



PLUMBING THE DEPTHS OF LOYALTY

HOW ONE PLUMBING SUPPLIER ACHIEVED A DOUBLE-DIGIT INCREASE IN MARKET SHARE

THE CHALLENGE

A plumbing supply company experiencing flat sales wanted to explore a customer loyalty strategy designed to motivate plumbers in the mid-tier market to shift more share to their operation. The company already operated a national volume discount program, so they wanted to develop benefits targeted at their small business customers.

In addition, the company's dealerships wanted to develop a strategy to keep their brand top of mind when the plumber required supplies for their contracts. Finally, the company wanted to cross market their other services to motivate trial.

THE SOLUTION

Enter Reward Paths. After a thorough examination of the company's business model and financials, we designed and launched a 6-month trial loyalty program constructed around specific, targeted goals for each individual plumbing company. We reviewed previous 12-month sales records and the product mix to develop achievement goals for each of the six months.

Each month, we reviewed company performance. The plumbers earned points if they met their goals, could accelerate their earnings if they exceeded those goals, and could redeem points for rewards customized to the plumbers' unique needs and aspirations.

THE RESULT

+10%
market increase share

The program generated an increase in market share of approximately 10 percent. On average, each plumber achieved their target goal three times during the six-month program. The tangibility of the compelling, relevant rewards available to plumbers through the reward program resulted in profitable behavior change. In addition, the added recognition the plumbers receive from their dealer representatives created a halo effect that resulted in the brand remaining top of mind.

LOYALTY PRO TIP: DUAL-PURPOSE REWARDS

Business-to-Business (B2B) loyalty and reward programmes that feature reward catalogs must walk a fine line between rewarding purchasers and influencers for their loyalty and avoiding the perception of "bribery" or conflict of interest.

To walk this line successfully, incorporate rewards that serve a clear business benefit as well as reward the purchaser. "Take a client to lunch" dining rewards, for example, allow the purchaser to enjoy a nice meal while using the reward to better a client relationship.
Everybody wins!