

Investigating the State of ANZ B2B Loyalty



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Loyalty and incentive programs are powerful tools for engaging customers and solving specific business challenges. However, finding effective examples for B2B businesses has remained difficult.

For the first time, the state of loyalty and incentive programs within the B2B sector across Australia and New Zealand has been explored through market-specific research. This study provides an investigative look at how B2B organisations are using, or planning to use, loyalty and incentive programs as part of their business strategy.

This research offers unique insights into B2B practices, challenges, and priorities. By focusing on businesses with a clear B2B structure, the study reflects the realities of long sales cycles, channel relationships, and distribution models that are common in the region. Responses were carefully screened to ensure that only relevant data from leading businesses in this space were included.

This report offers a snapshot of the current landscape and future trends, making it an essential resource for organisations seeking to integrate loyalty and incentive strategies into their growth plans.



About the Author

Dr. Alex Belli is a Senior Lecturer in Marketing at the University of Melbourne. He holds a PhD from the University of Technology Sydney and has been featured in leading marketing journals such as the Journal of Consumer Research and Journal of Retailing. His research focuses on consumer decision-making, promotional strategies, and consumer wellbeing. He has received multiple accolades, including the Emerging Researcher of the Year award and the Emerging Marketing Educator of the Year award from ANZMAC.

ANZ Loyalty Business Profiles

This section provides an analysis of the survey participant firmographics including their business size, industries, and employee structures.

The data shows that businesses of all sizes, ranging from small to large are leveraging loyalty & incentive programs. Smaller programs serve targeted market segments, while larger programs focus on customer efficiency and scalability.

Survey respondents varied in industry with 63% of businesses operate in sectors such as Trade, Food Distribution, and Manufacturing, where channel relationships and long-term engagements are key. These industries utilise loyalty & incentive programs to maintain strong relationships and increase sales performance with partners and customers.

The majority of businesses surveyed (47%) have between 101-500 employees, and 53% report annual revenues between \$100 million-\$1 billion.

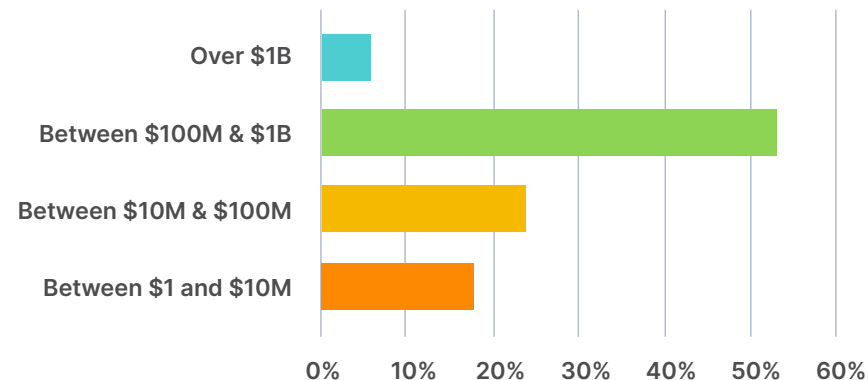
Importantly, mid-market businesses are crucial players in the loyalty program space, benefiting from a balance of resources and agility. Loyalty and incentive programs allow these businesses to compete against the dominant brands within their markets, providing them the opportunity to connect with customers in a way that focuses on value over price.



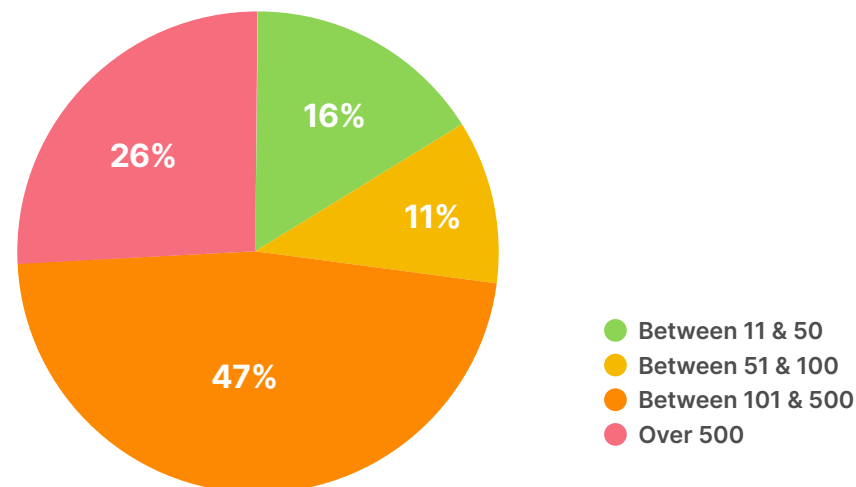
"Focus on your brand"



What is the yearly annual revenue of your company or organisation approximately?



How many employees does your company or organisation have?



Key Takeaways



Diverse Program Sizes

Businesses of all sizes benefit from loyalty programs, from small, targeted programs to large-scale initiatives.



Industry Focus

Loyalty programs are especially prevalent in Trade, Food Distribution, and Manufacturing, but they are widely applicable across sectors.



Mid-Market Leadership

Mid-sized businesses are the primary adopters of loyalty programs, with the resources to innovate while maintaining flexibility.

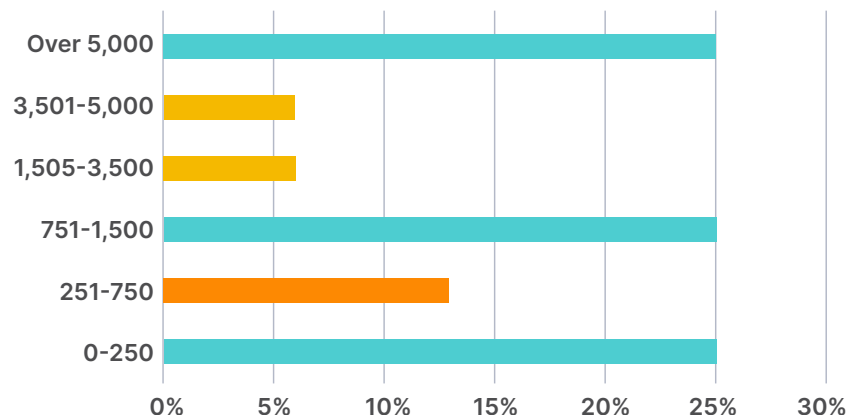


Program Members

The number of participants in B2B loyalty and incentive programs was extremely broad ranging from 250 through to 5000+.



How many participants or members does your company or organisation's B2B loyalty program(s) have to date?



Participants Represented in the Survey



Trade



Food



Distribution



Manufacturers



"The incentive program drives incremental sales & ranging in both existing and new products."

Loyalty Program Delivery and Outcomes

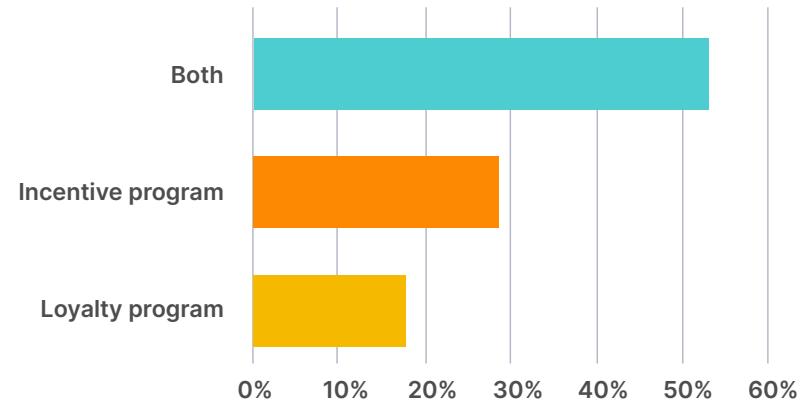
The success of loyalty and incentive programs depends on the outcomes they generate. This section delves into the goals businesses are targeting, such as driving sales, retaining customers, and gaining a competitive edge. The data shows that these programs are central to business strategies and clearly aligned with overall growth objectives.

Insights from the Delivery and Outcome Data

- **Program Adoption:** Interestingly **53%** of businesses use **both incentive and loyalty programs** within their mix. Offering a mix strategy, while **29% use only incentive** and **18% use only loyalty**.
- **Desired outcomes:** The **key challenge** or “**pain point**” that their loyalty or incentive program is trying to address is **increasing sales and market share** (43%), followed by **better targeting, engagement, and retention of customers** (29%) as well as **increasing share of wallet (SOW; 29%)**.
- **Primary Drivers:** The top reasons for adopting a new program are **customer retention** (41%), followed by **increasing sales** (29%) and **differentiation** (11%).
- **Budget Trends:** 53% of respondents expect to **increase their loyalty program budgets**, with younger companies particularly optimistic.



In terms of loyalty initiatives, does your company or organisation employ an incentive program or a loyalty program to target the B2B market?

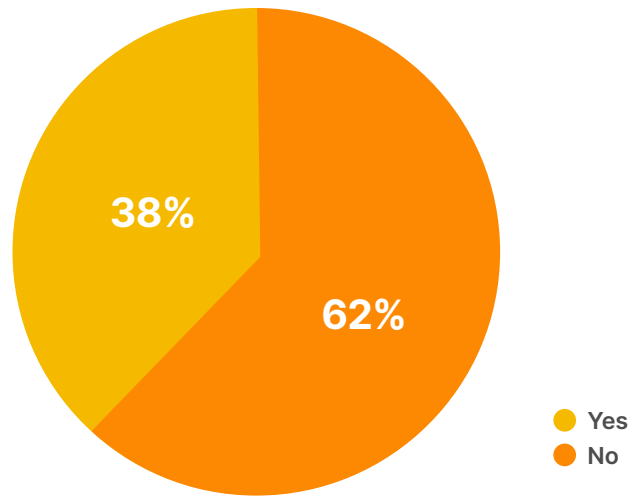


What is a sales goal for your B2B loyalty program?

“The loyalty program allows us to easily incentivise and apply promotions directly with our sales channel.”

Q.

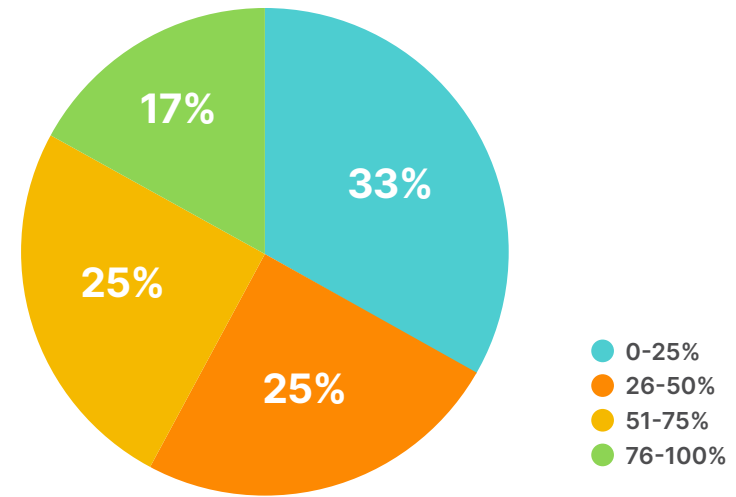
Do you collaborate with other companies to deliver your loyalty or incentive program?



The majority of organisations **work with an agency or platform provider to deliver their loyalty or incentive program** (63%), with the remaining 37% indicating they have internal teams **executing their program**. Out of the respondents that collaborate with external companies to deliver their loyalty or incentive programs, 33% only manages **between 0% and 25% of it internally**, and the minority (17%) managing **between 76% and 100% internally**. Tapping into the expertise of both client and agency side to deliver program to customers allows brands to better manage time and effort investment, while allowing professionals to handle the smaller details and ensure returns.

Q.

What share of the loyalty or incentive program do you run and manage internally?



What is the main customer retention goal for your loyalty or incentive program?

"Increase customer lifetime value."

Key Takeaways

53% of businesses plan to increase their loyalty budgets, showing confidence in program effectiveness.



Younger businesses are more likely to increase budgets, leveraging loyalty programs to compete with established brands.



Sales and retention remain top priorities, with a focus on driving growth and deepening customer relationships.



“Loyalty is driven by commercial return, if this comes under threat, customers will leave your brand.”

53% of businesses use both incentive and loyalty programs within their mix.

43% of organisations indicate the primary pain point for their loyalty or incentive program was to **increase sales and market share**.



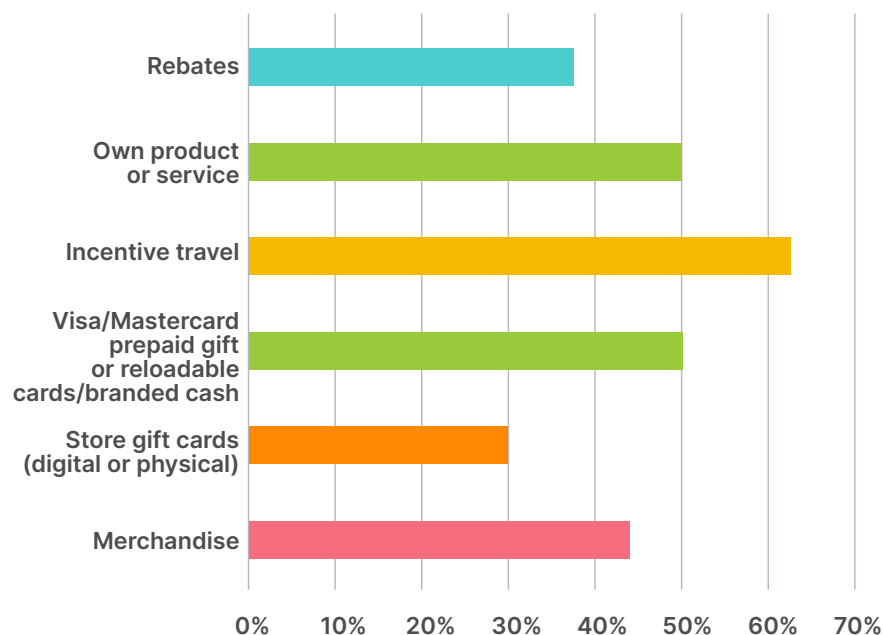
Rewards To Drive Change

Rewards form the core benefits offer of B2B loyalty and incentive programs. This section reviews the most common rewards, including incentive travel, prepaid cards, and merchandise, and explores trends towards the types of rewards and which inclusions are more effective at driving customer engagement.

The shift to more personalised and data-driven rewards is reshaping how businesses engage with customers.



What rewards does your company or organisation's loyalty or incentive program offer to their members?



Insights from the Rewards Data

- **Types of Rewards:** 63% of businesses offer **incentive travel**, with many opting for **a mix of incentive travel, prepaid cards, and merchandise** (31% of responses).
- **Effective Rewards:** **Incentive travel** (31%) and **prepaid cards** (25%) are seen as the most effective, offering memorable experiences and flexibility.
- **Personalisation:** Businesses are increasingly segmenting customers and using AI to tailor rewards based on past behaviour, ensuring a more intimate and targeted approach.
- **Cashback Options:** 36% of respondent indicated they **use rebates as rewards**, but they are not as effective as the traditional reward for customer engagement

Key Takeaways



Incentive travel remains the most popular and effective reward, delivering lasting experiences that drive brand advocacy.



Prepaid cards offer flexibility and choice, making them a versatile reward option.



Personalisation is critical, with businesses using AI and data to target rewards more effectively.



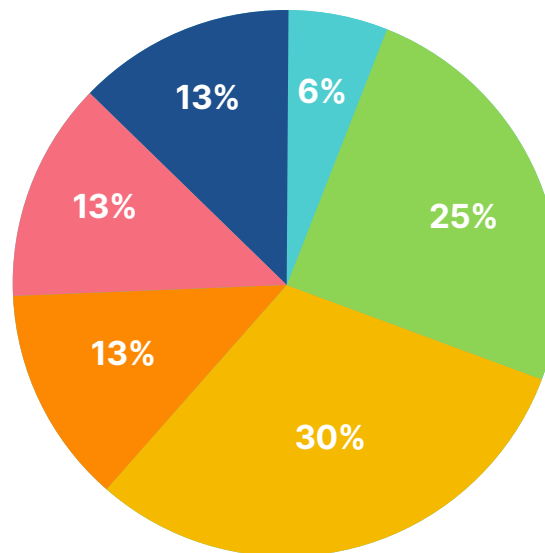
Experiential rewards are gaining traction, especially among younger generations who prefer experiences over merchandise.



“The experience delivered by incentive travel program has a long history of money can’t buy experiences.”



From experience, what type of reward is the most effective among your clients?



● Store gift cards (digital or physical)

● Visa/Mastercard prepaid gift or reloadable

● Incentive travel

● Own product or service

● Rebates

● Others

When evaluating the effectiveness of B2B loyalty rewards, **incentive travel** stands out as the most impactful, with 31% of respondents identifying it as the most effective option. **Prepaid Visa/Mastercard cards** followed closely (25%), valued for their flexibility and immediate utility, allowing recipients to choose their own reward.

While merchandise may not lead in effectiveness, it still plays a strategic role in the mix. It offers a budget-friendly option that supports a tiered approach to rewards, enabling programs to engage a broader audience while creating a tangible, physical reminder of the value that the brand has offered the customer.

Market Opportunities

Looking forward, organisations see significant opportunities in leveraging data to drive program success and enhance reward offerings. However, they also face a range of persistent challenges, including internal budget constraints, difficulties in maintaining customer engagement, and broader macro-environmental factors such as economic downturns and regulatory changes.

These hurdles must be navigated carefully to sustain effective engagement and achieve long-term program impact.

When it came to engagement, an opportunity identified by respondents lies in offering more exclusive, targeted, and simplified reward structures, or incorporating a broader and more diverse range of incentives within their programs.

There is a clear emphasis on the value of exclusivity to maintain interest and engagement. Tailoring rewards based on business size emerged as a strategic consideration, offering more personalised benefits for smaller companies and team-based incentives for larger organisations.



AI and data are key to optimising programs for long-term success.



Internally, loyalty & incentive programs face the challenge of balancing budgets and ROI.



Data-Driven Success

“There are so many loyalty type programs from the retailer to consumers to these types of B2B programs. Technology is extremely important to engage and have easily accessible information to monitor and track to get to the desired loyalty incentive”



More exclusive and targeted rewards

“In a saturated market, B2B customers want exclusivity to some degree, so by offering a lifestyle in a brand that provides commercial benefit and experiences is still the priority”

The State of Loyalty & Incentive Programs.

The data collected in the research is a guide that demonstrates that loyalty and incentive programs are a valuable solution for **driving growth, increasing customer retention**, and **staying competitive with business-to-business sales channels** in Australia and New Zealand.

Business looking to retain customers, boost sales, or differentiate your brand, investing in a loyalty program can be a complimentary driver to achieve business goals. Many respondents identified **sales growth** and **customer retention** are the primary goals of these programs.

Personalisation is also key, allowing businesses to tailor their loyalty strategies based on customer preferences, improving engagement while reducing resource costs. As more companies turn to specialist providers for program delivery, it's clear that **expert management** is essential to unlocking the full potential of these programs.

With **53% of businesses** planning to **increase their budgets**, the potential for return on investment is evident. Companies that fail to optimise their programs risk falling behind those already leveraging reward strategies to secure customer loyalty and market share.



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