLE

	Day 1	Day 2	Day 3	Day 4	Day 5
Morning	Arrival to Adelaide Transfer to Eos by SkyCity hotel to check in	Top Gun Experience learning to fly Robinson R44 Helicopter	Supercar Drive Day	Hot Air Balloon ride over Adelaide Hills followed by gourmet breakfast amongst the vines	Morning at leisure
Afternoon	Lunch at Restaurant Botanic Gin Masterclass including gin blending & tasting with mixologist	BBQ Masterclass and lunch at Weber Academy with celebrity chef Jock Zonfrillo	Lunch at The Lane Vineyard Check into Sequoia luxury lodge	Behind the scenes tour of the iconic R.M. Williams workshop, including personal boot fitting	Private Transfer to Airport Departure to home ports
Evening	Rooftop dinner at Sôl A DJ will play tunes	Penfolds Iconic Dinner Experience Private tour and luxury tasting including vintage Grange 3-course dinner with luxury wine pairings Surprise performance by Opera Singer in the cellar	Afternoon at leisure to enjoy lodge facilities BBQ dinner followed by ancient dreamtime stories by the campfire & star gazing	Sundowner drinks in Sequoia Lodge cocktail lounge and champagne bar "Valley to Verandah" Gala Farewell Dinner	
Overnight	Eos by SkyCity	Eos by SkyCity	Sequoia	Sequoia	

DESTINATION HIGHLIGHTS:

Penfolds Magill Estate

Of course, a visit to Adelaide isn't complete without a trip to Penfolds Magill Estate. Here you can combine the ultimate food and wine dining experience with picturesque views of the historic Penfolds vineyard and Adelaide city.

But this is no ordinary Grange tasting! While guests wander through the cellars, our undercover Penfolds team member – Henry Olonga, ex-cricketer and The Voice contestant – will spontaneously burst into song and perform powerful songs like 'This is the Moment'. The acoustics in the cellars provide a sound that will take your breath away!

This amazing day will end in The Gallery with an exclusive dinner with matched wines. A perfect way to spend a final dinner in this great city.

Adelaide Hills Supercar Drive

Another crowd favourite is the Adelaide Hills supercar drive. Outside the hotel, guests will be bowled over by an exciting collection of supercars, including Ferrari F8 Tributo and Lamborghini Huracán EVO. Guests can jump in and take a scenic self-driving trip through the Adelaide Hills.

Gin Masterclass

With an interactive masterclass hosted by the local gin producer, your group can test their skills, make their own gin cocktails, and have their creations judged by the best in the business.

7-course Degustation Dinner

To cap off a memorable day, you can't go past the 7-course fine dining degustation dinner at Hardy's Verandah Restaurant at Mount Lofty. Following the 'Valley to Verandah' concept, the menu of this 3-chef's-hatted restaurant provides a seasonal 4-7 course degustation, paired with an award-winning wine and sake collection, as well as a creative cocktail menu


HOTEL OF CHOICE

Sôl Rooftop

One of our favourite new hotels is Eos by SkyCity. Perched on top of this hotel, you'll find the Sôl Rooftop, which is a perfect venue for a welcome function. Guests will step out onto the roof and experience stunning 270-degree views from the hills to the coast. A dramatic sunset also provides an amazing backdrop for dinner.



Rediscovering Dubai



Scenic Views of a Spectacular, Modern City

BUDGET:

AUD \$7,000–\$10,000 / NZD \$7,550–\$11,000 per person

SUGGESTED DURATION:

4–5 nights

GROUP SIZE:

Any

BEST TRAVEL MONTHS:

Nov–Feb

WEATHER:

Highs of 26–35°C

FLIGHTS:

Australia: Direct from any major city;
New Zealand: one stop from Auckland, Christchurch and Wellington

OVERVIEW

Right now is such an exciting time to be in Dubai, with new activities and venues popping up around every corner. Whether you've visited this ever-expanding city before or are planning your first escapade, you're in for some incredible surprises.

The great news is that Dubai is even easier to access than ever. Emirates is introducing more flights from Australia, with the option to fly directly to Dubai from Melbourne, Sydney, Brisbane and Perth. New Zealand groups have more options with one stop, depending on the trip.

We'd like to share some of our favourite highlights to spread the love and get you inspired for your next big adventure in beautiful Dubai.

DESTINATION HIGHLIGHTS

The View

The iconic Palm Jumeirah has become a signature of modern Dubai. Some say the best way to admire its unique palm-tree design is from above. Air activities like helicopter tours, seaplanes or even skydiving are all spectacular choices for incentive programs. However, if you'd prefer to see this man-made wonder without the adrenaline rush, you can experience it from The View. Located on level 52 of the iconic Palm Tower, this deck will give you a stunning 360-degree view from 240 metres up.



ITINERARY EXAMPLE

	Day 1	Day 2	Day 3	Day 4	Day 5
Morning	Flight Arrivals Fast Track through Immigration & Security	Optional Activities: • Old Dubai Tour • Jet Ski Tour • Fishing Charter • Golf	Sheikh Zayed Mosque YAS Marina Driving Experience Lunch at W Abu Dhabi	Day at Leisure	Morning at leisure
Afternoon	Private Transfer to Hotel Lunch at Arika Black at hotel				
Evening	Desert Safari & Desert Dinner	Sunset drinks at The View Dinner at SushiSamba After Party Soho Garden	Sunset at Top Golf Dinner at Ce La Vi	Sunset Drinks & Canapes at Burj Khalifa Final Night Dinner & Show at Billionaire Club Booth at Billionaire Club	Private Transfer to Airport
Overnight	The Royal Atlantis	The Royal Atlantis	The Royal Atlantis	The Royal Atlantis	Departure to home ports

Hero Dubai

Dubai's new boat adventure gives you the chance to drive your own boat! This 90-minute tour takes you past all the iconic landmarks of Dubai's coastline, giving you ample time to get those memorable photos. The thrilling HERO OdySea boats are untippable and safer than a jet ski, making them ideal for any event program.

Palm Tower venues

Palm Tower is also home to Aura Skypool and SushiSamba, two incredible new venues in Dubai. Aura Skypool is the world's highest 360-degree infinity pool – a one-of-a-kind experience that triggers all the senses. You can take in the whole of Dubai from an amazing height and enjoy a cocktail reception at sunset.

SushiSamba offers unobstructed views of the city while delivering a culinary experience to satisfy every palate. The Samba Room is the perfect venue for a private group, where guests can enjoy Afro, Brazilian and Latin-inspired tunes all night.

HOTELS OF CHOICE

Anantara World Islands Resort

If you're dreaming of an island getaway, Anantara Hotels, Resorts & Spas has now opened its very first resort on Dubai's World Islands – and it's nothing short of stunning! Just 4 kilometres off the coast of Dubai (a quick 15-minute boat ride), this destination consists of 70 luxurious suites, a relaxing beach, decadent pool villas, and plenty of flora and fauna.

Anantara World Islands Resort also provides the perfect setting for a unique and luxurious meeting or event. And, as with all Dubai hotels and venues, you can be assured that Anantara has implemented the highest hygiene and safety measures across their property.

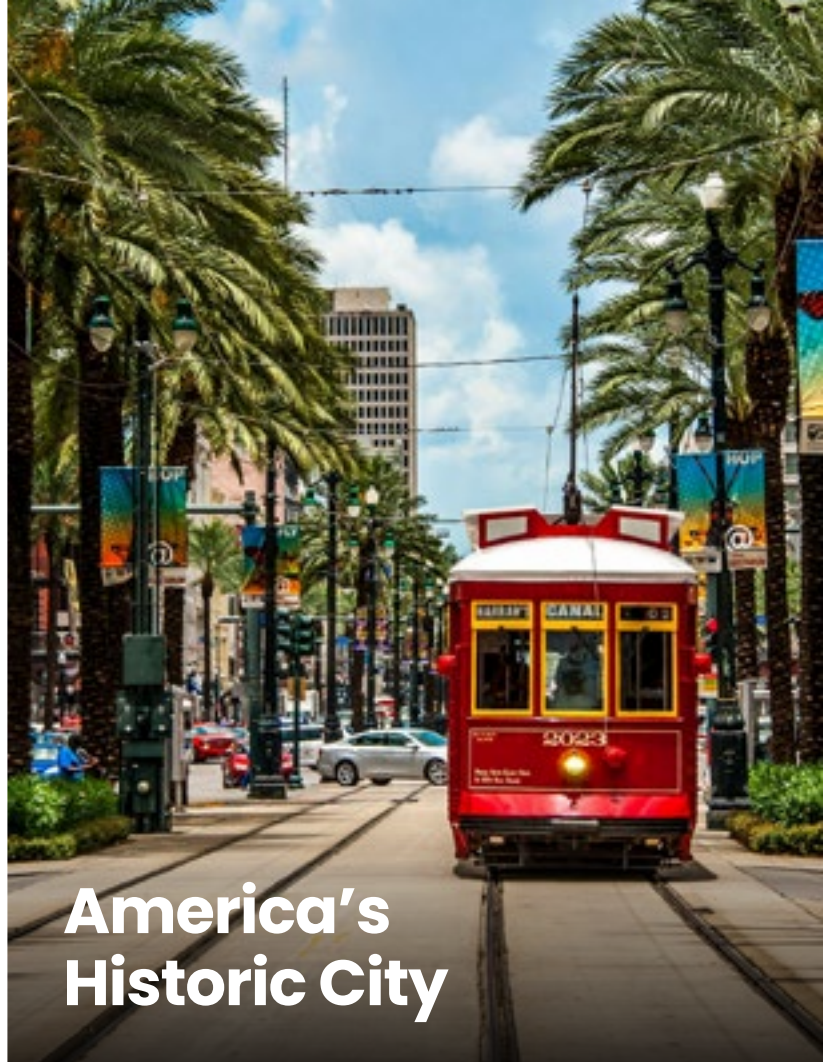
The Royal Atlantis

The much anticipated Atlantis The Royal is on track to open in 2022. This magnificent property is worth more than five billion AED, and includes 231 luxury apartments, 693 hotel rooms and 102 suites.

This unique, ultra-luxury, 43-storey hotel features 90 swimming pools, including a stunning rooftop infinity pool suspended 96 metres above The Palm.

Once completed, the hotel will also host restaurants exclusively inspired and led by international celebrity chefs, such as Gastón Acurio, Costas Spiliadis, Ariana Bundy, Heston Blumenthal and José Andrés.

New Orleans



America's Historic City

BUDGET:

AUD \$8,000–\$11,000 / NZD \$8,750–\$12,050 per person

SUGGESTED DURATION:

4–5 nights

GROUP SIZE:

Any

BEST TRAVEL MONTHS:

Oct–Apr

WEATHER:

Highs of 22–27°C

FLIGHTS:

Australia: From east coast via LAX;

New Zealand: From Auckland via LAX

OVERVIEW

Experience all the sights and sounds of a city with more than 300 years of tradition and culture, while treating yourself to ultra-luxe amenities.

The cultural mix created by French, Acadian, Caribbean and Spanish settlers is evident in the vibrant cuisine, music and architecture of New Orleans.

World-renowned for its food and *joie de vivre* (enjoyment of life), you can make the most of a night spent strolling through the historic French Quarter, fine dining in one of the many famous restaurants, and taking in a tantalising jazz show. This historic city is known as 'the birthplace of jazz', so you'll usually find music woven into every aspect of a program.

Alternatively, for a quieter experience, take a private streetcar under the oaks up to the Garden District for dinner in a private mansion.

You'll be surprised at how many contrasts this unique city has to offer. One of the starkest is only a short ride outside the historic centre in the bays and bayous that blend into the Gulf of Mexico. You can choose to fly through the bayous in an airboat, fly over them in a seaplane or race across the bay to fertile fishing grounds to catch some feisty redfish with a local Cajun guide.

In New Orleans, you'll quickly see why their catchphrase is 'Laissez les bons temps rouler!' (or 'Let the good times roll!').

ITINERARY EXAMPLE

	Day 1	Day 2	Day 3	Day 4	Day 5
Morning	Flight Arrivals	Breakfast at Brennan's	Seaplane trip over the Bayous and Bays, landing at private dock for airboat excursion		Morning at leisure
Afternoon	Fast Track through Immigration & Security Private Transfer to Hotel	Walking Tour of "America's Most Walkable City" Classic Cocktail Mixing Mixer	Cajun Cookout Lunch	Day at Leisure	
Evening	Private Reception on Balcony overlooking the revelry of the French Quarter	Private Streetcar to dinner at garden District Mansion	Private Mardi Gras Parade to evening event Dinner in Historic Bank or Classic Venue Overlooking Mississippi River	Guests will have a once of a lifetime experience by being part of the Mardi Gras parade -Ride on a float in the Krewe of Tucks Parade! Dinner at the official Mardi Gras Turks Ball	Private Transfer to Airport Departure to home ports
Overnight	Four Seasons New Orleans	Four Seasons New Orleans	Four Seasons New Orleans	Four Seasons New Orleans	

DESTINATION HIGHLIGHTS

- Travel to your evening event in true New Orleans fashion, as streets are closed for your own private Mardi Gras parade.
- Soar over the bays and bayous in a private seaplane and land among the wildlife.
- Enjoy award-winning cuisine for breakfast, lunch and dinner.
- Start or end your day with café au lait and beignets at Café du Monde.
- Watch some of the world's best known musicians perform in the city's intimate music clubs. (Ask an insider for tips on finding them!)
- Enjoy a private dinner in an historic mansion, while being regaled with tales of the family's history. (New Orleanians are natural storytellers.)
- Fly to the Louis Armstrong New Orleans International Airport – named Best Airport in North America – with only one connection from Australia or New Zealand.
- Combine your trip with a second destination to enjoy a longer incentive. The city's location in central United States makes New Orleans an ideal jumping-off point.

HOTEL OF CHOICE

Four Seasons New Orleans

The Four Seasons is a heritage icon that unlocks the authentic New Orleans. This magnificent hotel has a central downtown location on the banks of the Mississippi River. You can dine on innovative Louisiana cuisine, relax by the resort-style pool, and plan your night out from the 34th-floor observation deck, where you'll find NOLA's best views.

The Four Seasons New Orleans has held a place on the National Register of Historic Places since 2014. Its landmark tower has been painstakingly restored and enhanced through a three-year conversion costing more than half a billion dollars. The tower has been raised an additional level to include a spectacular open-air observation deck with 360-degree views. The tower aptly celebrates this city's spirit of survival and rebirth.

The Four Seasons' modern design elements complement the historic architecture beautifully. The thoughtfully curated artwork on display throughout the property pays tribute to the rich cultural heritage of New Orleans.

212°F 25

Years young

2000

25 years sounds like a long time, but it has passed us by very quickly. It seems only yesterday we were at Eichardt's Private Hotel in Queenstown, ideating the launch of 212F Group. Since then, 212F has grown exponentially and moved from strength to strength.

Here are some of the stand-out moments from the last 25 years...



'96

212F was born!

Mix a dash of Down Under, a cup of Kia Ora, and a Belgian beer (or four) together... and what do you get? 29th Nov 1996, at Eichardt's Private Hotel in Queenstown, two mates got together in the hotel bar; they thrashed out a plan for a new business that would challenge and change the way B2B incentives, rewards and loyalty programs were done. 212F was born!



Technology in Y2K

In Dec 2000, we went live with iChange V1, 212F's incentive, reward & loyalty platform. Launched when dial-up was how we connected, Google wasn't even a word, and Netscape was the only way to search. Technology has changed, but our philosophy of creating kickass programs hasn't!



2017

We evolved

With a rebrand and targeted focus on B2B loyalty, incentives and rewards, 212F set up our stories and experience for the future.



2012

Fireworks on Great Wall of China!

We created a once in a lifetime experience for over 800 guests on the Great Wall of China. The experience started with a private dinner at the Great Wall of China followed by a rock and roll band performance and fireworks with that view! This event has made our 'best-of' list and is a highlight of our story!



Melbourne Cup in Phuket!

As part of the Travel Incentive, we created the Melbourne Cup on a Phuket Beach for Rexel. 12 horses and the late scratching of Moses the Elephant.



NPS Score

NPS Score - We hit a NPS score of **74** for the first time. This amazing number is a reflection of the great execution and support our teams give for our client programs.



'20

Engage Magazine Launched

Amidst the pandemic, we launched Engage Magazine, the only B2B Loyalty, Incentive & Rewards magazine in Australia and New Zealand. Written for B2B focused sales, marketing, channel, business events and performance change leaders.



2021

Best in the business

212F won Best Incentive IMA Summit Rewards for Plus Factor for Plumbing Plus. Still growing and expanding across AU & NZ.

2002



Rocking auction results!

Our first incentive based auction site in New Zealand offered VIP access concert tickets to Red Hot Chilli Peppers. The promotion set sales records and achieved promotion engagement not seen in the retail mobile phone handset channel.



First Steps Down Under

212F Australia opened with our first office in South Melbourne and quickly launched Team Repco rewards, the first online program for mechanics.



2003

Flying Private

We chartered an exclusive Qantas flight to Queenstown for The Age newspaper, the first of it's kind into Queenstown, New Zealand. The trip also went onto win a SITE Crystal for Best Travel Incentive Execution.



'04

\$100 million milestone

212F hit the \$100 million in rewards in client incentives, loyalty rewards, travel experiences and events across Australia and NZ.

'06



Strengthening Partnerships

Our clients from '97, Compaq, merged with HP. And 5 years on, we were delighted to be chosen to work with HP in Australia, delivering incredible IT channel rewards for over 10 years.



2005

Let's Play!

We launched the Moto Rewards - the first gamified program in NZ before gamification was a thing! Rewards points were earned for the sale of Motorola phones or completing product-based training, encouraging behavioural changes in staff.



iChoose VISA Prepaid gift cards is launched!

iChoose was the first incentive Visa prepaid card into the Australian and New Zealand markets! The only brand in both markets delivering branded gift and reloadable cards to customers, staff and partners.



Avengers Assemble!

Two iconic brands, 212F and Incremental join hands to form arguably the largest independent B2B Customer Engagement agency in Australia and New Zealand.



\$250 million milestone

212F become a \$250 million business. The largest independent B2B loyalty rewards, travel experiences and events across Australia and NZ.



2022

Sustainability

KoruGreen: 212F Group's commitment to a harmonious and sustainable future.

2021

25 Years of building relationships

To mark this milestone, we asked our partners, staff, clients and suppliers what working with 212F means to them.

Here's what they said...



"I got involved with 212F around 10 years ago when 212F was comparatively small. One of the first programs we launched was the first to market – HP Rewards prepaid card program. It was the first time HP provided its sales reps with incentives, the first of its kind in the IT market. We took the best-performing staff on an incentive trip they could only dream of! We loved working with the 212F team as they have always been flexible, hungry and ready to go that extra mile to offer an exceptional experience to our customers."

Tony Sayed (Client)
Commercial Personal Systems,
Australia & New Zealand at HP



"I started working with 212F when tasked with the Capricorn loyalty program in 2019 with a mandate to launch in 2020. Who knew the world would come to a standstill! We all worked toward the goal of launching the program despite the hurdles. Despite the testing times we were all operating, it was a fantastic journey. We not only launched on time but got fantastic engagement and results, which were highlighted in the NPS scores. 212F is solutions focused team that like its hand-on-deck approach. It's easy to see what has made them so successful in the last 25 years, and I wish them the best for the next 25 and beyond!"

Gillian Loh (Client)
Loyalty and Insights Manager,
Capricorn Society Ltd.



"I was looking for a team that could elevate our incentive event. I was bored of rolling out the same old event year after year. I love working with 212F as they are not just event providers but true partners who work extremely hard to engage with their customers and bring measurable change. I have worked with 212F in two different companies, and I specifically remember giving a short turnaround time to 212F to launch a rebate program and not to my surprise at all, they did it, and that program was a massive success as well. It's always been a pleasure to work with such a dedicated and hardworking team."

Fiona Harris (Client)
Marketing Specialist at Rinnai in New Zealand



"Our relationship with 212F is more than just a supplier/client relationship. It's a true partnership! The best example I can give you is probably the best travel incentive we have done together – the Mitre 10 event with 800 people on the Great Wall of China. The experience started with a private dinner at the Great Wall of China, followed by a rock and roll band performance and fireworks with that view. Fireworks on the Great Wall haven't been done as part of an incentive group dinner again!"

Gunther Homerlien (Supplier)
Partner, Destination China



"I was one of the earlier staff at 212F Group I joined in 1999 until 2013 working in I ran AU, NZ and Singapore operations for the team. I always knew we had something special at 212F; we just rolled our sleeves up and got sh*t done! I have had some beautiful memories with 212F, and the experiences with the team have made me a better person and professional. I look forward to celebrating the next 25 years of this wonderful journey you guys are on."

Matthew Smith (Past Staff)
General Manager - Destination Asia



"The extraordinary journey of 212F began at Eichardt's Hotel in Queenstown, where I met Eugene De Villiers for a drink and thrashed out a plan for a new business that would pave a new way for Loyalty and Incentives. We started with Travel Incentive and soon ventured into merchandise and cash rewards. With the addition of some excellent acquisitions along the way, I am very proud to see 212F become the leader in B2B incentive, reward & loyalty across New Zealand and Australia. I would also like to congratulate everyone who has contributed to this amazing journey."

Russell White (Past Staff)
Founder, 212F



"I came across 212F when we started a corporate gifting program at Maui Jim Sunglasses. As a brand, we wanted to make sure that sunglasses are a good fit for corporate gifting, and we weren't sure as it's so personal. We just took a gamble and tried onsite fitting activation, and that's where I met 212F, and this relationship started. It is easy to work with 212F as our core values are aligned. It's all about enriching and enhancing customer experience through rewards, recognition and building long-term loyalty. The partnership is fantastic, and we hope for many more years together."

Nick Maynard (Supplier)
Corporate Sales Manager - Maui Jim Sunglasses

**Visit our website
to hear more**

212f.com/25-years-young/



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Rob Morrow, Managing Director, 212F Group

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we change behaviour