

MAKING  
**B2B**  
BETTER



A 2018 GUIDE

**B2B** relationships between brands and their channel partners are no longer as clear-cut as in the past. With the evolution of digital and online mediums, new breeds of channel partners have emerged, with roles to play beyond mere sales. Social media, for example, has made marketing behemoths out of 'influencers' who now have tremendous sway over the purchasing habits of their followers. Brands that want to bring their products and services to the forefront need to cultivate relationships with these new kinds of channel partners, who play increasingly vital roles in winning over discerning consumers. The B2B goal is now to turn channel partners into brand advocates, for which they need to be courted, incentivized, trained, and compensated. In order to help our brand and agency clients navigate the ins and outs of this new landscape, we've put together a 2018 guide to making B2B better.

**B2B RELATIONSHIPS ARE AS PERSONAL AS B2C – IF NOT MORE SO**

On average, B2B customers are more emotionally connected to their vendors and service providers than to end-consumers.

The personal value in a B2B brand relationship has:

**42.6%**

impact on perceived benefits

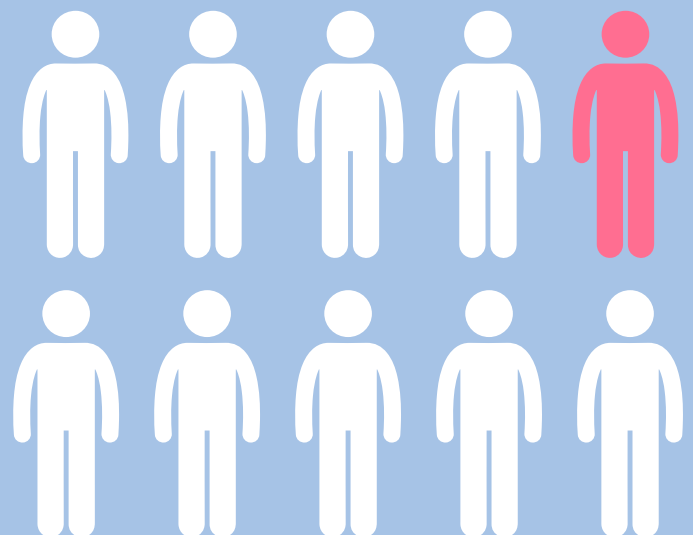
VS.

**21.4%**

purely business value

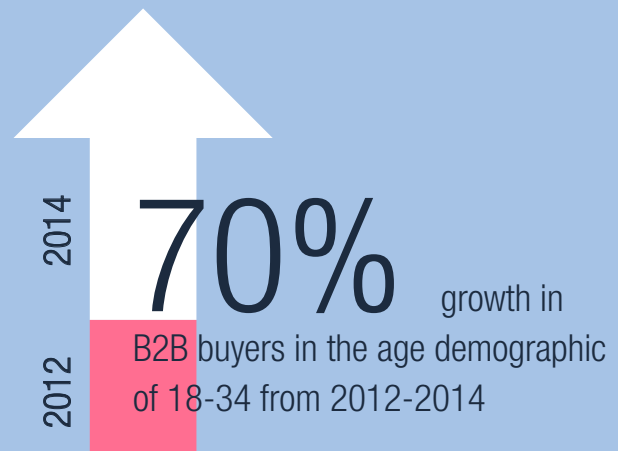
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B2B partners agree that stronger personal interactions offer more compelling brand engagements.



**THE B2B BUYER IS YOUNGER, AND MORE DIGITALLY SAVVY**

According to Google, the growth in B2B buyers in the 18-34 age demographic grew 70% from 2012 to 2014. B2B relationships are therefore subject to the same millennial expectations of mobile-first, personalized connections as B2C.



**CHANNEL PARTNERS HAVE GREATER POWER TO DIFFERENTIATE A BRAND TO CONSUMERS**

According to HBR, consumers can get lost in the overwhelming variety of purchase options. But a ‘prescriptive’ sales approach – i.e. a clear recommendation backed by a specific rationale – increases purchases by 86%. To foster this kind of advocacy, channel partners need to be incentivized accordingly.



**INCENTIVE PROGRAMS ARE PROVEN TO IMPROVE CHANNEL PARTNERS’ PERFORMANCE**

and more fully engage them in the selling process. In fact, some studies show that properly implemented incentives can increase performance by up to 22%!



# TURNING CHANNEL PARTNERS INTO BRAND ADVOCATES

Getting through to today's consumer requires more than traditional advertising or incentives. They can effectively block pop-up ads, tune out branded information, and navigate competing discounts and deals like seasoned pros. With all the tools available to influence a consumer's buying decisions, the one that matters most – still – is a recommendation. According to a Nielsen survey, most people (77%) say "word-of-mouth advice... is the most persuasive source of new product information." For brands who are a step removed from their end customer, an enthusiastic recommendation can be a key differentiator. Channel partners wield a lot of influence in being able to provide that enthusiastic thumbs up – and cultivating a strong connection with them can lead to their being vital marketing advocates. So how do brands go about fostering the kind of loyalty that would lead a channel partner to become an advocate? They can start by uncovering the consumers inside their B2B partners, and, as with B2C efforts, by offering personalized interactions, rewards and recognition.

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## BUILD BRAND ADVOCACY AMONG INFLUENCERS VIA VALUE-ADDED INCENTIVES

Brands that rely on influencers (celebrity or not!) as channel partners to expand engagement and reach have to ensure that their incentives are tailored to attract and maintain their interest. Some tried and tested methods include:



**CONTESTS & SWEEPSTAKES** In order to attract and maintain participation of influencers as advocates, fun contests and sweepstakes can be useful motivation tools. Data captured through the entry and redemption process can then be used for future, more personalized interactions with participating influencers.



**EXCLUSIVE ACCESS** Building a sense of exclusivity among influencer-advocates incentivizes their continued support. This can be done by providing them early access to unreleased content, samples of new products, or entry into brand events closed to public access.



**SPECIAL DISCOUNTS** By making available special discounts or product offerings only to influencer-advocates, brands can cultivate their enthusiastic support – and allowing them to share these perks with their chosen followers/family members/friends, can be a huge motivator for their continued advocacy!

## OFFER SALES INCENTIVE/REWARDS PROGRAMS FOR RESELLERS

Brands depend on distributors, dealers, agents and resellers to bring their products to market. To incentivize them, rewards programs have been shown to encourage training and stimulate sales. Such programs help channel partners learn more about a brand's products, making them better able to offer informed recommendations and explain benefits to their end customers.

### GAMIFIED REWARDS FOR SALES AND CONTINUED TRAINING

Gamification is an increasingly popular way brands are encouraging engagement with their resellers, as they promote sales and product learning via awards, reward points, and badges. Rewards and points can be offered based on hitting certain sales targets, completion of training levels, or for providing answers and tips to common questions.



Automobile giant Ford wanted to improve the effectiveness of its sales and service reps across 450 dealerships. To do so, they integrated gamification into their employee Learning Management System, which led to a 471% increase in site usage. Sales and service reps could work toward individual and team goals, compete with other dealerships and receive real-time feedback. The company found a positive correlation between engagement and KPI metrics, including revenue and customer satisfaction.

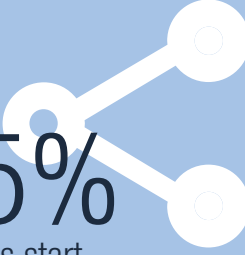


SAP's community network has over 2.5 million users including SAP employees and representatives from its vast corporate customer base. Members share information and answer questions about SAP products, repost key questions, and even help update and edit FAQs for different topics. To gamify the community and increase engagement, SAP reviews how effectively users are helping other users. As a reward, SAP designates certain active users as "expert" in different areas, who enjoy a special status in the online community.



Oakley wanted to put in place a nationwide program to incentivize retailers/individual sales reps to sell its products. Snipp created a gamification-based solution using leaderboards to highlight the leading sales people and retailers to foster friendly competition. "Flash rewards" were offered regularly to drive product sales, with individuals and store teams rewarded separately.

Approximately **85%** of B2B decision makers start the buying process after a referral from a friend or colleague.



### **REWARDS AND POINTS FOR REFERRALS**

Approximately 85% of B2B decision makers start the buying process after a referral from a friend or colleague. Encouraging such referrals will depend on the kinds of benefits that channel partners receive – in addition to their overall satisfaction with the B2B relationship. Brands should consider rewards or reward points that add up for each referral.

### **NON-MATERIAL REWARD OPTIONS**

#### **Special events as professional incentives**

Channel partners look to grow professionally, and brands can offer incentives and rewards that fulfill those ambitions. Events that facilitate an opportunity to meet-and-greet with key leadership figures and other industry stakeholders can be a huge professional draw.

#### **Rewards that support personal charity preferences**

Many people prefer rewards that allow them to support their personal charities. Brands can allow incentives to be converted into in-kind contributions on behalf of channel partners. Doing so helps to motivate partners and influencers to share branded content on their social channels, while also supporting a brand's public image.

### **SHOW APPRECIATION WITH PERSONALIZED TOUCHES**

As with the average customer, a B2B partner will appreciate and respond to brands that go the extra mile for them. By offering personalized interactions that show partners that they are valued for their support, brands can help engender long-lasting loyalty.

### **RECOGNIZE OFFICIALLY**

Make the effort to celebrate a partner's personal and professional milestones, either with special gifts or simple acknowledgment. Not only does this provide a boost to the B2B relationship, but partners – especially influencers – will also be motivated to advertise the appreciation that brands show them for these special occasions, creating a positive link with their social media followers. For channel partners in specific fields, offering them authority via official badges or titles that they can advertise on their professional profiles can also be a big motivator.

### **SURPRISE & DELIGHT**

Brands don't have to wait for their partners to reach specific milestones to show their appreciation – surprising them with an unexpected perk or reward can have a huge impact on their perception of the B2B relationship! Some brands send personalized cakes, small swag items, monogrammed versions of the product, or handwritten thank you notes.

# KEY CONSIDERATIONS WHEN OFFERING B2B INCENTIVES



## HAVE CLEARLY DEFINED BUSINESS OBJECTIVES

An effective B2B incentive program must be well-defined up front, with clear targets in mind. Brands that deal with many different kinds of channel partners may have to narrow the scope of their incentive programs, focusing on those partners that offer the most value overall. Rewards should be structured with this group in mind, in order to better influence their performance. Specific, measurable, data-driven program indicators will help in monitoring the success of the program – and in tweaking it down the line.



## COMMUNICATE, COMMUNICATE, COMMUNICATE

Effective communications are crucial for getting a channel incentive program off the ground and rolling. Everyone involved in the program should know the “rules,” i.e. the specific behaviors and activities being rewarded, and how rewards are earned. Have a communications strategy for the program launch, with the goal of driving awareness and participation, as well as an ongoing communications effort to encourage continued engagement with the program as business objectives evolve.



## IDENTIFY DATA REQUIREMENTS & SOURCES

The most vital component in designing an incentive program is data – data on who each channel partner is, what incentives they respond to, and how effective those incentives prove to be on sales, amongst other indicators. Identifying and gathering such data is critical to the design of the program rewards structure and its measurement. The more data that can be gathered from different sources in the sales process -even from end users -the better. Structure the data capture route accordingly.

## *Remington*<sup>®</sup>

Remington wanted a way to drive channel sales and get retailers purchasing more from their wholesalers. Snipp created a special B2B retail sales allowance program that incentivized retailers to register themselves with the wholesalers they frequent – who then uploaded their monthly sales by retailer. Using this data, Snipp tracks the performance of participants, calculates their promotion bonuses and sends them their rebates.



## CREATE INCENTIVE STRUCTURES THAT OFFER REWARDS AT ALL LEVELS

An incentive program needs to offer enough value to channel partners to get their attention. If the program is point-based with rewards accruing over time, then these points need to accrue at rates fast enough to keep program participants excited about their progress toward the rewards they want. Many programs have found success with multi-tiered rewards structures, in which the first-tier target can be easily attained – offering motivation to continue along the path. The highest tier targets can be set at a point hit only by an elite few. Research shows that core performers tend to exert more effort if given additional tiers, whereas ‘laggards’ typically aim for and are satisfied with achieving a first-tier target. These kinds of multi-tier incentives can therefore offer value to partners of all performance levels.



### PHILIP MORRIS INTERNATIONAL

Philip Morris (UK) created a digital B2B loyalty scheme in order to foster brand loyalty among resellers as well as to gather data on purchasing behavior patterns. Using Snipp’s integrated SnippCheck and SnippLoyalty platforms, the program allowed resellers to earn points by buying eligible products at participating wholesalers. By simply uploading photos of their receipts via an API integration on the clients’ site, resellers could redeem those points for cash value at retailers.



Bacardi wanted to build long-term B2B loyalty by creating a loyalty ecosystem amongst their network of vendors, including bars and nightclubs. In this unique B2B loyalty program, called Bar Talk, Snipp established a platform that allowed participating businesses to earn rewards from four rewards packages. Simply partaking in the program earns one reward package and subsequent rewards can be earned based on points thresholds every time a wholesaler invoice is uploaded to the program.



## MAKE IT MOBILE

With a dispersed sales force, brands have to ensure that the right technology is used for an incentive program. Given the varied kinds of channel partners, an online rewards program that is mobile optimized or available through a mobile app is the easiest and most convenient way to engage them all. Channel partners can then instantly receive reward points for desired actions, which can be digitally redeemed through an online rewards catalog. Additionally, the mobile-first approach will help capture data at every point of interaction. Using this data effectively will allow for a better understanding of partners’ interests and enable personalized communications – paving the way to true brand loyalty.





**Track, Analyze and Adjust:** As the program gathers steam, keep monitoring and analyzing the data gathered to expand upon what's working -- or to course-correct in order to improve performance. This regular analysis can generate early warnings about market developments beyond just the effectiveness of the incentive program.

## SKINCEUTICALS

SkinCeuticals, a premiere skincare product line by L'Oreal available only through approved dermatologists, relies on a B2B loyalty platform to reward its sales channel and incentivize dermatologists to purchase its products. The system includes a full financial reporting and analytics suite for L'Oreal as well, for tracking program performance and results. In the first two years since the launch of the program, L'Oreal has seen 60% active engagement of qualifying physicians, with an average sales lift of 25% attributable to the loyalty program.

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**Snipp** is a global loyalty and promotions company with a singular focus: to develop disruptive engagement platforms that generate insights and drive sales. Our solutions include shopper marketing promotions, loyalty, rewards, rebates and data analytics, all of which are seamlessly integrated to provide a one-stop marketing technology platform. We also provide the services and expertise to design, execute and promote client programs. SnippCheck, our receipt processing engine, is the market leader for receipt-based purchase validation; SnippLoyalty is the only unified loyalty solution in the market for CPG brands. Snipp has powered hundreds of programs for Fortune 1000 brands and world-class agencies and partners.

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