



Loyalty programs are everywhere. They are well known to improve sales and generate value for both the customers and the business. Though the business-to-consumer (B2C) world often uses these programs, they are less prominent in the business-to-business (B2B) segment.

Recent studies by KOMarketing show that B2B marketers spend more on acquisition than retention. Moreover, less than 50% of these companies prioritize loyalty programs. However, acquisition costs are higher than retention costs. Therefore, loyalty programs can help retain existing customers and thus reduce costs.

Business value

Nourishing customer loyalty is essential for B2B companies, not only to reduce acquisition costs but also to help them build and maintain long-term relationships. Existing clients often bring upsell opportunities that are harder to realize with new ones. B2B loyalty programs are more personalized than B2C ones since they are typically tailored to named client requirements. In B2C companies, loyalty programs target the general customer or customer segments. Unlike B2C, a single B2B customer might bring very significant business value and the engagement is often long-term. Long term business partnerships also lead to, potentially, high-value referrals, and customer acquisitions.

There are six types of business loyalty programs: brand loyalty promotion, referral programs, discounts or cashback promotions, co-marketing with clients, share option plans, and employee or business awards

Successful business loyalty programs

The travel industry has some examples of successful B2B loyalty programs. Booking.com, Hotels.com, and car rental companies provide rewards on transactions to their business customers, often in tiers or levels. For example, Hotels.com offers free bookings after a certain number of transactions. Some of these companies also have loyalty programs for the B2C segment. For instance, Booking.com rewards its loyal customers in a multi-tier

program, that they dubbed “Genius”: for example, the 1st tier is defined as two stays in two years and the 2nd tier is defined as five stays in two years, whereby discounts are offered accordingly.

HP’s planet partners program is another exciting eco-friendly loyalty program. Collecting used cartridges from its most valuable customer accounts and rewarding them with points that can be redeemed later in the HP store. This program helps client businesses recycle such chemical products for free and earn money at the same time. HP witnessed an overall increase in the number of sales for its products and it contributes to brand loyalty.

Bits of Stock, a shares services company, provides shares to customers from the brands they purchase from instead of reward points. Many companies are collecting feedback from target groups about the products and services in exchange for such rewards. This helps these companies to better understand their customers, and improve their products based on this market knowledge.

Companies often reward their employees by giving bonuses and gifts to show how valuable they are to the company. Adding a purpose such as sustainability or eco-friendliness to their work process can combine social responsibility and motivation to work. E-points started an award-winning loyalty program by giving rewards to its employees and being socially responsible.

Memberships in B2B

Another way B2B companies can ensure loyal customers is by setting de-facto standards or by promoting membership. For example, GS1 is such a standard that companies can use to track information in the supply chain, and at the same time it is a membership organization. Adopting the standard makes it easier for organization to do business with other companies that follow similar standards and the membership advocates loyalty to the standard among its members. It has also an element of peer pressure.

Loyalty programs in Crypto world

With the rise of cryptocurrency, some loyalty programs are also shifting to the blockchain world. Some chains offer staking rewards, while some provide crypto rewards for purchasing on partner websites or marketplaces. For example, Eligma token or StormX offers rewards in cryptocurrencies. Sweatcoin offers rewards for performing workouts. For this reason, it collaborates with fitness centers and webshops to generate more revenue from the partnerships.

There are not many B2B loyalty programs that offer rewards using crypto tokens, but the potential for this is enormous. On the other hand, the political turmoil around cryptocurrencies yet has to settle.

A successful loyalty program provides value to the customers and allows using the rewards effortlessly. When implementing such a program, the important considerations are to validate the program's goal and what benefits the customer will receive.



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