

# Customer Loyalty is King Among B2B Audiences

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Loyal customers can account for up to 84% of total site visits and spend 10 times more with your business than new ones. What's more, acquiring new customers can cost up to five times more than generating new business from someone with whom you've already worked.

With those statistics in mind, are you doing enough to both inspire loyalty among your customers and harness that loyalty?

By ensuring that your marketing encourages repeat business, brand loyalty, and customer referrals, you're giving your business the kind of boost that can't come from any other source. But how do you go about instilling true loyalty in your customer base and empowering your loyal customers to do more for your brand?

This article explores how to measure and increase customer loyalty. You'll learn how to inspire customers to interact more meaningfully with your brand and help you gain new leads.

## Measure loyalty

What does customer loyalty look like? It's a difficult metric to measure, simply because loyalty can exhibit itself in so many ways. However, you can use three metrics to measure customer loyalty:

### 1 Repeat customer rate (RCR):

How many of your customers buy from you more than once? This metric tracks how long customers continue to patronize your business after the first sale. Establish RCR as a baseline metric and track it in your customer relationship management (CRM) system.

Use RCR as a baseline by which to judge the success of your loyalty programs and initiatives, and track it on a monthly basis to determine what percentage of customers are coming back to you as your loyalty efforts evolve.

### 2 Customer lifetime value (CLV):

This metric measures the total profit contributed by each of your customers during the entire duration of their time purchasing from your company. Use data in your CRM on annual revenue, purchase frequency, and purchase trends to predict the CLV for each of your customers.

By tracking this metric, you can determine your highest-value customers and understand what practices are hindering loyalty among your lowest-value customers.

### 3 Net Promoter Score\* (NPS):

One of the most direct ways to measure customer loyalty, NPS elucidates how likely your customers are to recommend you to a friend or colleague. Because of its ability to simplify our understanding of the often complex relationships between B2B companies and customers, this score is an essential tool for any marketer who wants to better understand customer loyalty.

To determine NPS, ask customers to rate how likely they are to recommend you on a scale of one to 10. Those who select either a nine or a 10 are your key promoters — the high-value customers who are most likely to evangelize for your brand. Take the percentage of customers who are promoters and subtract those who are detractors (they rate you six or below) to gain an understanding of the ratio of promoters versus detractors.

Any one of those three metrics will give you valuable data on how loyal and engaged your customers are; together, they provide a holistic view of your prospects for harnessing customer loyalty to your benefit.

## Increase — and make use of — loyalty

Especially in B2B marketing, loyalty programs need to go beyond traditional punch cards. That tactic may work for some B2C businesses, but the B2B buying process functions differently, with a longer buying cycle and fewer opportunities for customers to become repeat purchasers. Loyalty programs must take both of those factors into account.

**In B2B organizations, the success of loyalty programs hinges on your ability to collect a solid foundation of data about how satisfied your customers are with your products or services.**

Consider implementing a loyalty survey to gather that data. At my company, we conduct annual surveys to see how satisfied clients are with the services we provide. From the results, we can see which of our clients are most loyal and most willing to recommend us. With that data in place, we have a solid foundation upon which to strengthen relationships and improve the loyalty of current clients.

Unlike B2C, the best B2B loyalty programs emphasize service, not product discounts. Take BlueLine Rental, a construction materials rental company formerly known as Volvo Rents. The company crunched data to determine its top-spending customers. It set out “white glove service” rules specifically for those high-value customers. Under the new rules, customers could request service at any time, day or night — empowering them and proving BlueLine’s appreciation of their business.

At the same time, BlueLine set aside a portion of its marketing budget to provide extra service targeted toward those customers who were almost at the top, but not quite. The company empowered marketing and sales employees to take that money and provide an experience for their clients, trusting those employees to make the best call on how to use it. One sales professional, for example, brought his client freshly baked cookies and trail mix, while another held a barbecue for

a client’s employees. As a result of the program, the number of BlueLine’s high-value customers increased 150% within one year.

That kind of loyalty program allows marketers to bring emotion back into B2B, empowering high-value customers to stay loyal and encouraging beneficial interactions between salespeople and customers. As a result, stronger relationships are continually built and cultivated.

### **Grow your base through referrals**

The most loyal customers aren’t just valuable because of the money they spend themselves: They also help you reach new, high-quality leads through referrals. And when 84% of B2B decision-makers start off the buying process with a referral, getting new leads through your current clientele is essential to the health of your business. These customers are your best advocates, so reward them for spreading the word about your business and getting new contacts on board.

**A strong B2B referral program must be both personal and rewarding. Let your customers know that you value their insights and time spent connecting you with others by providing them with rewards that actually mean something to them.**

For example, ReadyTalk, a video conferencing provider, created a referral program that worked more like a social network. High-value customers could complete online “challenges” like discussing their experiences on social media and completing surveys in exchange for points. They could redeem these points for rewards and special service.

In the first four months, this referral program garnered 190 referrals for ReadyTalk, boosted its social media and blog presence, and identified 70 advocates willing to work as sales references for the company. Of the customers referred through the program, 33% became closed deals within 60 days. The company’s typical sales cycle is twice that long.

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**It’s clear that your current customers are a prime way to grow business, simplify the sales cycle, and endear others to your brand. Are you doing everything you can to understand your current customers and harness relationships to grow your business?**

*\*Net Promoter, Net Promoter Score, and NPS are trademarks of Satmetrix Systems Inc., Bain & Company Inc., and Fred Reichheld.*