



# How do you win the hearts of your customers?



# Elevated loyalty in B2B

Digital B2B Loyalty: Fostering Meaningful Customer Connections

Lotte Derichs-Sluiser

Capgemini 



# Content

**I. State of today:**  
Landscape & challenges

**II. Loyalty Vision:**  
Philosophy B2B loyalty

**III. Delivering loyalty**





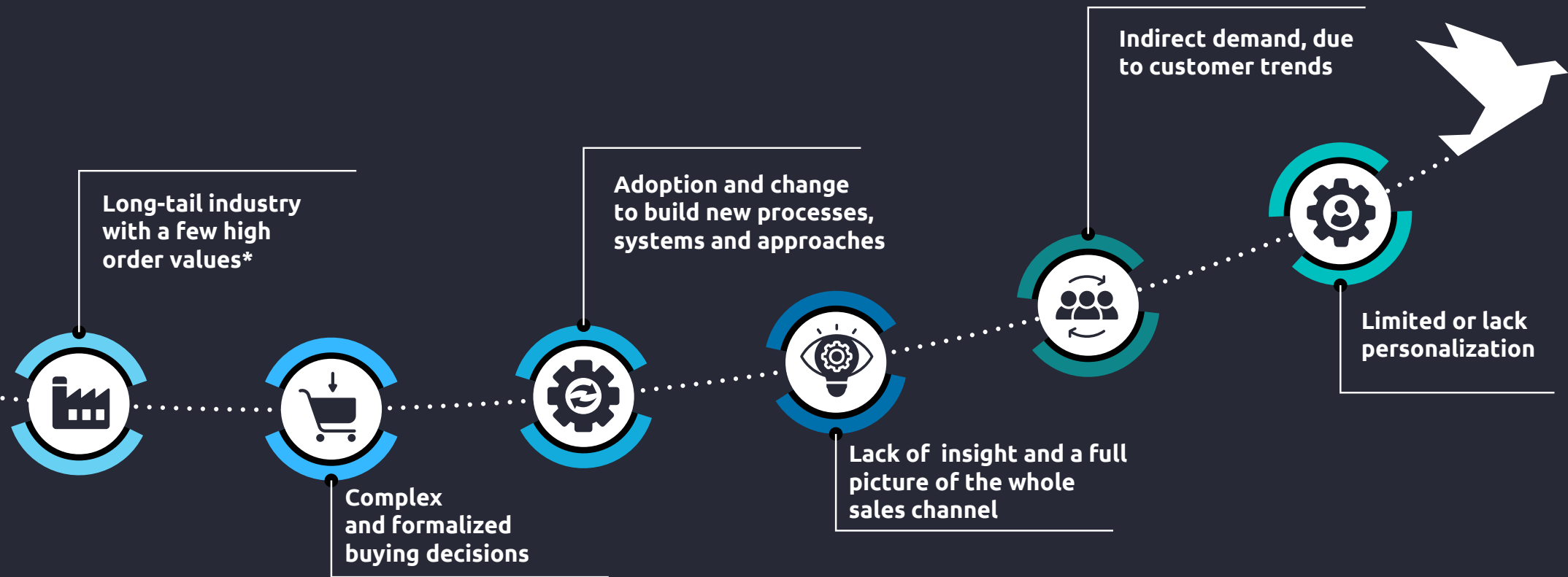
# State of today





# The B2B landscape is facing many different challenges

Only 10% of companies focus primarily on retaining customers\*





# B2B loyalty is becoming more important

We acknowledge there is still a big need for face-to-face personal connection, however digital interactions are supporting and replacing parts of the in-person connection in this day and age.

With the B2B relationship being more complex and long-term, with larger spend on products and/or services, the effort in acquisition is greater, but so are the benefits of retention.

B2B loyalty initiatives are increasing in importance as companies see the **benefits** and **value** of recognising and rewarding valued customers.



**41%**

Companies with a B2B loyalty programme have a 41% higher retention rate vs those without.\*

\*Source: Forrester



**5-7%**

B2B loyalty programs can increase revenue by an average of 5-7%.+

\*Source: ZipDo

# B2B loyalty has increased in importance, as it provides numerous benefits:



## Customer Insights

Building a deeper understanding of customer's needs and the market is essential for future product development or marketing messages and offers. B2B loyalty provides valuable previously unknown data insights into the customer down the sales channel.



## Customer Expectation

Customers have come to expect a personalized experience that aligns with their needs and values as humans. There is a further expectation that loyalty also aligns through, channel, content, access, rewards and recognition.



## Increase Repeat Business

It can cost 5-25x\* more to acquire a new customer vs retaining existing ones. A loyalty approach can help a business to acquire new customers, but more importantly, retain existing customers which can incentivize frequent purchases and increase customer lifetime value and profit



## Strengthening Relationships

Building a strong B2B relationship in an increasingly globalized marketplace can help in differentiating a business from the competition. Focusing on customer loyalty fosters greater customer retention and acquisition.

\*Business DIT – Customer acquisition vs retention cost

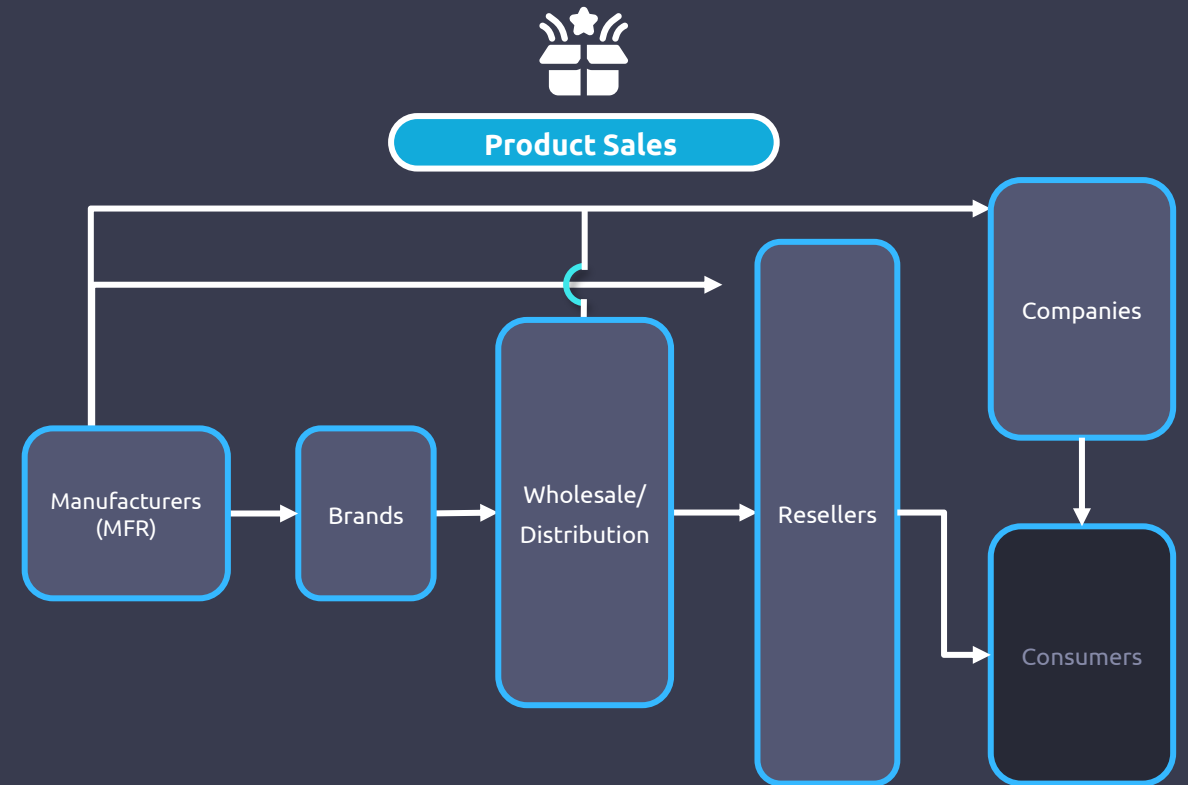


# THE SALES CHANNEL

## The businesses that make up the B2B channel are differentiated

1. **Brands:** Manufacturer-owned brands
2. **Wholesale/Distributor:** The businesses that buy in volume
3. **Resellers:** Online stores, corner shops, petrol stations, etc
4. **Companies:** Banks, Schools, etc
5. **Consumer:** The public

Of the 4 businesses the MFR's '*customers*' are the last 3 (Wholesalers, Resellers, Companies).

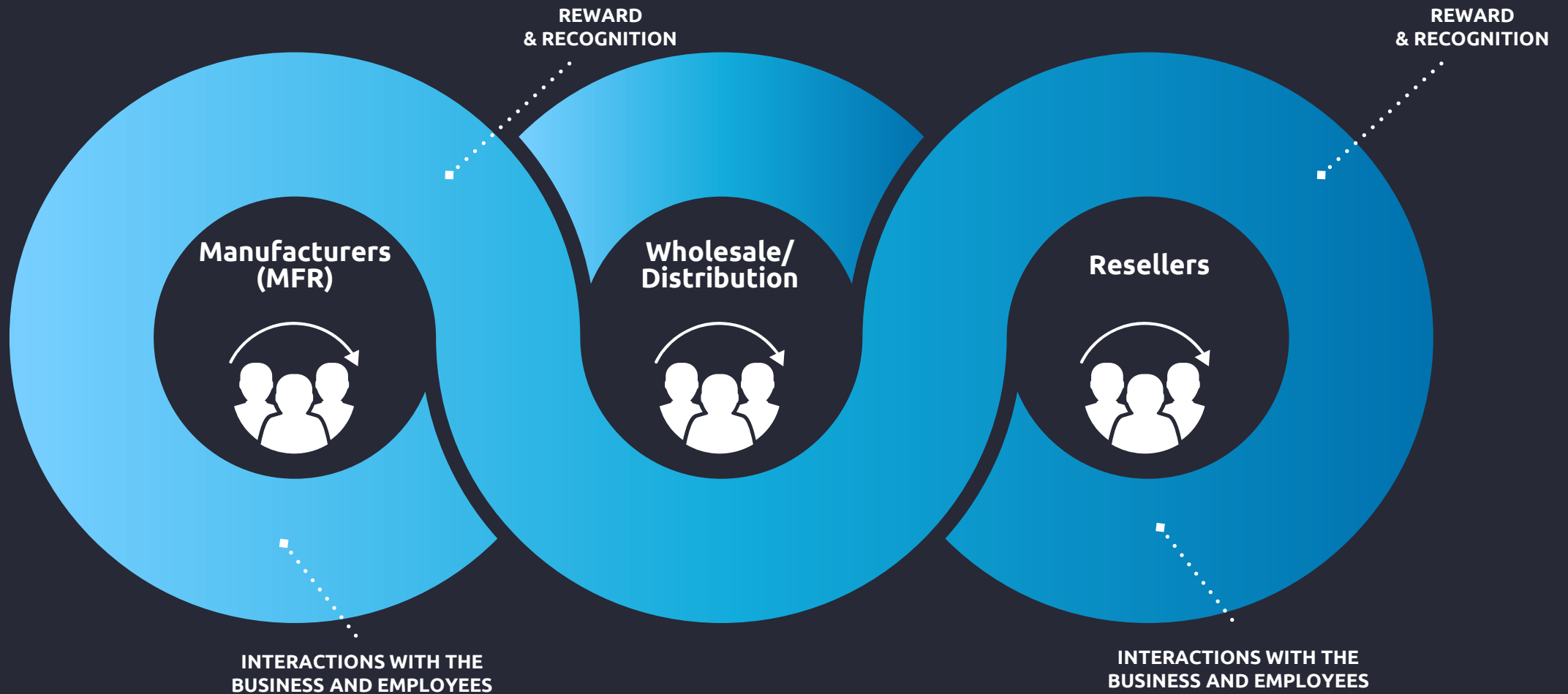






# How to create connections with businesses and the employees within the business?

The core values for the business should align with the values of their employees. In addition, there are different roles and employees within the business that hold different values and therefore have different interactions





# Understanding loyalty for each business

## Different loyalty leavers exist between B2B businesses, and understanding which work best will increase success.



### Wholesales/Distribution

- Due to the scale and size, a volume and target-based incentives work best. Normally in the form of a cash rebate.
- Incentive target programs directly targeting salespeople to boost sales volume and sell-through
- Marketing funding based on performance and proof of marketing to support the reach of a brand
- Badge/certification recognition as a preferred distributor based on criteria met



### Resellers

- A loyalty program based on incentivizing engagement and sales
- Support and access to marketing materials and digital assets, and co-marketing to drive sale
- Product training and certification to upskill technical knowledge and deepen services.
- Marketing funding based on performance and proof of marketing to support the reach of a brand



### Companies

- A membership that gives access to premium service offerings through Distribution or Resellers
- The opportunity to rewarded through a combination of actions and engagement
- Warranty extensions
- Community access



# Loyalty Vision

# LOYALTY LANDSCAPE



We believe that businesses have forgotten what it means to be truly loyal in their digital interactions

Businesses mostly fall into the trap of thinking about their customers as businesses, promoting a purely transactional relationship during digital interactions.

As business's values shift, so will their focus on how to fulfil their new priorities – encouraging them to be principally loyal to their needs and relationships, and not just the business targets.



**Loyal to my community  
in my field of business**



**Loyal to a purpose**



**Loyal to my relationships**



**Loyal to my business values**



# LOYALTY LANDSCAPE

This thinking requires a shift: whilst your relationships might be with businesses, they're still ultimately with people.

B2B customer engagement is particularly important because B2B purchases often involve significant financial investment and can have a major impact on a company's and personal success. To address these high stakes, building a strong emotional connection with business customers is key.

To build an emotional connection that overcomes the high-stakes and results in loyalty, businesses must emphasize how they meet customer needs through their core value proposition, membership experience, and overarching customer experience, and focusing on individuals as humans, not just as customers.

**80%**

B2B CEOs believe that empathy is key to success. <sup>1</sup>

**8X**

B2B purchasers are 8x more likely to pay a premium for comparable products and services when personal value is present

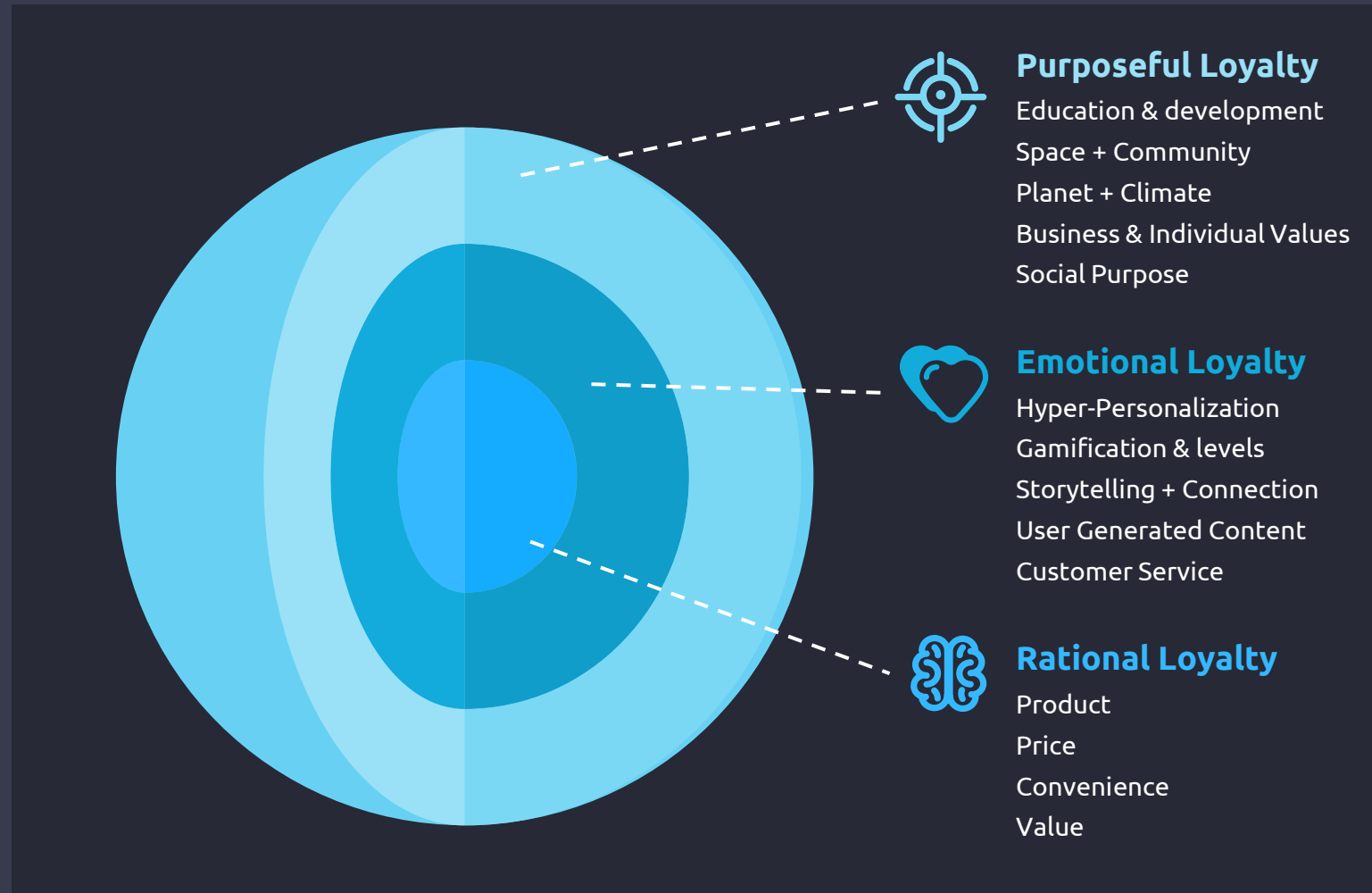


# Loyalty is not a program; it is the outcome of the entire end-to-end experience.

To stand out, businesses must build on purposeful loyalty by thinking differently and aligning their experiences with customers' **core values**.

This way, businesses can empower people to act purposefully and to participate in the topics that matter to them. By cultivating a sense of community, these experiences meet a true human need to belong.

**The combination of rational, emotional and purposeful experiences together will elevate a company's loyalty offering.**





# LOYALTY LANDSCAPE

## Business need to empower their customers to act together with purpose

- Fulfill rational need
  - High-quality product or service which is:
    - Convenient
    - Accessible
    - Functional
  - Attracting attention of the product or services by incentives and different sorts of B2B programs
  - Getting more information, data and feedback by e.g.:
    - Surveys

### Rational loyalty



- Adaptive (Gen AI/AI)
  - Hyper personalized experiences
  - Conversational Customer Journey
  - User generated content
- Gamification & learning modules
- Co-operative rewards
- Customer service

### Emotional loyalty



- Regenerative
  - Creating circularity
  - Rewarding and enabling sustainable choices
- Collective
  - Driving community impact
- Core values of the business and their employees
- Social purpose

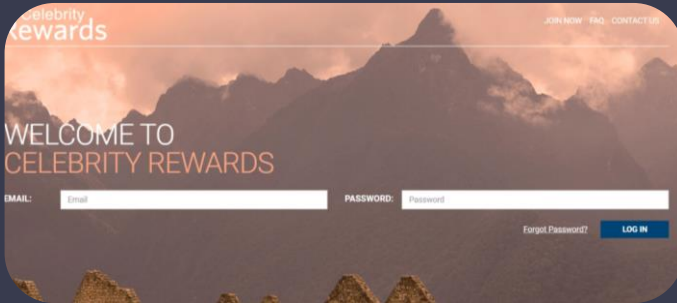
### Purposeful loyalty



# Examples of rational, emotional and purposeful loyalty



## Rational Loyalty



### Cashback and Discounts

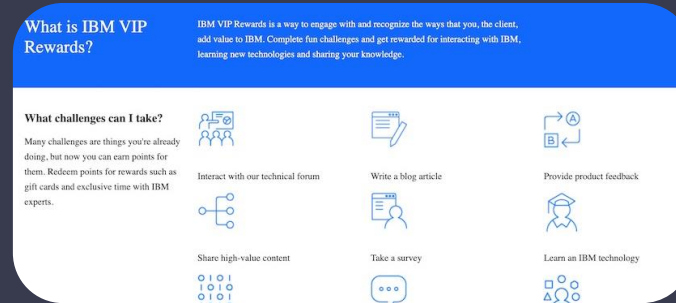
A travel industry loyalty program, Celebrity Rewards is geared towards travel agencies in an effort to incentivize selling trips with Celebrity Cruises. The program is rather straightforward, utilizing direct cash incentives to motivate agencies.

Every cruise sold translates into points for the booking agent

After hitting a milestone, points can be exchanged for cash using a Celebrity Rewards Mastercard.



## Emotional Loyalty



### Gamification

Program serves two main goals: to show appreciation by rewarding customers for the activities they already do; and to encourage members to expand their knowledge about IBM's services.

As a form of gamification, IBM's VIP program is challenge-based, meaning customers have to perform predefined actions to earn points. Points can be redeemed for gift cards or private sessions with IBM experts



## Purposeful loyalty



### Organic Community Advocacy

Canon launched their professional community of leading pros who push themselves to perform at ever higher levels. The community is to share new ideas that helps business and equipment on track.







# LOYALTY LANDSCAPE

## Why should your business and you as an individual care?

The preferable benefits thanks to digital purposeful loyalty:

### Greater customer personalization and connection



- Better understanding of the business(es)
- Increased knowledge of the individual's
- Able to better serve customers due to a greater understanding of the individual demands and requirements

### Better data collection enables



- Understanding of the whole sales channel and customer base
- What the business reach is through the sales Channel
- Diversification of customer base informing approach to communication
- Product performance to inform development

### Improve sales and KPI's



- Drive retention
- Higher CLV
- Cross-sell and up-sell
- Acquisition
- Brand advocacy
- Loyalty membership
- Interactions (campaign KPI's)

A 2022 Trustpilot survey offers some compelling numbers on the benefits of purpose-driven marketing:

- Improving loyalty 71%
- Increasing sales 69%
- Gaining customers 65%
- Building reputation 58%



# Delivering Loyalty

# DELIVERING LOYALTY



We deliver loyalty as an outcome by combining three strengths: money, mechanics and a *little bit of magic*

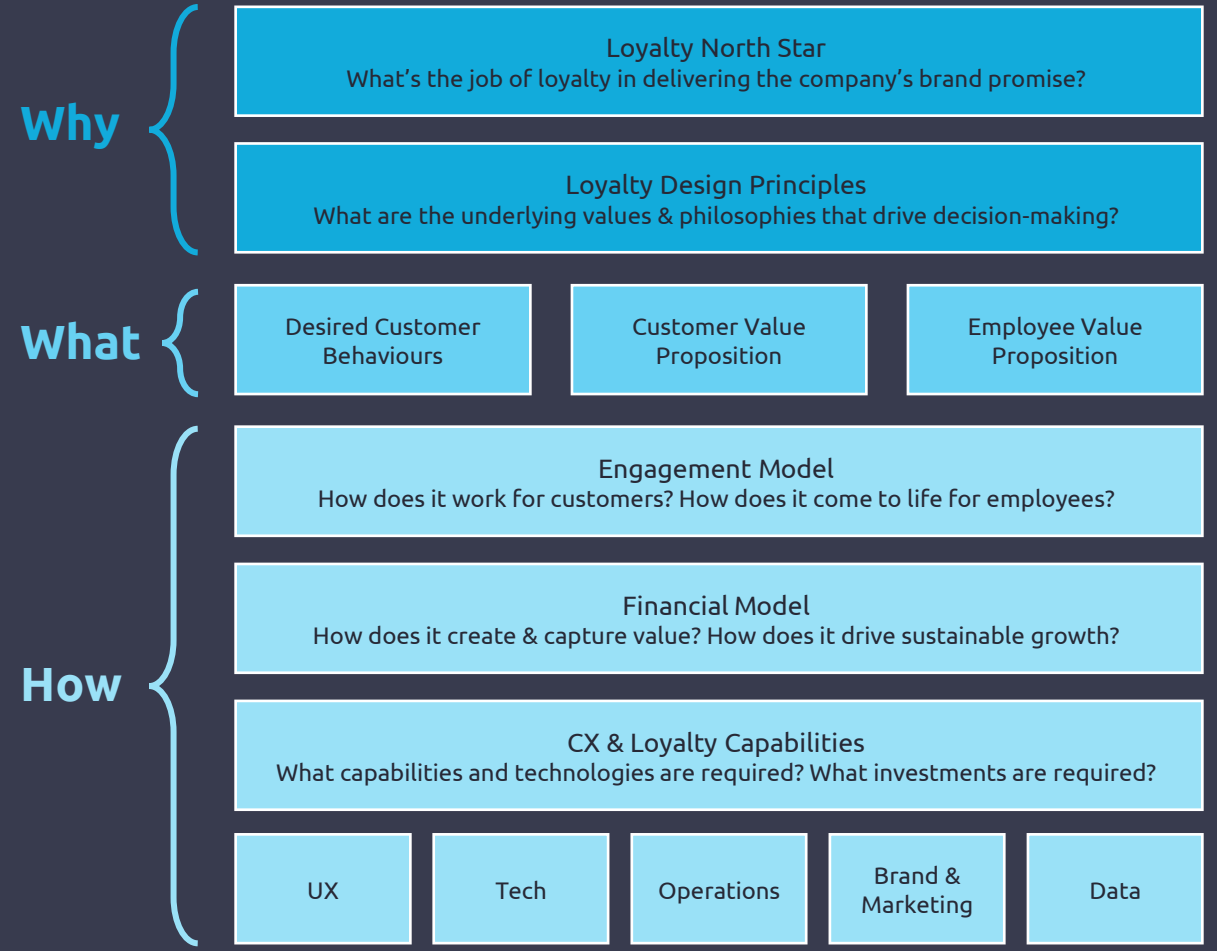
The sculpting of a sustainable loyalty outcome is one which combines customer centricity with strategy, innovation, design and the transformation of data, technology and operations.

Organizations and their solutions must be flexible and responsive, delivering value at speed for both customers and the business.

## The 6 Cs

Community Customer Category Climate Company Channel

THROUGH THE 6 C'S, WE CAN HELP YOU TO DEFINE & BUILD...



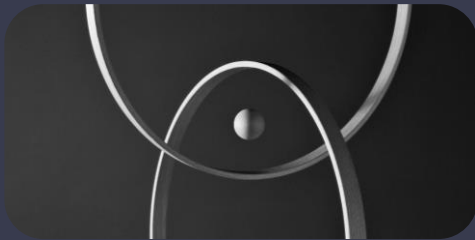
# DELIVERING LOYALTY



We have different approaches designed to help you, no matter where you are on your loyalty journey



## Strategy & Innovation



You want to redefine what loyalty means in your business and are looking for strategic innovation to define a new loyalty north star vision, proposition and commercial case for change.



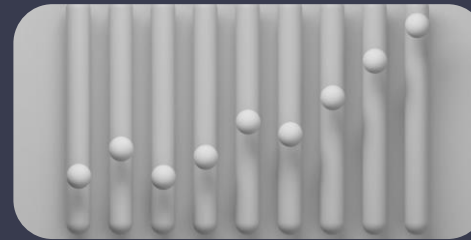
## Proposition Design



You have a strategy and now need to define the offers, experiences and supporting business case that will deliver on this and get you ready to start testing concepts and planning your programme.



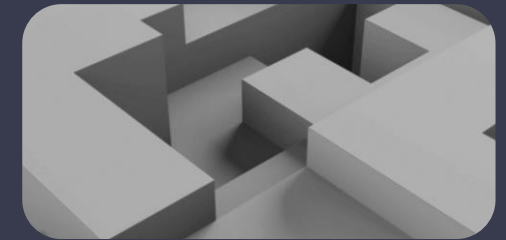
## Review & Refine



You have defined a proposition, its offers and business case, but it needs to be reviewed and refined into the detailed experiences, capabilities and platforms which will verify plans/costs to deliver it.



## Build & Scale



You required a strategic delivery partner who can design, build, launch and support the business and IT capabilities required to launch your new proposition into market at scale.



# QUESTIONS?





**GET THE  
FUTURE  
YOU WANT**

## About Capgemini

Capgemini is a global business and technology transformation partner, helping organizations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 340,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fueled by its market leading capabilities in AI, cloud and data, combined with its deep industry expertise and partner ecosystem. The Group reported 2023 global revenues of €22.5 billion

Get the future you want | [www.capgemini.com](http://www.capgemini.com)



This presentation contains information that may be privileged or confidential and is the property of the Capgemini Group.

Copyright © 2024 Capgemini. All rights reserved.