

LOYALTY

REIMAGINING CHANNEL LOYALTY

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4 Minute Mile





PERFECTING THE IDEAL

CHANNEL LOYALTY PROGRAM

Dealer loyalty programs in general have been screaming for a revamp since a long time. Covid-19 just gave it that last push.



Covid 19 has changed our ecosystem. Our customers as well as our partners. It has changed preferences, loyalties, consumption patterns. It has changed definitions of wants, needs and aspirational. It has also made our partners subconsciously judge the companies they are working with on the humanitarian scale.

On one hand, business is tough and sales needs to push the dealer that much harder. On the other hand, now more than ever, close and humane engagement with our channel will determine the health of the relationship for the foreseeable future.

The complexity of the current environment presents a perfect opportunity for the Marketing Head to be the bridge between driving business goals while enabling deeper engagement with the channel. It's time to infuse energy and drive loyalty.

Here are my Seven Imperatives for a robust Covid proof dealer loyalty program.



Know your dealer - All over again

You have known your dealer for years. But are you aware of the transformation they have gone through due to Covid 19? What has worked for years may not work anymore because the dealer's value perception has changed. Reassess their sales, costs, profitability, financial health, family situations. Use this opportunity to forge deeper relationships with the star dealers. Take a fresh step with the non-performers and get them energized.

Reward behaviors - not just sales

The New Normal demands agility, flexibility, tech saviness and innovation from the dealer. The sale has gotten that much tougher. Incentivize behaviors that exhibit the all-important agility and adaptability from the dealer. If he has his basics right, sales will follow.



OPPORTUNITY

THE CURRENT ENVIRONMENT PRESENTS A PERFECT OPPORTUNITY FOR THE MARKETING HEAD TO BE THE BRIDGE BETWEEN DRIVING BUSINESS GOALS WHILE ENABLING DEEPER ENGAGEMENT WITH THE CHANNEL. IT'S TIME TO INFUSE ENERGY AND DRIVE LOYALTY.

Reimagining Channel Loyalty

Create an ecosystem

The loyalty program has the potential to be much more than just an incentive program. It can be a blueprint of the company's comprehensive engagement with the dealer. It should be able to incorporate various levels of interaction with the dealer and help him engage with the brand and its leaders. Collaboration between Marketing, sales and partner teams is a must for an effective Loyalty program.

Revamp Rewards

The loyalty program needs to reflect your understanding and appreciation of the dealer. One size does not fit all. Similarly one reward option cannot generate excitement amongst all types of dealers. Rewards should be dynamic. Rewards can be tweaked to focus on helping the dealer sell more. We have seen a shift of preferences from aspirational to building blocks to health based and skill-based products. From self-gratifying to supporting a cause. Collaborate with non-competitive brands to create partnerships that are available to the dealer through the loyalty program.

THE NEW AGE ECOSYSTEM PROGRAMS

These are the constructs that put 'loyalty' at the front and center. They focus on building engagement and closer ties with the dealer. Unlike their tradition Earn & Burn cousin, these programs incentivise behaviour as well as sales

Benefits

These programs are fresh and lend themselves to a lot of creativity.

They offer a multitude of touch-points & engagement opportunities.

Provide benefits right from the time of enrolment.

While it drives sales, these goals also reward behaviors and milestones.

These programs are highly personalised, sticky & friendly. They help create better traction towards the bigger goals. Inspire long term relationships

Limitations

Needs deeper planning

Needs cross functional engagement from the company



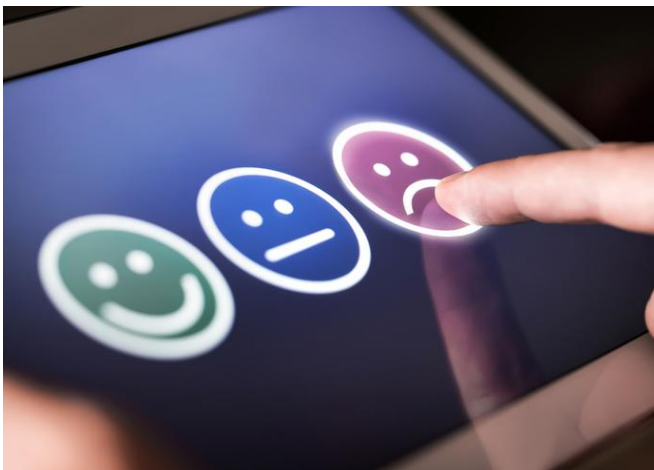
Better Never than Late

Crunch time to market. Gone are the days when we used to have 3 months to roll out a program. Most of our campaigns are rolling out in two to three weeks from the day of first conversation. Agility and speed are the the new mantra. They are also a reflection of the nimble footedness of the company.



Focus on Cost

Marketing money is scarce and loyalty is expensive. Create a program which has a nonlinear relationship between cost and benefit. This is possible by exploring the more modern ways of structuring rewards. The focus is more on overall benefit than just the rewards. This helps in creating a robust program where costs are significantly lower than the perceived value of the rewards of the program



Feedback and Tracking

Agility is often the missing but important ingredient of a Loyalty program. Since these programs are long term in nature, they should be reviewed and tweaked based on feedback from the stakeholder especially sales and the participants themselves.

IN SUMMARY

A recap of my seven imperatives

KNOW YOUR DEALER: ALL OVER AGAIN

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REWARD BEHAVIOURS: NOT JUST SALES

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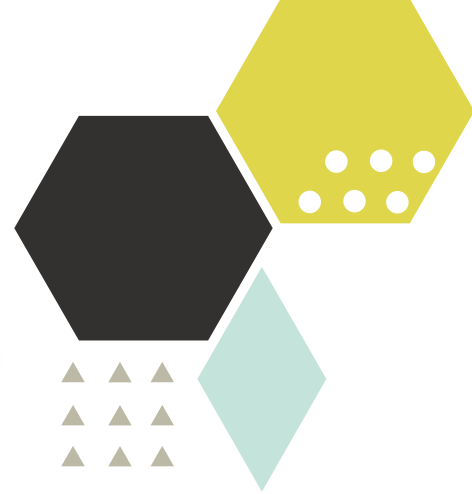
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FEEDBACK AND TRACKING

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ABOUT THE WRITER

A marketing leader who has worked for global companies like Xerox, Compaq, HP, CA & Broadcom, Sunanda was till recently Leading Enterprise Software Marketing for Asia Pacific & Japan. She has extensive experience in the Channel Loyalty space.

After 20 plus years of corporate life, she switched paths and joined 4 Minute Mile, a company her husband, Vinay Chak, started 8 years ago. 4MM is a highly innovative Marketing Agency that specializes in creating outstanding consumer promotions and new age Channel Loyalty programs. With clients across FMCG, Banking, Auto and Retail segments, 4MM is working with top brands like Kelloggs, Nestle, P&G, Maruti, SBI, Acer, Samsung etc.

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