

Maximizing channel engagement through effective channel loyalty rules

Mark Kreft
Senior Strategist
Customer Engagement Group
BIWORLDWIDE

Establishing loyalty among channel partners is critical to driving sustainable growth and achieving successful sales goals for many businesses. Channel loyalty programs serve as powerful tools to incentivize and reward partners for purchasing your products and engaging with your brand. However, the effectiveness of these programs relies on the clarity and framework of their rules. All programs have unique challenges, hurdles and nuances that need to be addressed when mapping out the path to channel loyalty, but this doesn't mean the route to rewarding channel partners has to be hard. Here are 8 best practices when structuring rules in a channel loyalty program.

1

Align rules with objectives

Before diving into the intricacies of a rule structure, it's essential to establish overarching business goals and objectives for your loyalty program. Whether your desired outcome is to increase sales, capture mindshare, gain data insights or enhance partner engagement, every program element should serve to further the foundational objectives.

2

Keep rules simple and focused

Complexity fosters confusion and can prevent partners from enrolling or actively participating in the program. Aim your focus on just a few core behaviors you want to drive while keeping the rules simple, straightforward and easy to understand. Can you clearly communicate how your program works in a few sentences? If not, it's likely your intended participants won't understand.

3

Define the earnings criteria

Outline the eligibility criteria and how to earn within the loyalty program in uncomplicated language. Whether based on sales volume, growth, engagement or other metrics, participants should have a clear understanding of what's required to qualify for rewards and incentives: do this, get that.

4

Make milestones achievable

Loyalty is not created; it's earned. Break down the journey to loyalty rewards into achievable milestones. Whether it's reaching sales targets, completing training modules or acquiring new customers, milestones should be realistic and attainable. It's the small victories that help motivate partners to progress through the program.



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5 **Capitalize on Idiosyncratic fit**

Use your data to create personalized milestones and customized offers to promote the feeling that the program is tailored to your partner's specific needs and goals. Structuring the rules to allow for personalization nurtures a sense of inclusion and relevancy.

6 **Offer tiered rewards**

Implement a tiered structure that offers escalating benefits or rewards as participants achieve higher levels of performance.

Establishing tiers is a way to segment your best channel partners and reward them differently (e.g., double points, bonus earnings, special offers, early access). Not only do tiers motivate participants to strive for improved performance, but they also provide a sense of prestige and exclusivity in the program. Diamond status anyone?

7 **Provide reward options**

The power of choice is a formidable instrument in the incentive toolbox. Offering your participants a multitude of reward options guarantees sustained interest and participation in your program. Cash and reloadable cards as rewards don't generally drive results and are often used for everyday expenses such as gas and groceries. Non-cash rewards are versatile and allow you to tailor your rewards strategy to meet the preferences and interests of a wide variety of participants. Aspirational items, exclusive experiences and luxury merchandise notably enhance the perceived value of the program. These types of memorable rewards contribute to long-term engagement and foster a positive emotional impact with your brand.

8 **Evaluate and evolve**

Your business isn't static, and your loyalty programs shouldn't be either. You should regularly evaluate the performance of your channel loyalty program. Leverage program data to determine what works well and what needs to be adjusted. The most successful loyalty programs are dynamic and evolve over time. Don't be afraid to try new approaches or promotions with your channel partners to meet an ever-evolving business landscape.

Utilizing best practices when structuring rules in channel loyalty programs paves the way to a remarkable user experience fueling maximum engagement and driving desired results.

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