

B2B: Loyalty: The Way to Success

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Card holders' producers can celebrate — the demand for their products is growing rapidly. Today it is difficult to find a person whose wallet is not full of at least a dozen different membership cards. I guess you are one of them. But the question is: are all the cards being used actively, or, in other words, do all loyalty programs work successfully? Let's look into it.

After first appearing in the 1920s, loyalty programs turned into the products we are familiar with only in the 70s, together with the development of computer technologies.

The loyalty program we offer to our clients — IHG rewards club — is the hotel industry's first

and largest loyalty program, which was launched in 1983; today it offers members the ability to earn points at more than 4,600 InterContinental Hotels worldwide.

Nowadays, the loyalty program is one of the essential sales tools which are used by all the market players in majority segments of business.

Let me clarify — we are not going to talk about a program which is based on a simple discount — this is, in my opinion, not a loyalty program, but the easiest way to lose your potential revenue.

A loyalty program is a set of actions oriented on making people love your brand and choose you over the competitors, making your clients buy more and even recommend you to others. But how can you make this dream alive?

1. Let's start with the program's implementation — I doubt that, by offering the customer to fill in a "short" survey, which consists of 20–30 questions, you will get him into your program. Also, by choosing the wrong time and place, spending a lot of time and giving all attention to one client, engaging him to join the program, you risk losing the others who have to wait their turn to be served. Another thing is that the people want to see the immediate effect of their commitment: for example, when joining the IHG rewards club, during the same stay the guest receives such benefits as: the possibility of late check out and daily newspapers to be delivered to the room.

2. Next point — using the program should not be complicated for the user; the information should be given in a timely manner and in an easy way. The benefit scale must be transparent and clear; ways of communication various, efficient and cost less — if it is a telephone number — it must be toll free.

Talking about our program, I can admit that it totally complies with all these requirements.

There are 3 bonus levels that can be reached by staying at the hotel for a certain number of nights (which equals IHG Reward points). After 14 nights, you change your status from Base to Gold, after 50 — to the Platinum. If you want to speed up this process, you can buy the points you need for the upgrade. By changing the status, you get more and more benefits:

- Priority Check-In™ for Gold and Platinum Elite members
- Complimentary Room Upgrades at Check-In (if available) for Platinum Elite members
- Guaranteed Room Availability (72 hours in advance) for Platinum Elite members
- Points that never expire, etc.

3. And last but not the least, to have a successful loyalty program you must have a list of well-known, reliable and attractive partners. Coming back to our program, as a member of IHG rewards, you will not only have the opportunity to collect miles for flights on over 400 airlines but also the ability to redeem points through our partners (car renting, merchandise, entertainment) and other programs like IHG® Rewards Club Shopping & Dining.

Of course, using all these tools will make your program successful, and all your competitors can follow you... but what makes you different and what is the most important thing is

the personalized approach to every customer. The discount alone won't make the customer loyal. The respect and the special treatment are the real keys to success. What do we do to reach this goal? Besides the standards we have to follow — knowing our loyal customers, greeting them by using their names, learning their habits and preferences — we just make them feel loved, because, at the end of the day the loyalty cannot be bought, it can only be earned.

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