

FOCUSING ON LOYALTY TO RE-ENGAGE CUSTOMERS AND DELIVER SALES GROWTH



Background

In October 2018 Reward Paths parent company Incentive Solutions Ltd (ISL) launched a new B2B Sales Growth and Customer Loyalty programme for Steel & Tube (S&T). The programme called 'No.8 Wire Customer Rewards' was initially targeting long tail/ small to medium customers, for S&T's Steel Distribution division. Based on its success, No.8 Wire has now been expanded throughout S&T's other businesses and customer groups. ISL deliver end to end programme management working in close partnership with S&T.

Objectives

- Increase sales and return positive ROI.
- Enable upsell and cross selling opportunities across the wider product range.
- Improve customer relationships and acknowledge the importance of their business.
- Collect and deliver usable customer data, insights and analytics to support improved customer engagement and growth.

Challenges

Prior to No.8 Wire's launch, S&T had a number of challenges which had impacted their results:

- Their market was becoming increasingly commoditised putting pressure on product and customer margins.
- They had recently implemented a new ERP system which had impacted service and delivery while it was being bedded in.
- Customer spending in the initial No.8 Wire target customer group was in decline.
- There was no centralised national CRM so customer contact data and insights were poor.
- S&T had also never previously used e-marketing communications to connect with their customers.

Year one results included

Revenue impact - Comparing customer's pre and post their enrolment in No.8 Wire:

- **At 6 months – 'Active' programme customers had delivered a 19% increase in purchases, outperforming non No.8 Wire customers groups by 7%.**
- **At 12 months - 'Active' programme customers had maintained a 14% increase in YOY purchases.**

Purchase targets – Growth Bonus Points are earned through a customer increasing their average monthly purchasing above a pre-defined, individually communicated and fairly substantial Growth Target:

- **At 6 months - 20% of programme customers had earned Growth Bonus Points.**
- **At 12 months - 28% of programme customers had earned Growth Bonus Points.**

Year two results included

Revenue impact - Comparison of all No.8 Wire customer sales against all non No.8 Wire customer sales for FY20 against FY19. These results included the significant negative impact COVID-19 made on sales in 2020.

- No.8 Wire member customers delivered more than 5% positive impact on sales against non No.8 Wire customers.
- Sales results alone provided S&T more than 2:1 return on No.8 Wire's investment (ROI).

Campaigns and promotions – Year two results included consistent monthly bonus points promotions on selected S&T categories and services.

- Over 65% of members earned promotional bonus points, providing a total 13% lift in sales against non-member sales for the same bonus categories.
- Targeted regional promotional campaigns delivered up to 48% increases in sales.

Margin impact – No.8 Wire customers have consistently returned a significantly higher average sales margin than non programme customers since its launch.

Customer data & Insights -Through Incentive Control (IC), the Reward Paths Loyalty Management Platform, S&T's Leadership, Sales, Marketing and Account Managers now have full No.8 Wire customer and programme data visibility. With access and reporting available 24/7.

- Reward Paths Data Insights team provide regular sales and customer Insights.
- S&T Account Managers leverage No.8 Wire information to support sales and customer relationships.

Communications impact – No.8 Wire is delivering excellent eDM results particularly given the industrial target audience who had never been emailed by S&T previously.

- Rewards promotions eDM's are achieving on average 57% open rate.
- Regular bonus point eDM's are achieving over 60% open rate and climbing.
- S&T are now able to consistently communicate with customers as never before, with full analytics.

HIGHLIGHTS



No.8 WIRE
Programme