

The B2B Loyalty Challenge

Why marketers need to think beyond acquisition in 2016

Many B2B organizations focus the lion's share of their marketing efforts on acquiring new customers. But once those new businesses are in the fold, they fall short when it comes to creating loyalty.

The problem in many organizations, says Chris Lynch, senior director of product marketing, Oracle Marketing Cloud, is that once someone becomes a customer, the conversation becomes more fragmented and marketing can be left out of the loop.

"From a customer's perspective, *all* interactions are some sort of engagement, and, ideally, there's an opportunity for marketing to step in and own that process," he says.

"There's a lot of missed opportunities," agrees Jim Williams, vice president of marketing, Influitive. "I don't think many B2B companies are thinking about loyalty."

But B2B marketers *should* be considering how they can get customers engaged beyond merely buying products, because that cements the relationship and encourages upselling, he says. "Think about how you can get your customers to represent

and advocate for your products in the marketplace."

The trick in crafting a B2B loyalty program is figuring out how to align corporate objectives with the spread of your customer base, says Tom Belle, president and CEO, Gage.

"In B2C, it can be easier to look at an audience in a homogenized fashion—an airline can give everyone miles," says Belle. "But when a marketer is looking

at a business customer, it might be two guys in a garage or it might be a company as big as Accenture. How do you make sense of that kind of spectrum?"

Another challenge in B2B is that once you send the invoice, you don't necessarily know who is using your product. That can be a huge issue, he points out, because reselling is a major revenue source



for many B2B organizations.

Belle cites Microsoft as one company that is doing a very good job of creating loyalty, by sorting through the enormous array of profiles that make up their various audiences and offering content on an individualized basis—both at the retail level and in professional development settings with segments such as educators.

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BETTER TOGETHER

WHY ACQUISITION & RETENTION (AND SALES & MARKETING) NEED TO WORK IN HARMONY

CEOs know that current and past customers are an extremely valuable resource to be nurtured and cultivated, notes Ruth Stevens, president of eMarketing Strategy. But traditionally, most of B2B marketers' efforts were focused on acquisition, rather than retention.

Why? Typically, retention and account management lives in the province of the sales team, while marketing is viewed as the arm for new customer acquisition. All too often, marketers aren't brought into the loyalty discussion.

"There are wonderful things that marketers can do to assist sales in account penetration, to develop cross- and up-sell campaigns, and referral stimulation programs when new products are being launched," says Stevens.

Marketing and sales can also benefit from listening to input from customer service reps to help create loyalty, adds Cyndi Greenglass, senior vice president, strategic solutions, Diamond Marketing Solutions.

"We're seeing crossover much more, because technology can facilitate that interaction and sharing of metrics," says Greenglass, noting that Net Promoter Scores are also increasingly considered to gauge customer satisfaction and loyalty. "Marketing automation has really helped in this area."

Gamification in B2B can be successful in B2B to create engagement, but marketers have to be cautious not to get too gimmicky in offering intangible statuses and badges with no real benefit, Stevens notes. Of course, you also have to be wary of going too far with tangible generous gifts to B2B clients, as these could be looked upon as bribes, violating regulations and/or company policies.

With millennials in particular, cause marketing can be a great way to create B2B loyalty, because they are so invested in working with a brand whose culture they support and feel invested in, says Greenglass. But, the ROI can be tricky to judge.

Medical billing services provider Medigain works on cultivating relationships on almost a daily basis, as account reps regularly interact with clients to give them updates and check-in.



Triumverate Environmental's new accounts in sectors like biotech are nurtured with an email welcome campaign in the onboarding process.

"We provide a service and it's high touch," says Clint Hughes, vice president of marketing, Medigain, noting that the company works to create a relationship not only with the managing partner doctors at practices they service, but the office administrators as well.

Once Triumverate Environmental has onboarded new accounts, they are nurtured by the account team through campaigns such as an email welcome series, notes Warren Sukernek, director, marketing of the waste management and environmental services firm, which serves healthcare, education, industrial and other markets.

Content marketing is a great way to offer something tangible to customers and create thought leadership and loyalty, Stevens adds.

Both Triumverate and Medigain find that much of the content created to nurture leads during the acquisition process is also valuable to existing customers, and this information keeps the brands top of mind for decision makers and influencers.

"About 40% of our webinar attendees are existing clients," says Sukernek. "The content resonates for both existing customers and prospects." —BNV

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A HEARTY WELCOME

Onboarding is a great time to build a stronger relationship with a customer, Lynch notes. "Marketing automation gives you an opportunity to create a compelling series of interactions that make the customer feel welcomed to the brand."

Messaging during this phase should be best practice and tip oriented—and not transactional. "Marketing should work with the post-sales and product teams to create a focused content marketing strate-

gy," notes Lynch. "This will help a customer maximize their overall adoption [of your solution.]"

Buyer personas can help frame this process and guide marketers to create content that is really mapped to a customer's needs. "Make the customer feel valued," he says. "Then, assuming you've onboarded them correctly, you can shift towards [fostering] advocacy and referral."

Cross-sell and up-sell efforts also benefit from this approach. Sales needs the capability to do smarter outreach, notes Lynch. You don't want to just try

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and sell them the next thing, you want to make sure they're happy so when you offer them something else it's the right solution for their needs.

Content that performs well in a loyalty setting often showcases a peer similar to the customer in question. "If I'm a manufacturer of construction equipment, content created for a manufacturing persona can be a big win in terms of creating resonance," he says. "Can they use the information? Is the content actionable?"

THE POWER OF EMOTION

When a consumer buys something like a piece of furniture or a car, there's a high degree of emotion

but the overall risk of failure is low, says Patrick O'Hara, chief strategic officer, gyro. But if you're buying a pump for a nuclear reactor the risk of failure—and the consequences—are high.

Individual transactions aren't as important as the overall relationship. "You need to lay a foundation for a long term partnership," says O'Hara. "In this day and age, you don't know how the world will change. You want to buy into a partnership with someone you can trust through all those changes."

It's a big mistake to just look at the person who signs the checks, he says. "B2B decisions are made by teams of people. And while someone in IT or marketing might say 'yes,' the boss's boss might have

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GETTING THEM IN YOUR CORNER USING DATA TO CREATE B2B BRAND ADVOCATES

B2B marketers know that it costs more to acquire new customers than to keep existing clients. But the majority of ad spending still focuses on new customers, even though the emergence of new measurable and targeted tactics gives us more ways to engage with existing customers than ever before.

What's the secret to building an effective customer retention program? Always start with data.

Customer retention is about engaging with your existing customer base, learning what they want and winning their loyalty. To do so, you have to know your audience. Your customer data is an invaluable tool for understanding your B2B customers and analyzing their purchasing patterns to determine who you should be targeting and how. For example, you might take a closer look at lapsed customers to predict why their buying behavior changed, allowing you to tailor messaging so it's relevant to their current challenges and needs.

B2B engagement is built on your ability to maintain your customers' interest over time, delivering a consistent and positive customer experience across multiple physical and digital touchpoints. Everything from targeted communication to branded content should be grounded in data and designed with your customers' specific needs and expectations in mind. For example, you might consider a highly targeted digital campaign that entices current customers with a compelling offer related to a product they've purchased from you in the past. Perhaps it's timed with their

operations cycle so it hits when they are ready to buy, and ties back to a customized landing page that makes it easy to convert the sale.

And remember, never underestimate the power of a referral. A successful customer retention program will do more than help you keep your current customers—it will help you attract new ones. With longer sales cycles and more time spent researching purchases than their B2C counterparts,

B2B buyers are more likely to value reputation and consult the advice of others when making a decision.

Your ultimate goal should be to identify and retain loyal customers who are willing to testify on your behalf and recommend your products/services to their peers. The abundance of digital tools available to marketers today makes it easy to develop a strategic customer referral program with measurable results. Entice your customers with compelling offers in exchange for reviews, feedback and referrals. Connect with them on a regular basis by sharing relevant content through your website, PR and social media channels, targeted email campaigns and direct mail. Show appreciation through special events, promotions and personalized gifts.

In today's highly competitive and customer-centric world, B2B marketers cannot afford to overlook the power of customer loyalty. By understanding your data and delivering a "total" experience for your customers across multiple channels and touchpoints, you'll create powerful brand advocates that can generate ROI and set you up for long-term success. —Grant A. Johnson, chief measurable marketing officer, Responsory



HOW DO YOU FEEL?

WHAT MAKES—OR BREAKS—LOYALTY?

"Beyond the Brand," a recent report by Fortune and gyro, looked at the impact of corporate culture on business decisions.

Values: When choosing a corporate partner, 59% of executives say knowing what value a company stands for is more important than innovation (22%) or market dominance (20%).

Cultural differences: Only 14% of execs say culture contributed to a corporate relationship going bad. A loss of trust (72%) or internal policies that prevented collaboration (69%) were bigger factors leading to things going sour.

The human element: 62% of executives said that it's often necessary to rely on "gut feelings" and soft factors that can't be quantified when making decisions.

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other ideas about how the world works and say 'no.'"

As always in marketing, it comes down to getting the right messages to the right people at the right time, and understanding where people are in their decision making process.

As the world becomes more digital, people are hungry for human contact and actual real world experiences. "Relevant events and experiences trump things like points," he says.

GE does a great job creating content for different business users, and uses content to create crowd-sourced innovation, he says. For example, they reached out to an online community of engineers to help create a lighter jet engine bracket using 3D printing.

"It's a win-win for everybody when you encourage the community to take an interest," he says.

The human component shouldn't be forgotten, O'Hara says. When you meet someone new, it's important to show an interest in the other person. The same is true in business, he says. Companies

tend to talk about all the things that they can do, and in general that's pretty commoditized. "What they should be doing is creating empathy and understanding the company they're trying to create a relationship with."

WHAT WORKS?

Some B2C tactics can work in B2B with modifications. "You need to know your audience," notes Williams. "Gamification can work but you need to do more than just give points and badges. You need to create a sense of longing and loyalty and give them special access and advance information. People want to be perceived as power users and thought leaders."

Play to their needs—not your own, he says. "Marketers like to think about what we can get from people. Flip that. What can you do for *them*?"

Customer advisory boards can be a great way of building a relationship with a decision maker. But you need to get below the executive and craft a bond with your users as well, notes Williams. Beta product programs, user groups and user conferences can help here, and help you gather user case histories and testimonials to share their stories.

"Thirty to 40% of your customer base want to engage with you in some way," he says. "You just need to give them the opportunity to share feedback that matters."

Online communities can also be a terrific way to build relationships with your user base, adds O'Hara. The key, of course, is giving your users a reason to want to be part of the community. "You need to build it around their needs—you can't just make it a shopping mall where you sell to everyone the whole time." !



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