

B2B Loyalty vs B2B Incentives

Delivering your Brand's Sales & Customer Outcomes

Customer loyalty programs and targeted incentive programs are advantageous solutions for B2B companies seeking sustainable growth and market/competitor advantage. Currently, 81% of Australia's and New Zealand's top-performing B2B companies provide non-cash reward programs to motivate specific behaviour changes in their customers. Whether incentive, promotions, or incentive-style programs.

However, these program designs aren't interchangeable. Due to their differences, it's crucial to determine which is the perfect match for your business.

Benefits of B2B Loyalty and Incentive Programs

Firstly, it's essential to understand the benefits of these programs:

- They are tools that empower sales functions to be consultative, not order-takers. There is a sales outcome and a mechanism to drive growth and customer loyalty.
- They return up to 45% more value to customers than rebates.
- They influence key decision makers and influencers within a 'customer' scope beyond the manager or owner. These can include sales teams, account managers, and more, who can determine your success and will grow your share of wallet.
- Loyalty and incentive mechanisms provide deeper emotional engagement, leading to more loyal, long-term customers.
- After engaging your customer base, these programs provide new ways to keep them around.

Which program design will deliver your business outcomes?



Incentive/Target Programs

Drive customers to deliver short-term sales goals and behaviour changes.

Traditional Target Program

Goes beyond baseline sales and incentivises spend stretch to motivate rewards.

“Spend \$X, Get Y” – a clear demonstration of how they can extract value through the program.

Places the customer’s focus on the brand rather than the reward.

Communications, reports, and sales team work together to drive the dealer to achieve the target

Usually shorter in lifespan to achieve quick sales impact.



Always-On B2B Loyalty Programs

Recognise and maintain continued customer spend, providing retention.

Loyalty Program

There are status tiers based on the customer’s value contribution to the business, which bolsters the individual’s connection with your brand.

Customers can earn increasing point values for their spending, such as 1% for bronze, 2% for silver, and 3% for gold.

Potential for higher point earnings based on non-spend behaviour with training and compliance, payment terms, etc. These behaviours further their emotional connection with your brand.

Reward flexibility and choice can be incorporated, including prepaid Visa gift cards, merchandise, travel experiences, and your brand’s products as a sales channel.



B2B Incentives: How They Work

Incentive (or 'target') programs are time sensitive. They have a clearly defined goal for both participating customers and the brand itself, and these goals are directly related to dollars spent/earned.

B2B incentive programs create a connection beyond a typical sales/purchasing relationship, rewarding them for additional future spending on their expected sales baseline.

Simple and Clear

Program targets must be set with success metrics in mind. Your customers should clearly understand how to extract their value, achieve their targets, and their payoff for meeting these conditions.

Sales Connection

Sales teams work alongside the program, as the final payoff directly contributes to the financial year's performance.

This collaboration helps drive relationships and sales goals of both sales staff and customers.

Reward Value

It's essential to consider the reward value each customer segment can achieve by participating in the program.

The effort-to-reward ratio across all customers (small, medium, and significant spending) must be positive, which could mean extending the program's lifespan or making a total target that rewards all. The reward must also link to the sales targets and the ROI metrics you are trying to achieve in your incentive program.



B2B Loyalty Programs: How They Work

B2B loyalty (or 'rewards') programs are 'always-on', providing desirable rewards for each dollar they spend with your brand. As rewards are earned over time instead you can add in additional factors beyond dollar spend driving status or reward points within the program.

B2B loyalty programs usually have a baseline reward value earned in exchange for dollars spent (e.g., one point per \$1 spent). This can be enhanced through additional rewards earned for specific, tier-based, customer-based, or product/category-based behaviours.

Target your Pain Points

Many vendors use B2B loyalty programs to target their business's specific pain points among multiple customer segments. This contrasts against the narrower focus of incentive programs, which are typically sales- and retention-focused.

These pain points may still be financially motivated but can also factor into non-financial aspects. During the program design stages, a program's focus can be set to specifically target and address selected pain points.

Personalisation within Programs

Tiers can be outwardly facing, where the customer is aware of their standing, but this is only sometimes true. Program managers can use tiers through data segmentation to communicate, reward, and recognise specific customer segments through personalised means.

This can improve program motivation and provide more impactful communications by speaking directly to customers based on their behaviour.

Reinforcing Positive Behaviour

Through loyalty mechanisms and programs, businesses can easily identify what a great customer looks and behaves like. By using the data insights gained from your customers, the program can be customised to change the behaviour of all customer types, moving them upwards and rewarding preferred actions.

If your business is looking to execute a B2B incentive or loyalty program for your New Zealand or Australian business customers, our expert team can guide you on the best practices, and we guarantee to place your sale goals at the centre of all program design.



Reach out to 212F today and give your customers the value they need to keep them coming back.



Since 1996, 212F has been the leading Trans-Tasman B2B engagement agency, driving behavioral change through incentive, loyalty, and rewards strategies across diverse markets and channels.

We provide end-to-end solutions, from program design, implementation, engagement optimisation and complete reward fulfillment, including reward merchandise, prepaid Visa gift cards, and incentive travel services.

Through strategic design and tailored communications, our B2B loyalty, incentive and rewards programs deliver measurable returns and tailored results.

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