ISSUE #5

B2B Loyalty, Incentive and Reward Ideas

PROGRAM DESIGN • COMMUNICATIONS
REWARDS • TRAVEL INCENTIVES & EVENTS

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The Evolution of Loyalty

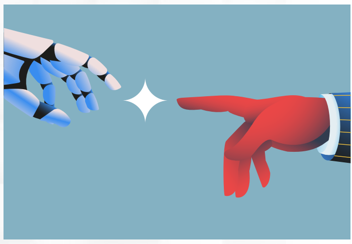
Exploring the complexities of consumer behaviour concerning loyalty programs.

Loyalty or Incentives

Which will deliver your outcome?

AI in Loyalty

The Application of AI in Loyalty, Rewards and More



212°F

Incremental

Welcome to Issue No 5 of the Engage Magazine.

A mini milestone for us and Engage Magazine. When we launched Engage, we were at the start of the "COVID" years and had no insights into what was coming. We took the unknown and tailored content around using loyalty and incentives to connect with customers during an uncertain period. This adaption built the stepping stones for the future as we created articles on the present-day challenges and trends we saw influencing the New Zealand and Australian markets. That first issue created a format that we would refine for new articles and topics relevant to B2B loyalty, incentives, and rewards.

This view of content continues with Issue 5, with a breadth of content from psychology principles that enhance engagement, to executive travel incentives and looking forward, to how AI is changing how loyalty programs are designed and managed.

It always makes us proud to say that our teams write the content in-house. They are the real industry experts who are running programs in Australia and New Zealand. This is important as the 212F & Incremental teams have a deep layer of experience and understanding of how B2B loyalty and Incentive programs work. Real people, real experience, and real insights are the people you deal with when you partner with the 212F Group.

A key takeout I'm both excited and apprehensive about is AI. There is, no doubt, a monumental change coming as to how we can use technology to solve problems with insights, generate content, and handle tasks. However, the most important part of a Loyalty or Incentive program is the customer or participant's engagement in a program. How is an AI bot going to help with that?

As an early adopter, and B2B programs with large data sets, we are going to place 212F Group at the forefront to answer that question with a significant investment in Generative AI. Our enterprise-grade AI solution will be designed to primarily expand the customer service & support space. However, in our opinion, technology must not lose sight of the emotional nature of customer interaction, as well as the fact that we need to ensure the data remains sovereign to the program, not the tech stack.

Lastly in everything we do, the power of real human emotion can't be overlooked. The emotion of receiving a tangible reward and celebrating by showing it off like a well-earned trophy - whether the reward is a Visa gift card, Bose Sound System, or an incentive trip to Japan, we can never forget we are engaging with people, and the science, technology & systems are all just tools to make the most of, to do a better job. It's the human factor behind it and the relationship that drive the best outcomes.

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Building the Foundations of B2B Loyalty and Incentives

Get your dream loyalty and incentive foundations right! Whether you're taking the leap into a new program or relaunching an existing program, setting up a program design for success is all in the planning.

***Matt Griffiths**, General Manager – Sales & Marketing – 212F*

Get planning

When it comes to designing and deploying a program, we often compare it to building a house. You have a vision of what your program looks like, but you need the right design plans and trades to deliver on the dream. The right design plans set the program build on the path to success.

When we talk to clients about setting up a new B2B loyalty and incentive program, we establish an initial framework to focus on the business outcomes first and then expand into deliverables. To execute a program, there are as many variables as there are stakeholders to bring together. Everyone must be aligned in the project.

Our approach to design is always '**strategy first, rewards second**' – so let's set up the foundation of a great program design!

The foundation

Just like a house build, the foundation of a B2B loyalty and incentive program is the most crucial stage. This is where we spend the most time with clients: understanding their business goals, scoping the program flow from sales to reward, and defining their relationships and interactions with customers.

For many B2B companies, the need for direct relationships with customers and in-depth knowledge about those customers both influence the program structure design and what is built. This will maximise program needs and outcomes.

The foundational stage also requires stakeholder input from outside the program manager. Finance, IT, sales and marketing staff all have important views that must be considered. This feedback will help to build robust program design pillars.

There are often tricky questions to answer at this stage; however, setting up a program with the right foundation allows you to create a dynamic design – not just for now, but into the future.

1 Define the objective/ pain point to solve

Pain points are the same as business objectives, but with a more refined approach. In previous issues of Engage, we've covered the sales-base pain points that most B2B programs work to solve. But knowing which pain points are key to your business will influence the overall design and direction of your program.

Share of wallet, customer retention, customer acquisition and price protection can all affect sales performance. Which one to solve is the first foundational question you need to answer – as they don't all work together!

2 Streamline a design

Once the excitement of a new loyalty program is underway, B2B program designers can be guilty of trying to do too much. There's a temptation to solve more problems, create barriers to overcome and align new business goals into the program criteria. This can have two adverse effects:

- the core design and pain point to solve become diluted
- the program structure becomes too complex for a customer to understand.

Designing too many barriers or steps to success reduces engagement, which is the opposite of what you're trying to achieve. Pick a primary and secondary objective to solve, do that well and add more in the future when you have program traction.

3 Sales data is the critical element

This is the key foundation to get right. Sales data that is available across all transactions and products, and links to customers, is at the heart of every successful program. The more available data you have, the more targeted and relevant your program will be for a customer.

Sales data is the first engagement with IT. The data must be available at key times for the B2B loyalty program criteria to run. Data extracts, whether API or integration, must be processed and aligned with your organisation's commercial model. Nailing this process will build a seamless program for you and your customers.

It should be noted that not all B2B brands have access to direct sales data. For example, manufacturers selling via channel or distribution can't access sales of the end customers.

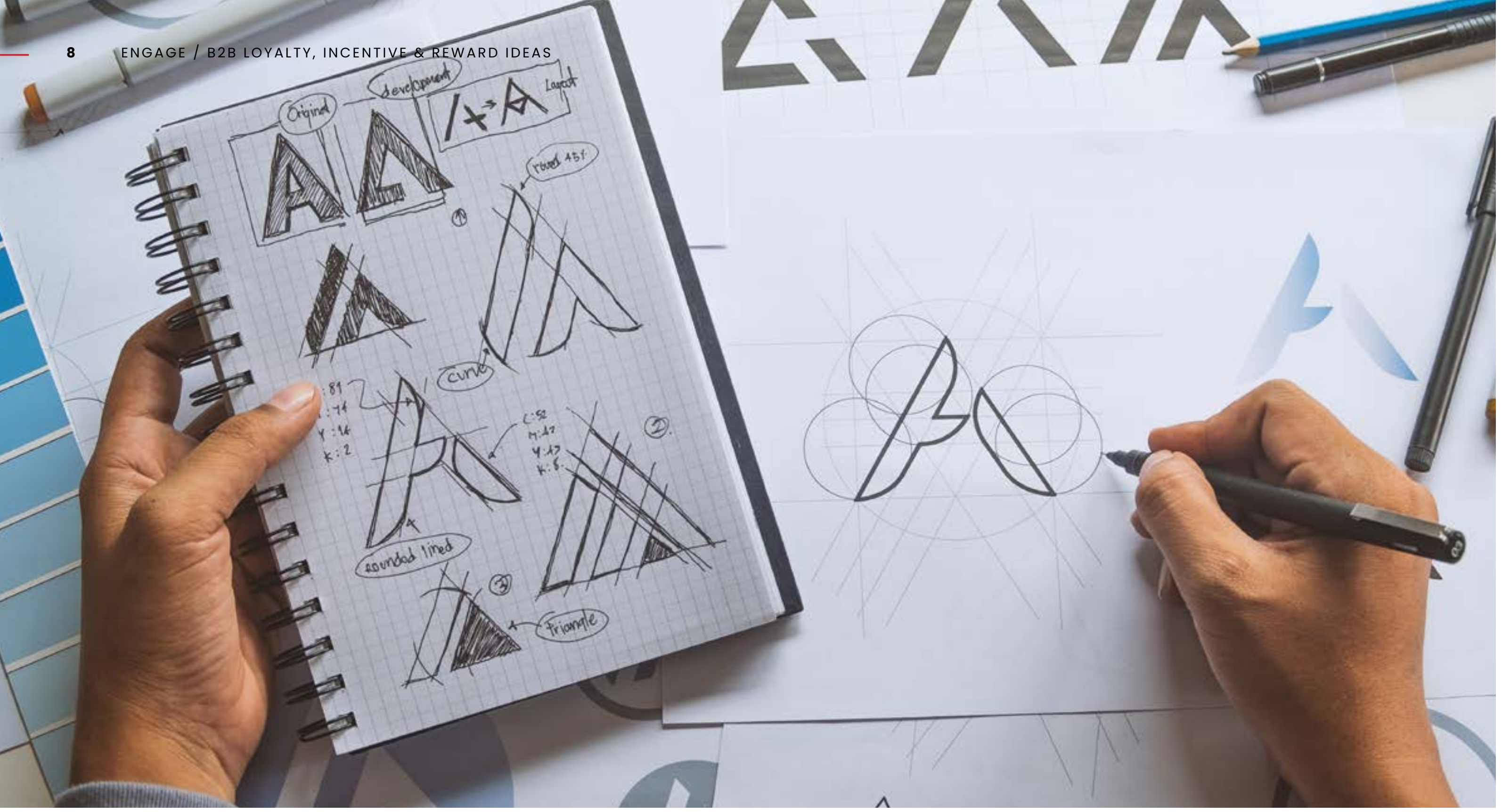
This challenge can be addressed as there are alternate data collection methods available to reward customers. The good news is that not the end of a program design, but all stakeholders need to know the options.

4 Understand your customer groups

Customer segmentation and grouping will influence the structure of your incentive program design. Whether you group by sales channel or annual revenue value, your brand's preferred customer segmentation will flow into the wider management of your program (i.e. points and value awarding, reward structure, promotional activities and communications).

Customer grouping prevents a one-size-fits-all reward and point structure. It allows for flexible design options, such as status groups based on annual spend, or competing groups of like-for-like channels, regions or annual spending.

While no business wants to treat a customer differently, not having a structure to address variables in your customer base can affect retention or acquisition design plans.



5 Set a reward value

Setting the actual value that you can or want to give a customer will create a defining feature of your program. The financial model will be a deciding factor in both internal approval and customer engagement.

Budgets will be approved as either fixed-close or open-ended, the value of the rewards for now and future purchases. There is no right or wrong amount – but the final values will determine the reward mix, program length and inclusions.

Whether you set the reward value as a percentage of sales invoices or dollars per unit, it must align with both the perception of loyalty and the transaction value that a customer regularly conducts with your business.

'Reward proportionality' is an important factor in budget and contribution setting. If reward values are set too low, customers may not participate in the program. If the perception of value doesn't match the sales value, your program may lose its competitive edge.

If you can be generous and match a customer's annual spend value to your business, the program will have a greater chance of success – on both an ROI metric and customer engagement metrics.

The build

Now that you've set the foundations, it's time to start the build. There is more creative freedom at this stage. We work to develop the best solutions, offers, and visuals to get the B2B loyalty or incentive program in front of customers.

The build stage will be defined by your foundational decisions and the availability of key elements, such as data. However, you can now focus on customers and what the program means to your business.

The messages and offers you set at this stage will be facing your customers from launch – and will be essential to the ongoing engagement of the incentive program. So where do you begin?

1 Create a brand

A strong B2B loyalty and incentive program brand truly proves its worth for the success of a program. A brand offers companies a way to sell key messages and the value of a loyalty program. Understanding your brand and developing a clear program identity makes it easy for you to communicate and easy for participants to comprehend.

This sets a clear direction for communication and connects with people who will become your strongest advocates. Connection is key for a powerful incentive brand. Program participants need to have trust that the outcomes of any program change will hold to the brand and the value they receive from it.

Creating a strong brand is a future benefit. It will also give you the flexibility to adapt and change your strategy and reward offers without damaging customer goodwill.

2 Technology platform

The B2B loyalty and incentive program needs a destination for customers to engage with – a dynamic platform to visually sell the loyalty program brand and self-manage reward success.

Messaging and reward offers must be easy to engage with, and the user experience must be simple. In general, people's attention spans aren't generous, so a platform needs to give customers what they're after as quickly as possible.

Your loyalty program platform needs to complement your business platforms, integrations, and single sign-on (SSO) access via your customer portals. Being mobile-ready or app-integrated should also be considered.

The incentive destination should demonstrate the brand identity, but also seamlessly give customers access to rewards, progress updates and anything else they want.

3 Reward mix

No matter the budget or customer group targeted within a B2B loyalty program, you need to offer a range of rewards to suit the program design. This could include merchandise, rewards, premium bundles, business rewards, branded cards (Visa reloadable and gift cards) or travel incentives and events.

The preferred choice doesn't have to be the final offer. The important decision is what reward mix will give your customers the 'trophy value', emotional connectivity and aspirational drive to achieve within the program.

Of all the decisions you'll make during your program build, this can be the easiest and most fun. It will also roll into your launch messaging and ongoing communications.

Rewards offers can adapt and change to match market conditions and customer values, so you won't feel locked into a single reward offer.

Work with your build and adapt

Now your B2B loyalty and incentive program is built! Like a new house, it's time to break it in and see how it feels working within the framework your organisation has set out for your program.

But remember – loyalty and incentive programs should never be set-and-forget. The learnings you take from initial customer engagement, sales team feedback and sales performance should all direct whether you stay the course or tweak the elements in place.

A good foundation allows you to change program criteria or offers without needing a rebuild. Bonus promotional offers, metrics tracking and reward changes can all happen if the structure is built around needs from the start.

Knowing how you can change your design, move with the lifetime value of a customer and introduce reward variables should give any program manager confidence for the future success of a program.

For us, the best B2B loyalty and incentive programs have occurred when we've taken the time to build criteria and overarching design around customer markets and operational nuances – not make a business fit a particular platform or reward choice. This approach may take a few more weeks in scoping, but the time always pays off in the long-term success of the program ■

The Evolution of Loyalty:

40 Years of Data Bridging Emotional Connections in B2B Relationships

***Matt Griffiths**, General Manager – Sales & Marketing – 212F Australia*

***Engage** recently sat down with Dr Alex Belli to explore his findings and approaches to writing his important journal article, '40 years of loyalty programs: how effective are they? Generalisations from a meta analysis'.*

Dr. Belli, a Senior Lecturer of Marketing at The University of Melbourne, has dedicated his academic career to unravelling the complexities of consumer behaviour. With a PhD from the University of Technology Sydney and rich experience in teaching and research across five Australian universities, his work has illuminated the pages of some of the field's most prestigious journals.

In our in-depth discussion, we dive into the effectiveness of loyalty programs and consider why the benefits for customers and companies are met with scepticism. He notes that, across many reports, the data points to a revelation that's driving that view: not all loyalty rewards and structures are created equal.

His massive project uncovered a trend: **the most effective loyalty strategies balance the tangible with the intangible, offering both savings and exclusive emotional benefits.** This insight forms a cornerstone of the metadata analysis into consumer loyalty, which will provide a pathway for brands in the B2B sector.

A Journey Through Data – The Genesis of an In-Depth Analysis

First up in our discussion, we ask Dr Belli what led him to focus on loyalty programs for a comprehensive meta-analysis over 40 years? How did he approach the task of analysing 40 years of data?

Belli explains that his exploration into loyalty programs was born out of a simple discussion among his peers. This discussion uncovered the vast, yet divisive, landscape of existing research.

Conflicting views on the effectiveness of these programs sparked a curiosity that would lead Belli and his team to sift through decades of studies. They hoped to gain a holistic understanding of how loyalty programs truly impact customer behaviour.

'This task was quite a feat,' he says, reflecting on the challenge with a sense of accomplishment. 'But, luckily, my co-authorship team was very supportive and motivated!

'We delved into this literature, combining any relevant quantitative statistical evidence through a meta-analysis to understand if, when, and how loyalty programs work,' Belli explains.

This ambitious project sought to bridge the gap between the many conflicting views on the effectiveness of loyalty programs. He says the data analysis effort was both daunting and illuminating.

Uncovering Surprises

Among the most striking findings was the varying effectiveness of different loyalty program designs. Belli and his team differentiated between economic and psychological rewards – and expected the former to dominate.

'**My expectation was that economic rewards would be more effective than psychological rewards**,' he admits. But the data painted a more nuanced picture.

'Loyalty programs are more effective when they offer savings and exclusive "members-only" rewards, but not as effective when they offer special attention gifts and discounts,' Belli says. This unexpected twist suggests that the key to building and nurturing customer loyalty lies in the value of the reward and its ability to create an exclusive, emotional connection.

'**Discounts may only increase loyalty to the loyalty program itself, rather than positively influence product or brand loyalty**.'

This discovery is one difference from B2B loyalty, where the value of rewards and offers linked to transaction values, not potential savings, positively influences brand and program loyalty.

The Industry Influence

Belli's research also considered how industry characteristics impact loyalty programs. Conventional wisdom would suggest that industries with high purchase frequency would benefit more from these programs. However, Belli found the opposite to be true.

'We took a comprehensive approach to industry characteristics and divided them into either low (e.g., grocery retailers) or high (e.g. beauty salons, casinos, airlines) purchase frequency.'

Diving deeper into the data, Belli and his team explored the role of industry characteristics in shaping the success of loyalty programs. Contrary to expectations, they found that programs in industries with lower purchase frequencies were more effective.

'This could be because there are bigger risks and higher switching costs… making loyalty programs a strong tool for fostering a quality relationship with customers,' Belli posits.

This demonstrates the strategic significance of understanding industry-specific dynamics.

Strategic Implications

Belli's findings offer a roadmap to businesses eager to harness the power of loyalty programs.

'These programs increase customer loyalty though a two-step process,' he says, before highlighting the importance of **first activating cognitive drivers with economic benefits before deepening the relationship with emotional connections.**

'In other words,' he explains more simply, 'to increase customer loyalty through a loyalty program, firms and brands must ensure that they can first provide the right economic incentives to consumers to then establish a deeper emotional connection with consumers. It's a task that requires them not only to reassess their content (what the reward is) but also their delivery (how the reward is offered to the consumer).'

This approach has long been part of 212F Group's loyalty program design methodology. It is especially relevant in B2B contexts, where relationships are less transactional and more focused on long-term engagement.

The Road Ahead

Despite the comprehensive nature of Belli's study, he believes the realm of B2B loyalty programs needs further academic exploration.

'Very little research had been conducted on B2B loyalty programs,' Belli states, signalling vast potential for future insights. As businesses and academics seek to understand the evolving landscape of B2B buying behaviours, Belli's research serves as a crucial foundation to build on.

'My study revealed several characteristics about their structure, reward content and reward delivery that can influence buying behaviours. For example, loyalty programs whose enrolment are closed (which consumers can't join freely unless the company invites them) tend to be more influential in fostering positive buying behaviours, as it may increase their sense of exclusivity.'

Rewards play an essential role too: 'Rewards based on savings and exclusivity seem to be more effective, but that's not the whole story – they also need to be consistent with the primary offering of the focal brand to work,' Belli adds.

This brings up several pressing questions about the effectiveness of different reward types, and the importance of personalisation and emotional engagement in B2B settings.

Many of these aspects would apply to B2B loyalty programs, apart from the type of rewards. For example, clients in a B2B setting may be more interested in the reward personalisation offered by the loyalty program because they believe that building a genuine and authentic relationship with suppliers is more critical than in a B2C setting.

Do Loyalty Programs Work?

Ultimately, Dr Belli offers a resounding affirmation of loyalty program effectiveness to the sceptics.

'Yes, they do work!' he asserts. '**Regardless of the scepticism that may surround loyalty programs, evidence from 40 years of data shows that loyalty programs do indeed increase customer loyalty**.'

However, he warns that success hinges on designing thoughtfully; understanding the delicate balance between economic incentives and emotional engagement; and offering a beacon of guidance for businesses navigating the ever-evolving landscape of customer engagement.

Through his comprehensive analysis and insightful reflections, Dr Alex Belli challenges the status quo and charts a path forward for the next generation of loyalty programs. His work serves as a collated view for academics and practitioners, and urges a re-evaluation of how we understand and cultivate loyalty in ever-changing markets ■

Dr Alex Belli is a Senior Lecturer (Assistant Professor) in Marketing at The University of Melbourne. For more information of or potential collabrations opportunties, Dr Belli can be contacted at **alex.belli@unimelb.edu.au**

Bridging the Generations

Rewards for Boomers to Gen Z

Belinda Ramanauskus, *General Manager, 212F Australia*

Working across various industries and diving deep into B2B incentive programs and travel incentives has given 212F a front-row seat to emerging trends and shifts within the workforce. One striking change I've seen is the generational evolution happening right in our own organisation.

A vibrant mix of generations is coming together, each bringing unique perspectives and approaches to work. This diversity has required us to re-evaluate and adapt our training and education approaches in loyalty and incentive programs, as well as travel incentives. The old playbook isn't as effective as it used to be.

While our teams are certainly eager to learn, we're having to push boundaries further. We're striving for a balance where everyone is not just motivated but flourishing. The generational shift is reshaping our culture, our processes, and our motivations.

It's not just our business – our clients are noticing the same shifts among their customers. The audiences for their programs are changing. This is prompting us to reimagine our reward mix design and delve deeper into what motivates people to engage with B2B loyalty and incentive programs.

So, the big question we're addressing is this: How can our clients' B2B programs adapt and evolve to effectively cater to diverse generational needs? Also, how do we craft rewards, communications and platform interactions that resonate with a multigenerational audience that's constantly shifting?

The Power of Personalisation

In today's crowded and competitive marketplaces, businesses are using highly personalised approaches to stand out. These strategies acknowledge and understand the needs and motivations of different generations. This makes personalisation more than an advantage – it's a game changer.

The power of personalisation lies in recognising the diverse motivators of each generation. What appeals to a Baby Boomer may not resonate with a Millennial or Gen Z. So the communication method used will be as important as the rewards. By considering factors like lifestyle choices, life stages and personal interests, companies can significantly increase their program appeal and effectiveness.

This approach demonstrates a business's understanding of and respect for its diverse audience, and sets the stage for meaningful and impactful interactions. Personalisation allows companies to forge stronger connections, foster loyalty and drive engagement by connecting with a customer's unique needs and desires. This transforms the traditional customer journey into a personal voyage of discovery and fulfilment.

Customising Rewards for Individual Motivations

A dynamic incentive program offers a myriad of rewards to suit the diverse motivations and preferences of its participants. Meticulously curated rewards can inspire each person to reach their full potential – aligning personal success with wider business objectives.

When rewards align with personal aspirations and goals, they become powerful motivators, enticing individuals to meet and surpass their KPIs, improve their performance and maintain long-term loyalty.

For Baby Boomers – with a wealth of life experiences and defined preferences – traditional rewards like high-end home appliances or luxury goods reflect their appreciation for comfort, quality and reliability.

Millennials and Generation Zs – digital natives who value experiences over possessions – gravitate towards experiential rewards like immersive events, culinary adventures, or tech gadgets and wearable technology. These rewards mirror their desire for new experiences and connectivity.

Generation Xers – who are often juggling career and family – look for practical yet premium rewards like smart home devices, high-quality fitness equipment and incentive programs that include family participation. These rewards resonate with their values of work-life balance and quality family time.

This generational approach aligns with the theory that when rewards resonate personally with individuals, they are more than just incentives – they are catalysts for growth, productivity and satisfaction. This propels the person to new heights of success and significantly enhances organisational performance.

By embracing a reward mix that incorporates various reward types, businesses can foster an environment that continually ignites motivation and celebrates every achievement.

Rewards to Rock Their Boat!

Baby Boomers:

- Adventure getaways that combine comfort and adventure
- VIP and exclusive experiences
- High-end merchandise rewards, including limited-edition pieces
- Premium brands, bespoke tailoring, behind-the-scenes access
- Luxury incentive travel

Gen Xers:

- Bucket list experiences (travel, concerts)
- Smart home devices, high quality merchandise
- Eco-friendly products
- Prepaid cards
- Travel incentives offering a blend of unique adventures

Millennials:

- Professional development opportunities
- Emerging tech gadgets
- Customisation options
- Socially responsible and ethical brands
- Off-the-beaten-path travel experiences

Gen Zs:

- Digital rewards
- Eco-conscious escapes and cultural immersion adventures
- Products from brands with strong environmental and social initiatives
- Trendy tech wearables
- Personal and professional development opportunities

Designing Incentive Travel

The appeal of travel incentives also varies greatly across generations. For example, Tokyo is a destination that offers something for everyone. Baby Boomers might be drawn to its rich history and culture. They might find immense joy in an exclusive, after-hours visit to a famed imperial palace or participation in a traditional tea ceremony. Baby Boomers would be thrilled to dine at some of Tokyo's finest Michelin-star restaurants or secure front-row seats to a sumo wrestling match. These activities cater to their appreciation for depth, luxury and exclusivity.

On the other end of the generational spectrum, Gen Zs pursue vibrant, viral and innovative experiences. Drawn to Tokyo's Insta-worthy sites and innovation, their travel desires are shaped by a digital-first lifestyle and a quest for unique, shareable moments. Yet, their engagement with the city goes beyond surface-level attractions. Gen Zs value deeply authentic experiences, like learning to make sushi from master chefs or gaining behind-the-scenes access to sumo wrestler training (witnessing their dietary preparations and match routines). These immersive, hands-on activities speak to Gen Z's desire for authentic, educational and culturally rich experiences that align with their profound social and cultural consciousness.

This diversity highlights the evolving approach to designing travel incentives that cater to every demographic. Recognising these varied interests across generations, we're now creating travel programs with more flexibility and choice – embodying the principle of 'your day, your way.'

Traditionally, our itineraries favoured structured group activities that gathered everyone together. Now, we're shifting more towards optional activities that appeal to a broad and diverse audience, and allow more personalised choice. Trends are also shifting to more leisure time to allow participants to explore at their own pace. Qualifiers also want to bring their partners and families to share in the amazing opportunities, so we're seeing an increase in buy-in programs.

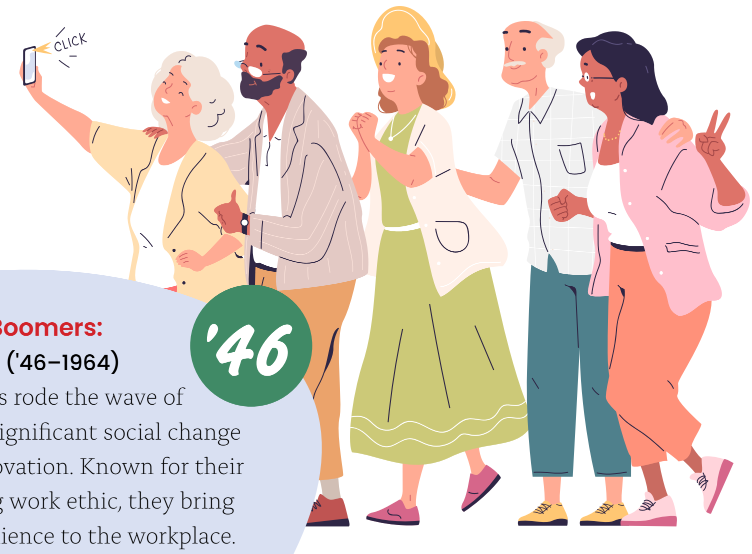
By offering these tailored choices, we ensure that every participant can engage in ways that resonate most deeply with them. This creates a more inclusive and transformational travel experience.

The Bottom Line: Results Matter

In my experience, there's something truly magical about personalised experiences. They don't just increase engagement, satisfaction, and loyalty – they become the heartbeat of a company's success. Tailoring our incentive programs is essential for nurturing long-term growth and profitability.

Looking ahead, I'm excited about the journey of innovation and adaptation that lies before us. The landscape of motivation and reward is ever changing, with personalisation and technology at the forefront. By tuning into the unique beats of each generation and embracing the potential of technology, we're not just keeping pace – we're setting the pace. Here's to creating connections that matter and setting new benchmarks for engagement and success!

Generations shaping our workforce today



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Baby Boomers:
The Trailblazers ('46–1964)
Aged 59–77, Boomers rode the wave of economic prosperity, significant social change and technological innovation. Known for their dedication and strong work ethic, they bring experience and resilience to the workplace.

'65

Generation X:
The Independents ('65–1980)
Aged 43–58, Gen Xers straddle the line between analog and digital. Raised in a time of shifting family dynamics, they're celebrated for their independence, resourcefulness and self-sufficiency. They value flexibility, work-life balance and adaptability in their careers.

'81

Millennials (or Gen Y):
The Digital Pioneers ('81–1996)
Aged 27-42, Millennials have reshaped the workplace with their demand for meaningful work, growth opportunities and a vibrant company culture. Their upbringing amidst rapid technological advancement has significantly influenced their work preferences and expectations.

'97

Generation Z:
The Tech-Savvy Visionaries ('97–2009)
Now up to 26 years old, Gen Zs have been immersed in technology from birth. This generation champions innovation, diversity and inclusivity in the workplace. They are eager for career advancement and expect workplaces to be fully integrated with the latest technology. Their digital fluency and fresh perspectives position them as key players in evolving workplace dynamics.

Generation Alpha:
The Future Trailblazers (2010–2025)
Although yet to enter the workforce, the oldest Alphas – now around 13 – are already shaping future trends. Born into an era of unparalleled technological growth, they are poised to navigate the future with ease. Their familiarity with AI, machine learning and digital innovation from a young age suggests they will bring unprecedented tech fluency and adaptability to future work environments ■

2010

AI in Loyalty: It's not when – its what!

The Application of AI in Loyalty, Rewards and More

Nick Hewitt, *Marketing Executive, 212F Australia, with* **Tommy Fraser**, *Founder, xclamation.ai*

It's not magic but, considering the way people have talked about it over the last year, you'd be forgiven for thinking so. Artificial intelligence (or AI) has swept through the business world. And while implementation is still beginning, the discussion around its uses for making life easier for brands has been growing fast.

AI's usage across all types of companies has been far more widespread than just ChatGPT. Many companies have used its capabilities for data analysis and customer engagement and are expecting to see productivity and cost-saving benefits.

While many are yet to see the productivity gains, they have certainly seen the cost savings. McKinsey's '2024 Global AI Survey' confirmed that 44% of respondents have reported savings from AI adoption in their business units that adopted the processes. Positive responses from AI-adopted companies stated that AI adoption has reduced business unit costs by at least 10% on average.

So, given these potential productivity benefits and confirmed cost-savings measures, I've laid out several ways that I see AI implementation in B2B loyalty and incentive programs working to provide huge benefits to early adopters. Read on to find out more!

AI Implementation in B2B Loyalty

I believe that the power of AI lies in streamlining information, analysing it, and providing efficient responses. So, you can see why we're so excited about AI – considering that some powerful reasons for a business to launch a B2B loyalty or incentive program are to:

- gain information about their customer bases
- leverage that information to create personalised communication pieces to create sales growth or increase share of wallet.

I believe one of the largest benefits of AI adoption in loyalty lies in support through chatbots and phone support presences that can follow pre-defined conversation tracks and gather information from customers.
The programs are set up through pre-determined frequently asked questions and recorded calls retained for compliance purposes. These, in conjunction with machine learning, can break down expected queries into:

- specific transactional knowledge fulfilment (account queries, point balances, etc.)
- pre-existing knowledge (program terms).

If a conversation lies outside of AI's capacity, the information and context of the conversation can be handed off to a human operator, which goes hand-in-hand with the powerful function of sentiment tracking. If the customer becomes frustrated, a human operator can take over and assist, as studies have shown customers are positive when transferred to someone who is able to listen and resolve their concern.

This may not sound like much, but it's expected to be a massive time saver – considering the time previously spent answering everyday questions like 'What is my point balance?', 'What are the most popular rewards?' and 'When will I see my points in my account?'.

These conversation tracks can also be updated. If we see multiple queries coming through that have the same simple answer, AI should be able to update and respond to them. After all, machine learning is the name of the game!

Gartner's 'State of the Customer' report shows that younger generations are more likely to self-serve their purchasing journeys. They prefer to find the answer online or via email rather than use company-owned channels. This means that, as time goes on, phone support usage should start to decline.

Introducing AI chat support will enable a significant proportion of program participants to find answers the way they want, when they want them.

AI Implementation in B2B Rewards

While the concept of AI chat may seem universal, it can offer specific benefits to rewards through personalisation and promotion of rewards.

AI within a B2B rewards program can analyse the data provided by active participants, review high-value items based on views and redemptions, and promote them to participants with high point balances.

This can help retain an individual's engagement with the program, as high point balances usually indicate a lack of connection with the program and, by affiliation, the brand. If customers aren't redeeming points for rewards, they're missing out on the potential value of the program – which means your brand is missing out on the front-of-mind effect you'll need next time they go shopping for stock.

AI can analyse your participants and send out bespoke communications that targets them and promotes high-value rewards. Your brand keeps its front-of-mind effect and retains engagement with the program – all without lost operational hours or additional costs.

Sales data will not be a barrier.

There is another way to encourage high-value customers to stay engaged with the program that can be automated through AI: immediate receipt or sales recognition. Using some of the new customer-facing AI, you can upload an image of a receipt and ask it what the image contains. AI can verify the store details, purchase specifics, value amounts and more.

This application offers two options for a program to implement:

1. **Instant purchase verification within sales claims** – This provides point application within seconds, allowing the customer to redeem while the brand is top of mind and encouraging continued engagement with the program. It also cuts out the need for human support.
   For manufacturers without access to sales data, AI will be a game changer. Offering visibility on end customer purchases while removing the barriers of data claim and verification.
2. **A concierge service** – By establishing clear limits within the program, you can allow customers to make rewards purchases outside the program offerings. And, assuming they fall within the parameters, you can reimburse claims that fit your program's design. Anything goes!

This service can be fully automated through AI, allowing participants to use their points to purchase exactly what they've always wanted. This builds incredible rapport and brand sentiment without additional chain-of-command approval!

Implementation in Incentive Travel Planning

AI benefits don't end with loyalty programs. AI can also be used to build incentive travel programs that consider the make-up of the group.

Using AI, your brand can provide all the group information (i.e., group size, age, gender, interests, length of stay) to find the best activities to create a memorable, emotional connection between your guests and your brand.

Incentive trips are the best way to inspire your clients to rave about your brand when they return. The trophy value of being able to say that their support of a product or service got them a once-in-a-lifetime trip is unmatched – but what if the trip also felt tailor-made for them? AI can do just that!

The other benefit of AI for B2B incentive travel is that it's easy to craft travel extensions. One major headache of planning a large travel group is the custom changes that individuals make. With so many people flying from so many destinations, many of whom arrive early or leave late, getting all the pieces to fit can be a logistical nightmare.
Like the phone and chatbot support, a program can implement a 'virtual travel agent', which can analyse individual or group preferences and demographics, and categorise and provide catalogued information to the support team.
This can save a great deal of time for the team making the extensions. While this task does still require humans at this stage, we expect the AI program to be able to handle the extensions in the not-too-distant future.
So, while we've been glowing about the potential benefits of AI implementation within B2B loyalty, reward, and travel incentive programs, you might've been wondering, 'What about the risks'? Well, that's easy – your brand is already handling the risks!

Arguably, one of the biggest risks of AI implementation is data security. As you take on the data needed to properly build out these pathways, concerns about the security that your brand uses to protect people's data will increase.

And this would be true – except that every business already has data protection in mind when building its security platforms. I know we do!
With the increased threat of breaches across Australia and New Zealand over the last few years, protection must be front-of-mind for any business that deals virtually.

Instead, I argue that the greatest risk facing brands around AI adoption is simply not moving fast enough.
When the largest benefits of adoption are ease of process and value for the customer – which go together with the concept behind launching a B2B loyalty program – why would you want to risk a competitor stepping up and giving your customer more value, easier service, and a big reason to move away from your brand?

The important impact of AI is how businesses will deal with the control of data. As more businesses invest or look to roll out AI models, the general public and customers will be more worried about how their data could be shared or available when loaded in widely accessible AI model. It's why our approach is to build enterprise grade solutions that has strong compliance built into it, and it follows privacy models like GDPR.

Similar to our loyalty programs, where the data you come in with clients can leave with them, the data used to have the AI learn isn't shared with a wider pool of public data.

At 212F, we expect to roll out each of the above-mentioned AI implementations across our programs by the end of 2024. So, what is your brand doing to get AI-ready for your customers? ▪

The Power of the Human Mindset

Applying Human Psychology Principles to B2B Program Success

Georgia Swanton, *Account Manager Coordinator, 212F Australia*

When I first joined 212F, I came with a background in psychology, which I had studied at university. To my surprise, as I've become more involved in managing B2B incentive and loyalty programs, the experience and insights from my uni days have proved invaluable.

It's been satisfying to see how psychological traits influence customer behaviour through different principles of motivation and reinforcement and to find that psychology is embedded in many aspects of program design and management.

Psychology plays a big role in shaping how we communicate and manage our B2B loyalty and incentives programs. Many principles have helped us create the persuasive messaging and incentives that motivate action and drive desired behaviours – and we use them in each program we design and manage.

My background in psychology has given me an understanding of human behaviour that helps give our loyalty and incentive programs an extra kick. By embracing principles of human psychology, you can ensure your programs are relevant and engaging. And, most importantly, they positively impact your business success.

Loyalty Programs & Positive Reinforcement

Loyalty programs retain and recognise loyal customers and are usually ongoing, which means they can create emotional connections and sustain themselves with active participants in the program, all year round.

Psychologist B. F. Skinner introduced 'operant conditioning', which embraces the concept of positive reinforcement. This is when a behaviour occurs, and a reward is provided in response to that behaviour. People are more likely to repeat these behaviours, as they are driven by the desire for more reinforcement (reward).

Loyalty reward programs are based on the same principle of positive reinforcement. Participants receive rewards (i.e., points) in exchange for desired behaviours, such as employees selling a specific brand or product. They can use these points to redeem desirable rewards. The attraction of earning rewards incentivises participants to engage consistently, which fosters loyalty and retention.

This cycle of behaviour–reward increases the likelihood of continued participation and creates a mutually beneficial relationship between the participant and the brand. This positive reinforcement shapes the desired behaviour changes.

The 212F Engagement Loyalty Model (ELM) is a framework that we use to interact with customers, build relationships, and encourage them to become loyal. The framework enables us to:

- segment the customer base into specific cohorts, based on how they interact with the program.
- communicate with them personally, reducing a one-size-fits-all approach to communications.

Communication plays a pivotal role in implementing a loyalty program model effectively – and my background gives me valuable insights into how to approach implementation.

A great communication piece combines an understanding of the audience, persuasive techniques, and a clear and concise message, as well as visual and emotional appeal. The effect of all these techniques helps to provide social recognition. This can be elevated even further through personalisation – speaking directly to particular customer segments.

Highlighting rewards with images is highly beneficial, as people recognise and retain text with visual content more efficiently than text alone. When participants can visualise the rewards, they better connect with and imagine the positive reinforcement associated with the program. This encourages the desired behaviours.

Personalised communication is an integral aspect of the Engagement Loyalty Model. Tailoring messages to individual preferences, demographics or point values makes participants feel valued, builds trust, strengthens emotional connections, and enhances loyalty.

By leaning on my knowledge of psychology, I've implemented this across our communications methods, strengthening the impact of our ELM framework on participants.

Incentive Programs & the Goal Gradient Effect

Incentive programs are different from loyalty programs in their duration. Incentive programs usually have a set end goal, which motivates clients to participate within a timeframe.

Behaviourist Clark Hull introduced the 'goal gradient effect', which refers to how people increase effort and motivation as they approach an end goal. In incentive programs, this fundamental concept of human behaviour helps to drive participant engagement and performance.

Strategically positioning the end goal within sight instills a sense of urgency and purpose and encourages participants to strive and commit to a higher level than they usually would without the time crunch.

While incentive programs are built around targets – with the end goal being a reward or incentive trip – it's important to implement smaller rewards or milestones along the way. This helps sustain momentum towards the finish line and keeps participants engaged over the entire incentive program period.

The goal gradient effect is a powerful tool for shaping behaviour and enhancing performance. Incentive program designers can use this to create an experience that inspires persistent action and drives ongoing success.

Effective communication plays a crucial role in both incentive and loyalty programs, but they differ in approach and execution. In incentive programs, communication strategies often involve showing a leaderboard or target – and are very consistent in keeping participants engaged.

Leader boards and targets tap into the psychological principle of social proofing, where people are influenced by the actions of others. By showcasing the progress of other participants or highlighting those who are near the end goal, the leaderboard encourages healthy competition and motivates participants to strive for similar outcomes. This effect intensifies as participants approach the end goal – the goal gradient effect – which further boosts motivation levels.

For incentive programs that offer trip rewards, a common strategy is to tease participants with glimpses of the upcoming trip, gradually revealing enticing details to build anticipation and excitement. By dangling the carrot, you can maintain and potentially increase engagement by inciting participants to work harder to secure their space.

As with loyalty programs, it's beneficial to use personalisation; visual techniques; and persuasive, concise, and clear wording in incentive communication pieces. This comprehensive approach ensures maximum impact and engagement among program participants, driving them toward the client's desired objectives with enhanced enthusiasm and commitment.

Bringing Psychology & Reward Programs Together

Many psychological insights have proven invaluable for effectively managing loyalty and incentive reward programs. By taking time to understand their influence on people and applying them to our B2B loyalty and incentive programs, we can effectively engage participants, increase long-term loyalty, and drive desired behaviours and outcomes.

I hadn't considered these two areas coming together during my psych lectures, but there's no doubt that these combined experiences are helping me to manage an amazing program today ▪

Defend Your B2B Loyalty Program Budget!

Don't just defend an incentive budget – use it for maximum returns!

Matt Griffiths, *General Manager – Sales & Marketing – 212F Australia*

When you're implementing a B2B loyalty or incentive program for the first time or refreshing an existing program design, the cost implications and benefits are often top assessment priorities.

The question of return on investment (ROI) is critical to the ongoing acceptance of a program by your customer base. The total cost of a program needs to align with the potential or actual outcome of sales performance. This is a critical place to start an ROI review.

Why loyalty and incentive programs are different

These programs must justify the expenses they incur compared with other business initiatives, as they all require resources and funds from limited budgets and people.

What makes B2B loyalty and incentive programs different is the additional metrics and business outcomes that programs can track and deliver.

These are often more significant than other comparable strategies and associated costs can offer.

Unlike most other sales and marketing tactics, a loyalty program's costs are usually 100% based on sales performance. Your customers – whether they're existing customers, new acquisitions, channel partners or distributors – must change a sales behaviour that you can measure to earn rewards.

The availability of sales performance data makes it easier to calculate ROI for a loyalty and incentive program. While the actual formula for ROI is simple, it relies on access to correct pre- and post-program sales data.

B2B program costs and ROI

Before I share the calculation and other investment metrics that justify a B2B loyalty program, I'll deal with the critical focal point of the ROI discussion – program costs. We navigate costs throughout all program scoping and proposal stages, and defending the cost to stakeholders is how great programs get approved.

There are four main cost areas of B2B programs:

- technology platform
- program management and customer support
- communications and engagers
- the more significant ongoing value of the reward.

The ROI conversation starts here, as the program's ultimate cost has to deliver sales performance and financial return against the program's expenses.

Rewards choice influences sales performance and ROI. However, we often suggest that their budgets are accrued from sales, and costs can differ.

Over our 26-year history, our loyalty and incentive programs have delivered an average ROI of 2:1 to 4:1 to our clients. In growth incentive programs, the ROI can be in the double digits, as the design of these target programs is built around self-funded rewards.

A simplified ROI formula for a loyalty program you can use is:

(Customers sales profit increase over program period last year *minus* yearly program costs in rewards x 100%)

Divided by yearly program costs including rewards

Without isolating actual sales and customer performance influences – such as promotions or annual sales events – this formula is the easiest way to review active customer growth or sales retention over the program period, including the program costs.

You can also apply this to an individual customer to review their lifetime value (i.e. review the customer's sales increase against the rewards earned).

This is where access to sales data is crucial to set a sales baseline and track the incremental growth that the loyalty and incentive program has delivered.

This access to data also opens the other trackable metrics that loyalty and incentive programs can offer. While ROI is vital for financial and growth reviews, these other metrics feed into more comprehensive performance and insight goals that can align with growth and maintain a robust program ROI. Let's take a closer look at these metrics.

Sales growth

Target-based incentive programs can deliver a higher ROI overall. Success metrics can be designed to reward over and above a defined sales period or organic growth, which protects a business from a reward cost unless sales goals are met.

Deciding which target design and growth values you want from customers will influence the result. But, overall, they allow a program manager to build around individual customers, customer groups and different channels for maximum benefit. Sales growth is like ROI, where you can find a final ratio to prove a program's value.

Customer retention and reducing churn

Reducing customer churn provides a significant benefit for every B2B-aligned brand's bottom line. Let's consider a conservative ROI of 2:1 for a program. For every $1 invested into the program, $2 comes back to the company from a customer. It's hard to imagine another marketing investment with such a high likelihood of return. If you take our ROI bandwidth, this could be up to 4:1 – $4 for every $1.

It costs a business more to gain a new client than retain an existing one. The impact of retention in pure dollars is a metric that will vary from program to program, but churn is always far more expensive than just the lost revenue.

Price protection

This metric is harder to define within a formula; however, a B2B loyalty program that focuses on rewards and benefits gives you an alternative to using price reduction to win deals. The value earned through the program will open up extra rewards that will influence the sale and where customers buy from.

If you're confident that your product range, service and offer are equal to or better than the market, a loyalty program is the 'stickiness' you can offer customers to keep them close and offer them more.

Rather than having to discount and price match, conversations will revolve around the points or potential rewards that the sales will earn the customer. This will keep your margins high and customers engaged.

Emotional connection and reach

This metric is too complex to put into a financial formula; however, building a base of emotionally connected customers who can become advocates for your brand and incentive program is gold.

B2B incentive and loyalty programs are among the most efficient marketing tools for building a customer database. If you're not currently moving toward personalising every aspect of your marketing – communication and user experience – a loyalty program will prevent you leaving incremental growth on the table.

This is because programs collect customer data (which, in some industries, isn't available at all). A person's individual data, and the behavioural and activity data of their interactions with the brand and program itself, all sit within a program. It's used to award values and reward sales. By understanding these interactions and segments, you can send personalised communications that recognise a customer's value, and suggest rewards based on earning rates and bonus offers to drive sales.

In issue 4 of Engage, we covered how we approach personalisation with our Engagement Loyalty Model (ELM) and discussed our push for segment-based marketing to directly drive communication to customers that's personalised and more imaginative.

In short, B2B loyalty and incentive program communications have higher open rates than typical marketing sends. This is because they contain personal rewards and insights, and provide an ROI-justified method of creating and growing stronger, sustainable relationships with a target audience.

Know your metrics to define success

Building a program ROI is crucial for a loyalty program's ongoing development and success. When you understand this and the other metrics that define success for your business, your program can evolve and shape its impact on your customers and sales.

A program should adapt with the unpredictability of your sales market, just as it should with cost and ROI investments – metrics that will influence its overall success. The ROI of your loyalty program may vary over time, as the reward values and customer sales behaviour can change.

Therefore, it's a good idea to regularly review and assess the ROI of your loyalty program to ensure it provides a positive return on investment. This will help you make informed decisions about the program and optimise it to achieve the best possible results.

Using a program as a sales performance tool alongside sales teams can be a great way to achieve new sales goals. Control and report on the metrics that align with the organisation's objectives and learn from the insights ▪

Curating the Customer Journey

Sculpting Customer Success through Customer Experience

Cynthia Foo, Senior Account Manager – 212F Australia

Just like a well-designed art exhibition, the experiences that a person has as a customer should stick with them, leaving them considering the impact.

From unparalleled satisfaction to pure disappointment or even just an 'okay' interaction – these encounters lay the foundation for a customer's expectations of a business or brand. They can even affect the brand perception of the customer's friends, families, and colleagues when they share their experiences with them.

Every day, we are all consumers of products, places, services, or activities. Through these elements, every person seeks positive experiences with quality service, including the process taken and expectations met to achieve the result.

This expectation is no different when customers experience your B2B loyalty or rewards program. So an effective program must be constructed around an engaging customer experience – beyond creating a simple reward platform or digital assets.

If the customer experience (or CX) of your program isn't simple and easy to understand, it won't connect with the customer. And this will ultimately impact the success and design of the loyalty program.

Finding Your Muse by Researching Your Audience

Regardless of your sales channels, the customer must be at the centre of every B2B loyalty and incentive program. Your customer should be the inspiration at the heart of every program, as without your audience, the program simply cannot succeed.

From the program design phase through to execution, we at 212F view the customer experience through the lens of who the customers are and how the brand will engage with them throughout their journey – from launch to earning value in the program and receiving the reward.

We carefully consider each step on this path to recognition and changed behaviour. Any barriers or missteps to creating personal connections with a customer could delay the success of a brand's loyalty platform.

The customer experience can be broken down into four broad aspects:

Brand Definition

What is the B2B loyalty and incentive program brand communicating about their personality and the way they do business with customers? How do they expect customers to respond to this? And what personas/perceptions should customers have about the brand?

Customers

Who is the audience and who will be invited to the program? How will they engage with the program and criteria laid out for customers to achieve? Grouping customers into persona cohorts based on age, gender, demographic and expected interaction level is a strong way to build data and continue the success of a program after launch.

Messaging

Effective messaging is about connecting with an individual while remaining true to the program's brand messaging. A one-size-fits-all communication method has little effectiveness in today's hyper-personalised world. So, we must find ways to speak and engage directly with program participants. What type of platform and medium can we create to convey these messages and place the program into the market successfully?

Rewards Mix

The reward offering must be broad enough to cater to everyone, yet not pigeonhole customers into expected value levels, as this can seem inauthentic and off-putting. The mix must also fit the demographic and be achievable with expected purchase levels. This goes back to truly understanding the audience and their anticipated engagement within the program.

Cohesively Crafting the Customer Journey

By carefully considering each aspect of the customer experience, a brand can effectively curate the journey they expect their customers to go on. By crafting this journey thoughtfully, the brand can start planning the outcome with more certainty.

The result is a B2B loyalty and incentive program that combines various initiatives into a cohesive view – linking purchase and sales performance for additional value that resonates with the participating customer base.

Your program needs a design that not only looks amazing but is relevant and aspirational enough for a customer to 'do more'. Visuals and platforms alone can't achieve this – a combination of many elements will make up the loyalty program customer experience.

Framework of Customer Experience

Creating a framework of customer experience will ensure you place CX at the heart of your incentive program design. Here are the main elements of that framework:

Explore the right tools and technology platforms

These elements can influence the customer experience journey. Having the right tools and technology platforms ensures that you meet your intended goals and expectations and, in return, yield positive results. You will need realistic and actionable plans and strategies.

Position to create loyalty and incentive experiences that are customer-centric

Should you give customers what they need, what they like, or what they'll engage with to transform their buying behaviour? Through a clearly defined brand message, an understanding of customer demographics, and personalised communications, you can craft your participants' responses to your loyalty program.

Consider multiple dimensions, not just surface level

The obvious program design element that affects customer experience is the interface and how it flows. However, there are tangible items – like design, branding, collateral materials, launch kits, and merchandise – that customers also experience. Remember that intangible services – such as creative strategies, innovation additions, and customer service – all lead to emotional connections with the program and influence customer satisfaction.

Creating a Sensory Experience

Many well-known hotels use signature scents in their lobbies to set the stage at the start of a customer's stay. This transports those familiar with the hotel's brand to a place of comfort upon entry and creates a sense of familiarity.

You can achieve this within your loyalty and incentive program through well-executed versions of sensory elements. For example, a clear brand message and an in-depth understanding of your audience can deliver consistency and familiarity that your customers will respond positively to.

What other senses or touchpoints does a loyalty program produce that can make the customer journey a positive one? Here are some examples:

Pre-launch Teaser Gifts

We have created high-end program launch kits that allow interaction and give customers an immersive taste of what's to come. When launch packs are unboxed, they create excitement, sell the program messaging, and set the scene for the experience that the customer can expect.

These are experiential kits that go beyond an introductory video via email or instructions in the package, and they lead to a high level of engagement, as the customer is educated and encouraged to be an active participant in the program.

Customer Service

A strong customer service element within your B2B loyalty and incentive program can defuse potential issues and give a human element to interactions. Solving a customer's problems quick and helpfully shows a true consideration of their needs. Customer service issues must be resolved with care, as a negative experience can sour participants on the whole program.

Merchandise & Rewards

We all love getting the notification that our online shopping is being delivered. Now imagine if, instead of paying for it, you earned it just by being loyal to your favourite brand!

Trophy value – or a feeling of recognition and appreciation for loyalty – is a difficult experience to replicate in any program. Receiving these physical loyalty rewards creates an emotional response in participants and incentivises further engagement with the program.

Emotional Connection for Effective Customer Experience

Ultimately, the aim is to build an emotional connection with participants by creating an effective customer experience. The right tools, strategies, and processes can enhance your customers' senses and elevate their experience – ensure they are fully immersed in the experience.

Effective B2B loyalty and incentive programs weave customer experience elements to support complementary, broader customer strategies. The end purpose is to create an emotional connection to both the program and the brand and bolster engagement and emotional connection with the brand itself.

Programs that lack pieces of a considered customer experience will probably miss opportunities to sustain these emotional connections. Ultimately this will reduce the value of their program, and those customers will move on to competitors who are building that connection and elevating the customer experience.

Loyalty or Incentives

Which program design choice will deliver your outcome?

***Mark Farrell**, Partnerships Director, 212F Australia*

Customer loyalty programs and targeted incentive activities are indispensable solutions for B2B companies that are seeking sustainable growth and market/competitor advantage, but due to their differences, it's important to determine which is the perfect match for your business.

Currently, 81% of Australia's top-performing B2B companies provide non-cash reward programs to their customers. But why are they so popular, and what do they use to attract partners?

Benefits of loyalty and incentive programs

Dynamic marketing and sales leaders understand the benefits of these programs:

- They are sales tools that empower sales functions to be consultative, not order-takers. There is a sales outcome – a chase – and a mechanism to drive growth and customer advocacy/loyalty.
- They return up to 45% more value to customers compared with rebates.
- They influence key decision makers and influencers within the scope of a 'customer' – not just the owner/manager but the sales, account managers or counter-based teams. Often, these are the people who determine your success and will grow your share of wallet.
- Loyalty and incentive mechanisms provide deeper emotional engagement, which leads to more loyal customers. For vendors who strive to be partners to customers, not just suppliers, these 'emotional connections' with their customers are profitable.
- Once you have a customer engaged, you can find new ways to keep them. You can keep them with traditional sales activity, such as price and service quality, but maximise their engagement and share of wallet by adding loyalty and incentive mechanisms.

LOYALTY OR INCENTIVE PROGRAM – WHICH IS YOUR PERFECT PARTNER?

As discussed, loyalty programs and targeted incentive activities are essential for B2B companies who want sustainable growth and market/competitor advantage.

There are two main types of B2B programs: loyalty programs and incentive programs.
This article will give you a guide so you can determine which program type your business or channel requires.

No two programs are ever the same and they often meet both loyalty and incentive outcomes. But both program types do use the same principle: 'Buy this item/behave this way and we'll give you something financial and/or emotional in value.'
This practical guide will get you thinking about the often-complex world of planning and launching (or re-launching) a program to drive growth.

In initial discussions with clients, I often share a table like the one below. It's a great starting point for defining the 'loyalty versus incentive' discussion, including the features, metrics, and reward mix that best meets your channel, customer, or sales pain point.

Let's expand on the defining features of both program types, so you can better understand what your business or channel should focus on.

INCENTIVE/TARGET PROGRAMS

drive customers to deliver short term sales goals & behaviour change

Traditional Target Program

- Baseline $'s + spend stretch = reward
- Spend X and get Y
- Create the brand no the reward/destination
- Communication, reports & sales teams drive dealer to reach target
- Shorter sales sprints to achieve traction

Incremental Growth Model

- Self funded reward model with customer earning high value 'tokens'
- Tokens set value that equates to a place on a trip or a reward bundle
- Unlike number 3 there is no ceiling, dealer can keen spending and earning more tokens
- Calculated by margin so a real $ upside

ALWAYS-ON LOYALTY PROGRAMS

to recognise and maintain customer spend and retention

Reward Program

- Flipping value from rebates &/or commissions ($) to rewards
- Accelerators and threshholds for qualification and growth
- Move from revenue line in company P&L to providing personal, exciting rewards
- Emotional connections of rewards and communications

Loyalty program

- Status tiers on vlaue contribution to a business
- Earn increasing points values on spend e.g. 1% for brnoze, 2% for silver, 3% for gold.
- More earning through non-spend behaviours (training, complicance, 30-day payment etc.)
- Reward flexibility & choice – Visa, merchandise, travel, experiences & clients' own products as a sales channel

Incentive Program Designs

Incentive programs (or 'target programs', as they are sometimes known) are time-sensitive. They have a definitive goal – for both the customer who participates and the business itself. These goals are usually related to dollars earned/spent.

Well-designed incentive programs factor in a particular customer's tendency to move what they spend from a competitor and go beyond the sales/purchasing behaviour they have demonstrated with you until now. This effectively rewards them for the additional (future) spend on top of their (future) 'baseline' spend, as part of the value exchange that you have both entered as vendor/customer.

Accurate target setting will determine whether a program achieves its success metrics. When a customer thinks 'What's in it for me?', they must be able to understand immediately how to achieve the target and how they will be rewarded for achieving the target. If the target is out of reach or they are already giving the business 100% of their spend, this is likely to lead to negativity (a negative value exchange).
Sales teams leverage incentive programs because they directly contribute to a financial year's performance. A 10% growth on the previous year's baseline revenue would be achieved if all customers grew by 13% and the business gave 3% back to customers as a reward.

The reward value that a customer earns is usually derived from the additional margin the customer is generating for their 'above and beyond' behaviour.
When designing and modeling these program types, self-funded rewards are the goal. However, a potential negative is the lack of rewards or engagement while the customer passes their 'baseline' and reaches the target. This lack of consistent engagement in an incentive program is one significant difference from a loyalty program.

Closed budgets are common in B2B incentive programs. They result in program designs built around targets and leaderboards. At the end of the sales period, top-ranked participants earn the rewards. This creates an emotional response in terms of competitive spirit, which increases participant engagement and, ultimately, increases sales among those who are ranking and those who are trying to rank.

It's also important to consider the reward value that each customer segment can earn in the time period. Can small and medium customers earn enough reward value in the pre-defined time? If a customer's response to the reward is 'I've calculated and there's not enough in it for me', they will disconnect and not change their buying behaviour.

So it's very important to do modeling in these types of programs. The effort-to-reward ratio across small, medium, and large customer groups needs to be positive, even if that means extending the program length and making 'rewards for all' a program goal.

Loyalty program Designs

Loyalty programs are what we call 'always-on' programs. They reward customers for all the dollars they spend with the business.

Unlike incentive programs, there is no time sensitivity because the program rewards loyalty over an extended period.
However, dollar spend is not the only behaviour that drives status or reward points in a loyalty program.

A well-designed loyalty program enables customers to earn reward value through other 'valuable' behaviours, such as training, channel compliance, payment within 30 days, specific category/product purchasing, online ordering, and more.

Additionally, the outcome of adhering to these rewarded behaviours may not be just reward value. For example, a customer may move up tiers, where they can earn greater benefits and reward values through status, which as we know, drives engagement and self-fulfilling behaviour and sentiment.

Vendors use loyalty programs to target and minimise multiple pain points among multiple customer segments. In comparison, incentive programs have a narrower focus – to drive sales and increase customer retention.

A loyalty program usually has a baseline earning of reward value for dollars spent (e.g. 1 point per dollar).
As well as that 'baseline', there are layers of additional rewards earned for specific tier-based, customer-based, or product/category-based behaviours.

Sometimes the customer is aware of their tier status. However, program managers often use tiers in data segmentation to communicate, reward, and recognise different customers in personalised customer segments – to make them more valuable customers – and give communications more impact by speaking directly to relevant customer behaviours. Customers are segmented, but they don't necessarily know which segment they belong to.

Businesses that use loyalty mechanisms and programs well can easily identify what a great customer looks like. From annual turnover figures, sales channel or product preference, they can design a loyalty program with multiple mechanisms and layers to change the behaviour of all customer types.

The goal is to make them better customers, so they will eventually reach the ultimate status of being a top-tier or 'Platinum customer'. This is the ideal customer who gives the vendor 100% of their share of wallet over an extended period and sees the business as a partner, not a vendor.

So, what will it be?

Whether you are planning an incentive program or a loyalty program in your B2B sales channel, the final choice will depend on multiple factors. Ideally, your program will contain elements of both types – driving sales (incentive) and minimising several pain points (loyalty).

It is that understanding of pain points and how our solutions can help that gives me the greatest excitement. No matter the problem or sales channel, I believe that a B2B loyalty or incentive program will deliver results. It's where the best conversations start, and I am always looking for more chances to help businesses grow, customer segment by customer segment ▪

Aligned Sales Focus

Creating an Effective Rewards Briefing Document

Shayne Achurch, Senior Business Development Manager, 212F Australia

Standing out from the crowd is the most important factor in continued success in B2B sales. There are many ways to do this, but I believe the best way to grab attention and improve customer retention is through a well-structured customer rewards program.

What's the best way to achieve alignment to target the best outcomes? By creating a rewards briefing document, of course!

This document is a strategic tool that outlines the specifics of your rewards program for your B2B sales team and customers, and how to set the loyalty or incentive strategies. This important document should be written with the sales view of how a program can increase customer loyalty and sales.

The Importance of a Rewards Briefing Document

Let's start by establishing the purpose of your briefing document. You can consider it a road map that explains the structure, benefits, and purpose of your rewards program for internal stakeholders and potential clients.

When you educate your team and customers and how to set the loyalty or incentive strategies. about its contents, they should be able to highlight and communicate the program's selling points, motivating factors, and benefits to your clients.

However, it doesn't end with communication. Your document can also be a tool to increase sales. When effective, it can convert new clients with promises of additional value through rewards and incentives.

For sales teams, this is a new sales conversation. Away form price, discounting a shiny new topic to talk to customers about. Your rewards briefing document will weave your sales team, reward offerings, and communication strategies together to increase sales and customer loyalty.

This makes it an essential component in B2B sales success.

STEP 1

Identify Your Customer / Target Audience and Their Needs

The first step in creating your sales briefing document is to clearly understand your target audience. You need to know who they are – their likes and dislikes. As much information as you can get your hands on.

Most importantly, your document must show that you understand their business value, segmentation and explain how your program can alleviate them. Answering these questions is fundamental to creating a program that clicks with your customer group.

Gather data to gain insights on your potential clients, including demographic data, preferences, trends, and purchasing behaviours. As it comes together, you will start to see your customers as a collective of individuals, each with their own unique needs and desires.

Once you've collected and built an understanding of your customers needs, you must tailor your program to those needs – offer rewards that will incentivise your desired behaviour change. A one-size-fits-all approach won't cut it.

This usually requires a varied rewards mix. Having a wide selection of potential rewards for clients to purchase will ensure your program caters to your audience – after considering their preferences from the data you've gathered. The goal is to offer rewards that genuinely appeal to your clients, as this will encourage their participation in the program and, ultimately, their loyalty to your business.

By centring your program around customers needs, you can create a rewards program that attracts new clients and then builds long-term valuable relationships with them.

STEP 2

Create a Unique and Enticing Program Design

Now that you understand your audience, it's time to create a unique and compelling rewards program that speaks to them!

Aim to align the rewards with the specific interests and preferences of your customers. However, the uniqueness of your rewards program should go beyond the rewards themselves. Research the market and work to place your program apart from competitors through its structure and mechanics.

Options include incorporating 'gamification', where clients earn points that they can use to 'level up' or trade for rewards. Or tiered rewards, where the value of the rewards increases as the client continues to do business with you.

While novelty helps, the driving purpose of your program is to inspire customer loyalty and motivate repeat purchases. This means every aspect of your rewards program, from the types of rewards to the ways of earning them, should be designed with this in mind.

Make your rewards so irresistible that customer are excited to participate and eager to stay engaged!

Creating a rewards program is about more than just providing cool rewards. You must understand your clients on a deeper level and use that knowledge to design a program that feels tailor-made for them. This will ensure customer loyalty and increased sales.

Let your creativity flow – it should be fun! - but keep your customers and goals in mind. The result will be a rewards program that's unique, enticing, and effective.

STEP 3

Construct a Clear and Detailed Briefing Document

Your briefing document should be clear, concise, and easy to understand. Its essence lies in being an easy-to-digest guide for both your sales team and customers. Here are some tips that I'm sure will help:

- Lay out clear timeframes to work towards and clear KPIs to measure against. This document will be your link between the agency and the company. Providing accurate and concise information makes it more likely that your views will be shared and your vision delivered.
- Clearly state your evaluation criteria and definitions used. By streamlining communication, you can save back-and-forth time and make it easier for the two entities to work together.
- Provide an easy-to-understand profile of your customers, how they will interact with your business and program, and how your sales team will promote it to customers.. This piece of the document is vital. Outlining the relationship between your customer sales team and your program is integral to understanding how you perceive their connection to the program. You need this to ensure the program design meets these criteria.
- Internally, use this document to align the sales team on how the program should work with the audience. This will help them market the program effectively, which is incredibly important in ensuring your organisation fully understands what your program needs to achieve.

Overall, your loyalty and incentive briefing document should explain all the facets of your rewards program and its benefits. In it, you're communicating your dedication to serving your clients and highlighting the enticing incentives they stand to gain. Keep your language engaging, your details precise and your message clear!

Graduate to Executive Travel Incentives:

Are Educational Incentives the Future of Incentive Travel?

Adam Leslie, General Manager – Events, 212F New Zealand

A few years ago, when I worked in events in the Financial Services sector, I was asked to create a unique incentive concept – in essence, an Executive Education Program.

This was a deliberate shift away from a traditional 'incentive rewards' program, and pivoted to looking towards the future, the same way students do on graduation day. The new program concept had these objectives:

- Signal a new direction for this annual incentive by focusing more on education than reward.
- Partner with one of the world's leading universities and its associated business school.
- Enable an industry-leading professional development opportunity that would benefit each participant as well as their business (including the accrual of industry-applicable continuing professional development (CPD) points).
- Create closer participant partnerships by immersing them in a high-end, professionally facilitated, problem-solving environment.
- Align the event objectives with the business plan to produce recognisable and realisable ROI outcomes.
- Signal to the impending regulatory environment that we are willing to be flexible and adaptive to the industry's changing needs.
- Create and own a 'legacy' event that is market leading and can't be copied by competitors.

Format of the Education Program

To my knowledge, this program had never been done in New Zealand, so I had the unique opportunity to develop this event from concept through to delivery. To accomplish this, I worked in partnership with one of the world's leading universities (University of Pennsylvania) and one of the best Ivy League business schools (The Wharton School).

As the participants were specialists in different product areas, we decided to focus less on ***what*** they were selling and more on ***how*** they were selling.

To make this a long-term initiative, we devised a three-year program with a different modular topic each year. We wanted it to be relevant for people who qualified in one year but not any of the others; but we also wanted to 'hook' those who wanted to participate in each successive year.

We ensured that the content was not only relevant to the industry and their businesses, but also more interactive than a traditional lecture style. The faculty were incredible. With their extensive experience facilitating similar education programs for some of the world's largest organisations, they had many anecdotal examples to share and an engaging style.

This three-day educational program was based on campus, which truly immersed the group in a unique learning environment. This fantastic experience was balanced with a dedicated partner program and stunning group dinners that brought everyone back together every evening.

At the end of the program, each participant was presented with a co-branded course completion certificate by the senior executive team from The Wharton School. Many participants used this certificate to promote the program and their participation in it to their customers.

Key Learnings

We learned a lot from the amazing feedback we received and our experience of delivering this Executive Education Program for our customers. These are key learnings that will inform further programs and how we can approach these designs:

- We are one of only a handful of event companies in Australasia with experience delivering this unique type of educational incentive.
- Companies often never consider creating a professional development program of this nature, yet it could provide the highest level of ROI possible across any event type.
- This level of executive education is world leading and world class, and being at the highest possible level is not obtainable in Australasia.
- The content was highly customisable but – considering the facilitators provided strategic oversight and tactical tips and tools – the key was to focus more on ***how*** you are selling than ***what*** you are selling.
- Creating a content committee and having a third-party content 'bridger' (i.e. me) was pivotal to ensuring the client's content objectives matched with the university's ability to deliver them.
- As faculty/audience interaction was critical for attendees, a lecture-style format was ruled out in favour of interaction and engagement.
- This was a very popular program among the attendees, who valued this professional development opportunity – for themselves and their businesses – higher than previous traditional reward programs (98% positive feedback).
- The ability to create a 'legacy' event within specific industries is very real, and can allow clients to effectively 'own' this space.

'In market' Education Incentives

As well as this 'in-classroom' educational incentive, I have also created several 'in-market' education incentives, which recently included a retail study tour to New York.

The premise of this program was to give delegates exclusive, behind-the-scenes access to leading retail, tech, media, and financial corporations, such as Apple, Google, and Microsoft. These visits provided invaluable insights into multinational companies and enhanced applied learnings across the group.

The program fostered collaboration and education across multiple industries, with a focus on identifying innovative customer experiences and pioneering business approaches. Delegates also visited New York landmarks and experienced the excitement of Independence Day celebrations.

To provide a balanced program, we also included a sustainable/CSR day. This included a visit to the Javits Convention Centre Rooftop Farm and a special community activity we called the 'BBQ in the Bronx'. Collaborating with the New York Police Department, we held a Kiwi/Aussie-style barbeque where delegates cooked up a storm for more than 120 locals in the heart of the Bronx.

Our client also gave away USD $5,000 in donations to five different Bronx charities, provided health food for the underprivileged, and distributed 15 barbeques to local community centres.

A Future Element for Incentive Travel

We believe that the future of incentive travel lies in programs that include learning at every opportunity. Additionally, more community engagement in a program – 'giving back' rather than just 'taking from' – can provide immense emotional value and connection at a business and attendee level.

Educational inclusions can make up the entire program or only part of it; but, either way, we can still include those key reward elements that clients and their clients will always want. However, the ability to learn – at a tertiary level, at the coal face, or simply from community immersion – is something we believe should be part of every event strategy plan.

So, as you begin planning your next travel incentive program, look to the future, celebrate growth, and throw your hats up for educational incentives!

It's Easy Being *green*

Easy Tips to Make Your Travel Incentives More Sustainable

Nick Hewitt, Marketing Executive, 212F Australia

Just over two years ago, the 212F Group committed to help repair the damage caused by greenhouse gases emitted by incentive travel programs. It was, and still is, important to us that we're reducing, preventing, and helping to heal the damage to the planet.

We are passionate about keeping our incredible incentive travel destinations in the beautiful condition that enticed us and our clients to visit them in the first place.

Our Commitment

The 212F Group's KoruGreen pledge is to be carbon net zero across all our B2B travel incentive programs.

To achieve this, we created a first-in-industry calculator to assess the unavoidable greenhouse gas emissions from our programs. We then offset them by investing in projects that reduce emissions via the United Nations Climate Change national determinations.

We also give our clients guidance on reducing their carbon emissions, as well as sustainability reports at the end of each program that outline the sustainability measures taken.

We do this entirely out of our own pockets, as we believe these measures are vitally important for the continued survival of our planet. So, if you're thinking about launching a program with us, don't worry – we foot the bill!

Making Your Incentives Greener

The KoruGreen initiative went beyond just offsetting all unavoidable emissions from the incentive travel programs we planned. It also required us to make sustainable changes to how our event partners plan incentive destination trips (considering gifts, itineraries, bookings, and more).

Some of these suggested changes may seem simple, but that's part of the draw of making your trip more sustainable – if you can achieve it with simple changes, then why wouldn't you?

Here are some simple tips for making your incentives greener.

Use Recycled Materials Where Possible

One of the easiest changes we recommend is using recycled materials across the event. While we don't want to speak for everyone, many items provided during incentive travel programs are disposable and unlikely to be re-used again.

Some are basic changes, such as giving groups reusable drink bottles (useful to commemorate trips) and water stations, rather than plastic bottled water. This simple, common sense way to reduce waste from incentive programs also adds a sentimental touch. By providing sturdy, branded, insulated water bottles instead of single-use plastic, you can both give attendees a memento of the trip and cut out a large source of waste.

Other changes are more out-of-the-box – which is what we're excited about! We've started using edible coffee cups, which has given guests the chance to put their money where their mouth is.

But if your guests aren't up to trying the edible cups, the beauty of this initiative is that they're entirely biodegradable and pose no threat to the environment. So, you're still reducing potential waste that harms the environment.

If an event needs name tags and lanyards we are ensuring ours are made from recycled materials, and even gone as far as having conference polos for all delegates are even made from recycled water bottles! Some people say we wear our environmental activism as a badge but, in our case, we **literally** do.

Reduce Non-Sustainable Transport and Accommodation

As well as using more recycled materials in gifts and mementos, you can change the types of transport and accommodation you provide, in line with a more sustainable travel incentive industry.

Firstly, where electric transport isn't available, you can provide walking transfers rather than using coaches to get around. This change serves two purposes that benefit both the clients and the guests:

- It reduces greenhouse emissions from transport and produces zero GHG emissions.
- It allows the guests to get more hands-on with the location. They will have experiences with locals and culture, make more memories, and truly appreciate where they're staying.

The final point is very important for what is now an integral part of incentive travel – elevating a connection with the incentive travel destination. Doing this increases the likelihood of guests fondly reminiscing about the trip in the future, which connects your brand with these positive feelings.

Similarly, you can partner with hotels and venues that provide sustainable catering options and waste disposal. These local partners share our appreciation of the land we're visiting, which again elevates the importance of the destination and promotes the sentimentality aspect of the trip itself.

Importantly, these options won't sacrifice the luxury of your incentive travel program destination.

They will just require you to be more selective about the company you keep when you're planning an itinerary.

Of course, there is always the option to offset emissions if these like-minded venues aren't available. But we believe that, when you visit locations that are more considerate of the land your guests are visiting, the sentimentality of the trip is more likely to be remembered fondly, associating those positive feelings with your brand.

Go Digital

Finally, one simple change that we'd recommend is to use an event app rather than printed collateral. As well as reducing waste and emissions, this gives guests the convenience of having all the details in the palm of their hand.

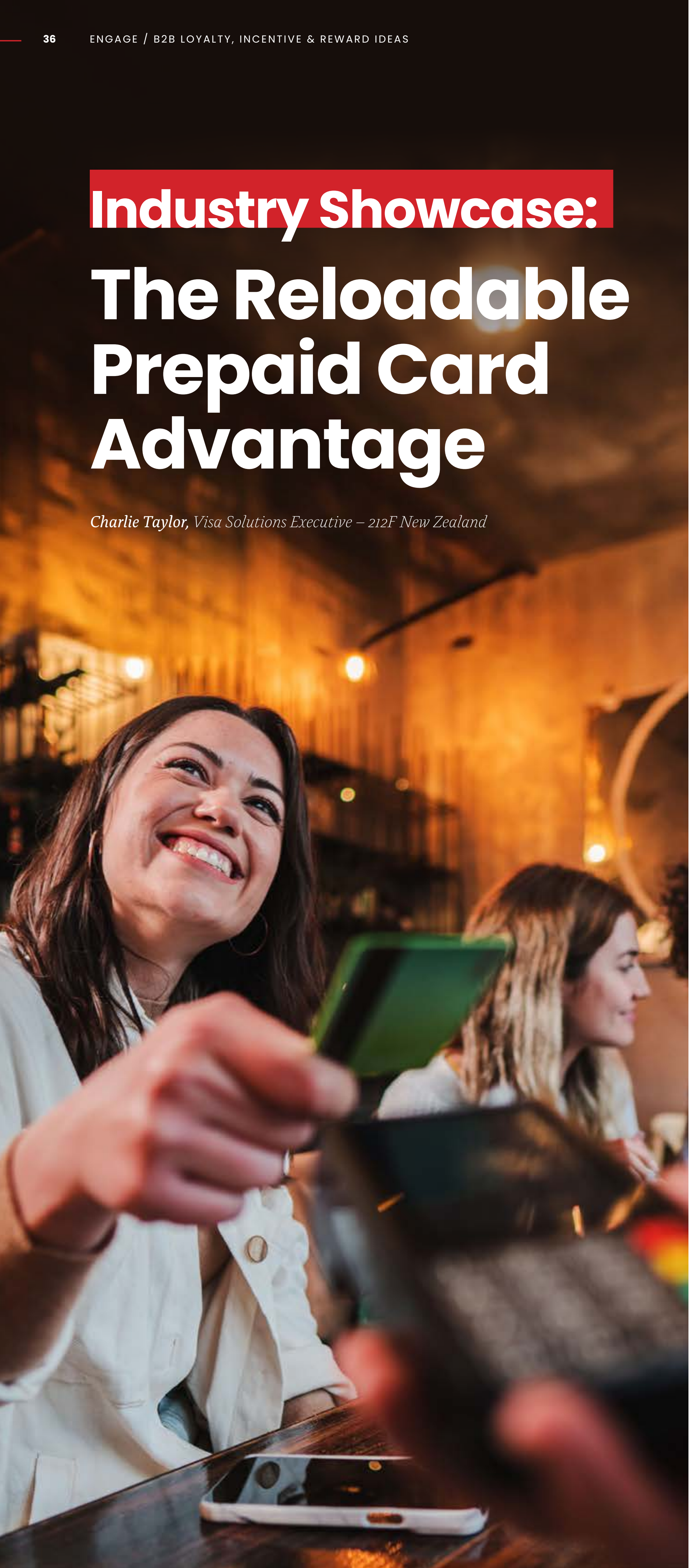
While it's funny for us to say go digital in a printed magazine, the intention, as with Koru, is the impact of the program or magazine needs to be the primary focus. Digital's impacts such as cloud services are comparable to the magazine's print run, but both can be offset or have alternate methods to reduce impacts like recycling paper.

What Simple Changes Can You Make?

In our second year of KoruGreen, we're still finding ways to make more sustainable choices with our incentive travel planning – without requiring the guests to sacrifice anything!

This is the philosophy behind KoruGreen and 212F itself:

By changing behaviour, we can reinforce consistent changes in the way clients and guests view their impact on the environment. And we can work together to reduce and repair the damage to the planet, while still providing luxurious and memorable incentive travel experiences ■



Industry Showcase: The Reloadable Prepaid Card Advantage

Charlie Taylor, Visa Solutions Executive – 212F New Zealand

Modern businesses need to find ways to enhance incentive programs and stimulate growth without losing the customer experience. This was exactly the thought process behind our iChoose Reloadable Prepaid Card.

The impact of this card has been undeniable – it's been transforming businesses across Australia and New Zealand for more than 20 years.

Being the sole provider of this reloadable card in New Zealand means businesses have come to rely on 212F Group's expertise. In doing so, they have tapped into an innovative and exclusive resource that helps them continue to redefine their incentives.

So, what corporate benefits does a reloadable card offer over a single-load card?

Tailored Solutions for Maximum Impact

iChoose cards have been designed with corporate sales in mind. They are customised to enhance incentive programs and contribute to overall business growth.

Unlike traditional store gift cards or vouchers, our reloadable cards allow recipients to choose how they use their incentive rewards. Whether they want to purchase new technology, grab a coffee at a local café, buy groceries for the week, or save for the future, our cards cater to individual preferences.

With the amount of flexibility built into the iChoose program, we can work with your brand to offer a bespoke solution to suit your needs. Benefits include:

- card lifespans ranging from 12 to 24 months.
- the ability to create branded designs to turn your card into a pocket billboard.
- real-time reload to give recipients quick spending capacity.

Overall, the usage and simple management of your distributed cards have corporate customers in mind. Our API integration allows you to simply and easily manage the cards that you distribute into the wild! But the benefits don't end there.

The Many Benefits of Our Reloadable Cards

Time and Efficiency

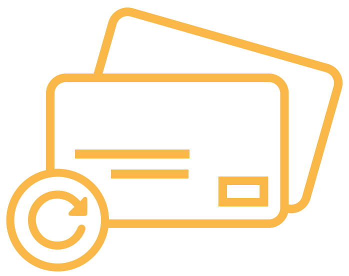
With only so many hours in the day, you must be able to provide simplicity to your clients. The iChoose Reloadable Prepaid Card saves them time and makes money easy!

- Cards are delivered straight to recipients – no need to spend company time going down the street or mailing them out yourself.
- Cards are secure and can't be used until the recipient activates them with specific instructions.
- Real-time reload allows the recipient to use the funds instantly once loaded.

Convenience

The beauty of reloadable cards is the convenience – for businesses and recipients!

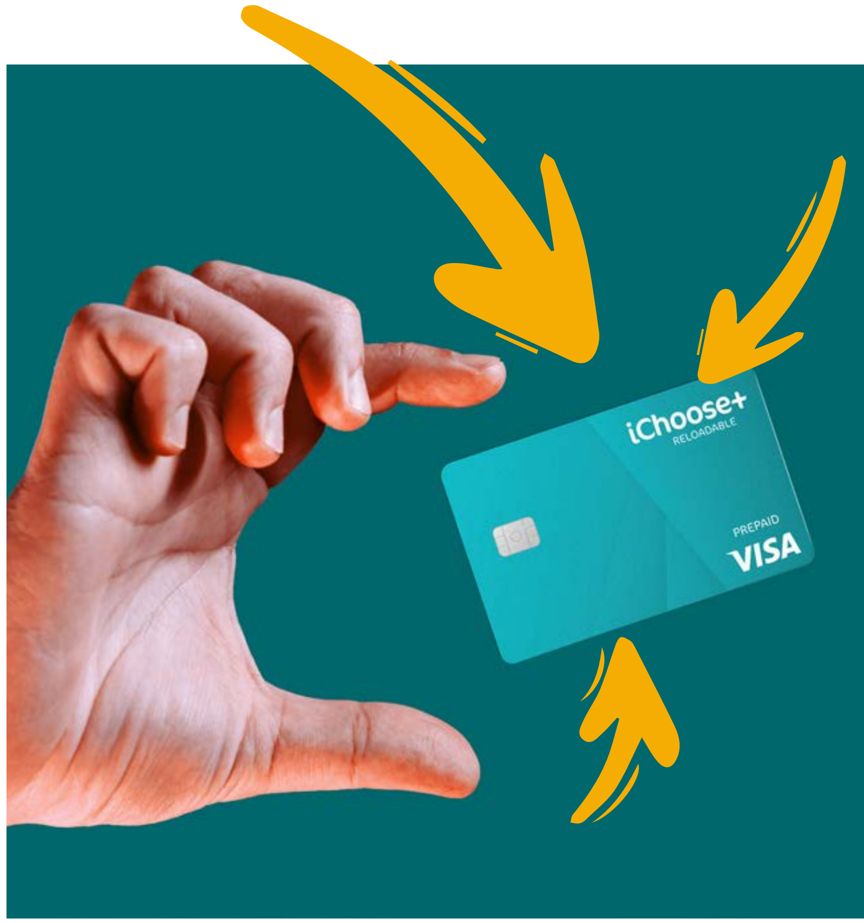
- There's no need for multiple cards – the reloadable card stays with the recipient for the duration of the program and remains a pocket billboard for the company.
- Members can manage their reloadable card within the program without needing to visit external websites.
- A fast and seamless reward experience will leave your customers satisfied with the program, turning them into positive brand advocates.



Versatility Across Marketing and Sales Incentives

No longer do you need a one-size-fits-all model. Our reloadable cards offer versatility for both sales and marketing channels!

- You can set 12 or 24-month card lifespans that align with the incentive program lifespan.
- A cap on funds on the cards can be adjusted to the levels needed for your program.
- There's no limit on purchase for cards – order as many or as few as needed to execute your program.



Elevate Your Business with Reloadable Prepaid Cards

The Reloadable Prepaid Card is a catalyst for success, which we have witnessed first-hand across Australia and with exclusivity in New Zealand. Businesses incorporating reloadable cards into their incentive programs have experienced increased engagement, cost savings, and streamlined operations.

In the competitive business world, it's crucial to have every advantage possible. The Reloadable Prepaid Card is a game-changer. It's time to unlock your business's full potential with a tool that consistently defies expectations.

Program Showcase:

Maximise a Closed Budget for Incremental Sales Growth

Sandra Malone, Senior Account Manager, Incremental

Closed-budget incentive programs don't need traditional target-based structures or prize draws to find success. By using a reward gateway structure as the program framework, you can design a closed budget to focus on sales growth and drive to achievable goals without giving away value for every purchase.

This option can engage sales teams or customers by offering more than just base sales – by adding additional services or related branded products as an extra driver for rewards earned.

The Power of Reward Gateway Tiers

With sales forecasts and product growth areas, a 'unit sales' data model must be created to ensure that the potential value can be linked to sustainable growth. The closed budget must allow the business to anticipate the entire cost of the program, allowing them to calculate what they need to ensure a return.

This system works well with an incentive program design that is built specifically around reward gateway tiers. Sales teams can focus on new sales or add-on services to reach targets. Each reward tier focuses on a fixed value of rewards, and the salesperson chooses their reward once they achieve it before moving on to the next tier.

Let's use the example within automotive and selling cars. The salespeople can earn 50 points for every vehicle model they sell, but the company running the program wants to target leases as well as extended warranties, as the vehicles are usually in demand.

In this example, selling the vehicle on lease would be worth 100 points, and selling an extended warranty in addition would also be worth 100 points. A salesperson who only sells car units must work much longer to earn enough to redeem. But if that salesperson upsells and adds on extended warranty or a lease package, they will gain far quicker than colleagues who move the car on its own.

This allows the business to target sales on higher margin services – increasing the sales growth they expect by bundling the items for greater reach.

By positioning each reward threshold offered with an increasing value reward, the salespeople are motivated to sell more and encouraged to upsell more high-value items with each sale to reach the reward gateway quicker.

If the salesperson only makes sales without add-on services, they can never reach the top-end rewards. They need to focus on upselling add-on services to gain maximum value. The program design is built around participants selling a complete package to earn points. This means that, while it is possible to achieve success by selling limited items, it is restricted to those selling the brand more consistently.

Using a 'target achievement' design program ensures that you reward only those who have provided a return.

Here is an example to show how this would work:

TIER 1 – BRONZE	**TIER 2 – SILVER**	**TIER 3 – GOLD**	**TIER 4 – DIAMOND**
$250 bundle	$500 bundle	$1,000 bundle	$1,750 bundle
350 points	*600 points*	*850 points*	*1,100 points*

The total reward value offers up to $3,500 of rewards!

Pushing Engagement Through Healthy Competition

Once you have set up the initial program structure of rewarding active participants, you can move on to boosting engagement by celebrating success and creating a competitive spirit within the program.

We recommend using visual targets and leaderboards to create healthy competition and engagement within the program. By basing objectives on sales behaviour rather than sales dollars or total units, your program can demonstrate the skills required to succeed by promoting top performers. Recognising and celebrating desired business goals will push those with the competitive edge to strive harder to reach the top.

You can complement this strategy with regular, personalised communications that show participants their position on the leaderboard and provides a tracker to show progress towards the next reward tier.

You can choose to deploy leader boards as an overall program tracker or in focus periods, such as quarterly performance, with criteria focused on the sales behaviours necessary to change, such as the volume of additional services or penetration rates.

Driving Success Through Reward Bundles

The reward threshold and choice of reward values are at the heart of the program experience. The increasing values and options must motivate sales teams to continue advocating for brand sales and services, which a competitive spirit can complement.

This means the rewards must be desirable enough to sustain engagement. However, the brand can rest easy knowing that the budget will be, at most, the initial proposal.

For this program design, you would set a curated range of rewards in custom reward bundles, factored against the closed reward budget. These bundles would be available for redemption only once the salesperson has achieved their target. However, each threshold must be available for people to review to incentivise sales success and give them a specific target to work towards.

The reward bundle option gives users a greater range of choices and generates a positive psychological response once received. By giving the salesperson both a variety of desirable goods and the positive feeling of having earned them through hard work, the future reward tiers allow the salesperson to strive to reach higher to continue receiving these feelings. To extend the incentive program branding, you can consider custom branding the reward packs with your company branding, logo, and personalised letter of congratulations, as well as a reminder to stay motivated and keep unlocking tiers.

The program's cost will be built into each reward threshold, allowing your brand to connect with the success that each successful participant feels when receiving their redemption.

This also provides a connection in terms of 'trophy value' – a positive feeling that continues long after the reward – which will have your advocates sharing their success stories and connecting them back to your brand. So, they're selling your products even when they're off the clock!

A closed budget should never mean a reduced range of incentive program design options. Reward thresholds and a point-earn structure built around sales and add-on services can offer any sales team a way to target sales growth and focus on sales behaviours, options, and criteria. Reward options and creativity begin with knowing what behaviours you want to change!

Event & Travel Ideas

A showcase of amazing travel experiences

El Questro, Western Australia

BUDGET:
$8,000 AUD / $8,600 NZD per person

SUGGESTED DURATION:
4 days, 3 nights

GROUP SIZE:
20

BEST TRAVEL MONTHS:
September

WEATHER:
27°C

FLIGHTS:
Flights to Darwin, Broome or Perth with connecting flight to Kununurra

OVERVIEW

El Questro in Western Australia offers a captivating blend of rugged landscapes and luxurious accommodation, providing an unparalleled setting for an incentive trip.
From exhilarating adventures in the untamed Kimberley wilderness to the indulgent comforts of exclusive resorts, El Questro promises a unique and unforgettable experience that seamlessly combines adventure and relaxation for a truly incentive-worthy journey.

ITINERARY SNAPSHOT

	Day 1	Day 2	Day 3	Day 4
Morning	Departure from major airports	El Questro's Gorges Cruise	Nature & guided hike	At leisure until departure
Afternoon	Arrive late afternoon, time at leisure Guide walk & pre-dinner drinks at Buddy's Point	Lunch at Oxbow Restaurant	Pre-dinner drinks	Depart home
Evening	Welcome dinner under the stars	Casual dinner at The Verandah	Australian bush dinner	
Overnight	El Questro	El Questro	El Questro Hotel	

DESTINATION HIGHLIGHTS

El Questro's Gorges
Embark on a morning cruise along the Chamberlain River, where guests will be treated to the awe-inspiring sights of Explosion Gorge and Branko's Lookout. This excursion offers a splendid opportunity to immerse oneself in the breathtaking outback scenery, culminating in a delightful conclusion with panoramic views and a toast with bubbly—a fitting end to a truly unforgettable day.

Nature & Wildlife Tour
Learn about the pioneers of El Questro, take in the incredible views from up high on the lookout, and discover the area's flora and fauna. For those up for a more strenuous adventure, enjoy a spectacular guided gorge walk to hidden waterfalls and amazing views.

The Verandah
Indulge in a culinary adventure on the El Questro Verandah with uninterrupted views of the Chamberlain Gorge. Guests can enjoy a dining experience featuring locally sourced ingredients, flavours, and a menu crafted to showcase the diverse and rich culinary traditions of the Kimberley region.

HOTEL OF CHOICE

El Questro, WA
El Questro offers a diverse range of accommodation options, from the rustic charm of the Emma Gorge tented cabins to the luxurious El Questro Homestead, providing guests with a selection of immersive experiences amidst the stunning Kimberley landscape.
Dining at El Questro is a culinary journey, where guests can savour gourmet meals featuring locally sourced ingredients, complemented by breathtaking views of the rugged terrain.
The array of activities at El Questro is unparalleled, offering everything from guided gorge hikes and scenic helicopter tours to relaxing thermal springs, ensuring there's something for every adventurer in this vast and awe-inspiring wilderness

JAPAN

BUDGET:
$11,000 AUD / $12,000 NZD per person

SUGGESTED DURATION:
4–5 nights

GROUP SIZE:
20–100

BEST TRAVEL MONTHS:
Mar–May or Sep–Nov – warm and dry in these months

WEATHER:
Average temperature of 25°C

FLIGHTS:
Direct from Melbourne, Sydney, Brisbane
All other ports via major international airports

OVERVIEW

With a captivating blend of tradition and modernity, Tokyo offers a unique experience of culture, world-class cuisine, shopping, entertainment and cutting-edge technology. The city's history can be appreciated in districts such as Asakusa, and in historically significant temples and gardens.
Your delegates will be inspired by Tokyo's energy and rich heritage. And the city's impeccable hospitality will ensure an unforgettable journey filled with excitement.

ITINERARY SNAPSHOT

	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6
Morning	Flight from Australia or New Zealand	Street Go-Karting	Day of Leisure	Drift Car experience OR Product Launch	Optional activities: • Mount Fuji Tour • Ninja Wire Action • Fish Market/ Sushi Class	Day of Leisure
Afternoon	Arrive in afternoon	Lunch at Hananonomai Sumo show				
Evening	Welcome drink on arrival	Happy Hour drinks at hotel Dinner at Piss Alley	Sake Tasting tour Dinner at Jojoen Restaurant	Happy Hour drinks at hotel Dinner at Leisure	Happy Hour drinks at hotel Final dinner at Ce La Vi	Depart home
Overnight	Grand Hyatt Tokyo	Grand Hyatt Tokyo	Grand Hyatt Tokyo	Grand Hyatt Tokyo	Grand Hyatt Tokyo	

DESTINATION HIGHLIGHTS

Keyakizaka

This innovative teppanyaki restaurant is in a luxury hotel. Here, culinary artistry takes centre-stage, as an exquisite selection of seasonal meats, seafood, poultry, and vegetables is masterfully prepared – all sliced, seared, and served teppanyaki-style, right before your eyes.
Your group can end the meal with a nightcap of an extravagant whiskey tasting, showcasing Japan's most cherished elixirs.

Street Go-Karting

Your group can take an adrenaline-fuelled adventure, exploring Tokyo while racing around its vibrant streets in go-karts – each dressed as an iconic Mario Kart character. It may not be Rainbow Road, but this chance to live your childhood dream while zooming along Tokyo's bustling roads can't be missed!

CÉ LA VI

Perched elegantly across the 17th and 18th floors of the revamped Tokyu Plaza, CÉ LA VI transcends the ordinary. Offering a luxurious blend of dining, bar, and club lounge experiences, this opulent Tokyo venue proudly carries the legacy of its five sister branches across Southeast Asia. With a delicious fusion of Asian and Western cuisines, and rooftop terrace dining, you'll be treated to a casual yet sensational dining menu while being mesmerised by the breath-taking skyline view.

HOTEL OF CHOICE

Grand Hyatt Tokyo

Experience moments of luxury at a dynamic lifestyle destination hotel in the heart of Roppongi, Tokyo – a lively international district. With its central location directly connected to Roppongi Hills – housing 200 shops and restaurants, a cinema, an art museum, and an observatory – Grand Hyatt Tokyo is the perfect base from which to comfortably discover the city ■

UNLOCK UNMATCHED CUSTOMER LOYALTY

Elevate Your Customer Engagement with Our Strategy-First, Rewards-Second B2B Loyalty Approach.

We partner with your business to create a brand-centric B2B Loyalty and Reward program that changes your customer's behaviour.

Whether your problem is:

- Customer retention
- Maximising sales growth
- Share of wallet gains

Whatever your company is facing, we can fix it!

212°F

we change behaviour

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