

WHAT'S THE DIFFERENCE
BETWEEN B2B AND B2C
CUSTOMER LOYALTY

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Want to increase your company's bottom line? Expanding into a new market shouldn't always be your first consideration. There's often an easier (and cheaper) way to increase your revenue - enhance loyalty amongst your existing customer base.

Why is retention so important to sales? According to Accenture, businesses lose \$1.6 trillion a year when customers leave for a competitor. Meanwhile, Forrester predicts that it costs a business five times more to acquire new clients than it does to satisfy and retain existing ones. Put simply, your company's success depends on your ability to win customer loyalty.

What that loyalty looks like will depend largely on whether you operate in B2B (business to business) or B2C (business to consumer) sales. There are some clear differences between the two, and it's important to understand this to ensure B2B businesses are marketing and incentivising customer loyalty as effectively as possible.

WHAT ARE THE DIFFERENCES BETWEEN B2B AND B2C CUSTOMER LOYALTY?

THE B2C SALES PROCESS

A consumer purchase is usually an impulsive, emotional decision, often made on the spur of the moment with relatively little thought going into it. The consumer is normally the only person involved in the purchase, and they don't have that much to lose if they decide they've made the wrong choice further down the track. If you were to buy a t-shirt from your local clothes store, for example, and then later on you decided you didn't actually like it, it's only you who's lost out. And, while it might be a little annoying to waste \$20, you probably aren't going to lose too much sleep over it.



As a result, B2C sales cycles are very short, often just a matter of minutes or even seconds. Businesses selling to consumers also have a much larger pool of people to sell to, but the value of each sale is much lower.

This doesn't mean consumers won't shop around for the best deal, however. In fact, the advent of online shopping and review sites mean customers have access to more information about your business, and more information about your competitors, than ever. B2C customer loyalty is therefore much harder to win than it used to be.

THE B2B SALES PROCESS

A B2B purchase is very different. B2B investments take much more time and normally involve a formal purchasing process that includes a large number of stakeholders. These can be influencers, decision makers, finance officers... the list goes on. This is because a B2B purchase is much more critical, and can affect the whole organisation if it goes wrong. The success of a business might depend on the suppliers it chooses - it's not just \$20 wasted on a questionable t-shirt that's at stake, but peoples' livelihoods.

The flip side of this, however, is that because B2B purchases take so long and require so much effort, once a business has chosen its product or service supplier, it's going to want to stay with them for a significant period of time. This means there is often much more customer loyalty in the B2B sales process. In addition, though there is a smaller pool of customers to sell to, the value of each purchase is often much higher - making it worth the extra effort.

“There is often much more customer loyalty in the B2B sales process.”





HOW TO MARKET TO A B2B CUSTOMER BASE

The differences described above mean businesses should take different approaches with B2B marketing compared to B2C. For example, because B2B purchases involve more logic and are less emotional and impulsive than B2C, you need to ensure you're providing as much information as possible throughout the sales process. This ensures potential customers base their decision on hard facts.

The information you provide shouldn't just stop at the sale through. To create lasting customer loyalty, you need to continually provide useful information for as long as you have a relationship with that customer. Examples include:

- Creating content about how best to use your product.
- Sending regular communications with handy tips that will help improve your B2B customer's bottom line.
- Hosting regular events for your customers, debuting new products for the first time or celebrating KPI successes.
- Running webinars on topics that will be useful to your customers.
- Providing regular training to make sure they can use or sell your products as effectively as possible.

Any B2B marketing should consider the buyer's specific needs and sales process.



HOW TO MAKE YOUR CUSTOMER LOYALTY PROGRAM APPROPRIATE TO A B2B AUDIENCE

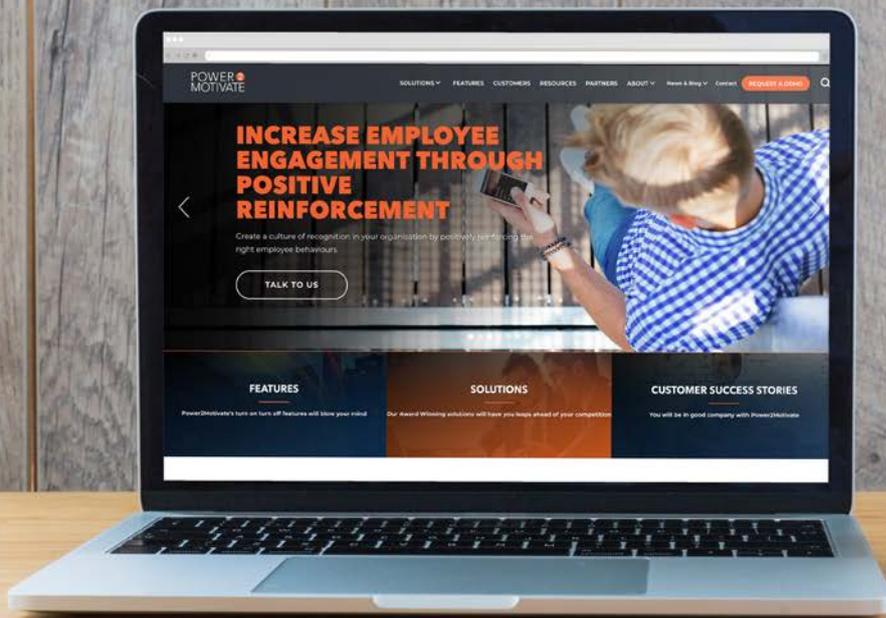
Just as you need to consider your B2B audience's specific needs during the sales process, you also need to think about how they will benefit from a B2B customer loyalty program. It's easy to think of loyalty programs as exclusively useful for B2C customers. However, people are involved in both types of audience, and an effective loyalty program can appeal to anyone, no matter what type of customer they are.

When it comes to a B2B audience, however, it's more important than ever to make your loyalty program achievable. You need to make sure it's adding real value to their business, so offering tiny rewards for huge numbers of points simply isn't going to cut it. Instead, reserve big ticket items like incentive travel for your B2B audience and consider introducing tiers so that your most loyal customers get the best prizes. Tiers are also a great way to gamify the process, giving your B2B audience incentives to increase sales and other desired behaviours in order to move up a level.

Remember you shouldn't just incentivise sales, however. There will be multiple different behaviours that will benefit your organisation (and your customers), so rewarding things like product training, successful demos, brand engagement and referrals is a must.

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B2B CUSTOMER LOYALTY AND REWARDS PROGRAMS WITH POWER2MOTIVATE

At Power2Motive, we have the experience, expertise and solutions to make sure your clients keep coming back for more.

Our Customer Loyalty and Rewards Programs are exclusively tailored to your organisation, and our global rewards gallery offers thousands of different prizes, meaning you'll keep your B2B customers excited about your loyalty program.

Talk to us today about our rewards programs, and we'll show you just how easy customer loyalty can be.