INTERNATIONAL
LOYALTY
AWARDS

B2B Specialist takes clients on a customer loyalty journey

A Loyalty Magazine interview with Melanie Parker

LOYALTY Q&A

Melanie Parker
Director

Stream Loyalty is a relative newcomer on the loyalty scene, but in the period since its inception, it has developed an impressive portfolio of mainly B2B clients and a great company philosophy. Founding director Melanie Parker talks to Loyalty Magazine about loyalty, sustainability, emotions and APIs.

Loyalty Magazine:
Can you explain the Stream proposition and what it adds to the customer loyalty conversation?

Melanie Parker:
Having worked with my co-founder Mark Maclure in the event communication space for several years, we saw the opportunity to use our experience to problem solve in the customer loyalty arena and so we decided to set up Stream Loyalty in 2009.

One of our first clients was Dentsply Sirona, a dental manufacturer whose route to market was via a wholesale channel, so they had little data on their end customers. We created a hybrid solution that saw them move from running a small tactical campaign with an event, into providing their end customers with the first loyalty programme of its kind in the UK dental market. We managed to achieve a return on investment for them in just 6 months.

LM: Do you continue to focus on the business to business space?

MP: We really enjoy the challenges of working in the B2B space. Businesses and their relationships with customers are often much more complex. There is usually a multi-tier account relationship, and sometimes the budget holder may not be the person interacting with the business day to day. There are often issues with data and getting a single view of the customer especially where companies have grown through acquisition. Often we find we are taking our clients on a digital transformation journey rather than just a customer loyalty journey.

LM: So, is a loyalty programme a useful way to connect with these difficult to reach customers?

MP: Very much so. A loyalty programme is often led by the marketing department, and it gives really clear data to measure the impact of any work, and track where customers are coming from.

> People think of loyalty as a points programme, but it is so much more than that. A successful loyalty programme must motivate a change in behaviours and reward customers for maintaining those changes. A purely transactional points programme often just rewards people for doing what they have always done. If you engage with customers emotionally as well as transactionally you can generate long term loyalty.

What have you found works well in the B2B space?

MP: The B2B customer is still a consumer in their personal life so a lot of the same engagement techniques and approaches can be used.

There is often a strong relationship in place between customers and account managers and keeping the personal experience within a digital environment is key to continuous engagement. Because of this we encourage companies to consider running an employee loyalty programme alongside the one for their customers. This has the added benefit that employees understand how the programme works, can communicate the benefits to customers and are part of the customer loyalty conversation from the start.

LM: What is Stream's main ambition?

MP: To be the number one loyalty software provider for B2B. Our LoyaltyStream software has been developed over the past six years and, most recently, we have created a modular version so that customers are able to test loyalty in their market without feeling they must commit to a long-term programme. We aim to take our clients on a loyalty maturity journey, and this often involves digital transformation first.

We have made it easy for B2B companies to start with a small campaign designed to test the concept of loyalty. As the business grows in confidence in loyalty, they can then configure multiple campaigns from our Keep, Grow and Win strategies, add in gamification, member-to-member networking and messaging, community engagement and education modules to name just a few. The admin platform provides a single view of the customer so that they can see the changes in behaviour in real time. In time, we can take the client to a much higher level of personalisation, using API integrations for data feeds.

LM: You are painting a fascinating picture of this loyalty journey. Is it always successful?

> There are always campaigns and programmes that are more successful than others. The key is to have clear goals for the programme, which you are able to measure, assess and then act on the data in hand. Not everything is going to work first time and it is vital that you are able to adjust and adapt quickly. Loyalty programmes must go through a continuous process of improvements to ensure they stay fresh, relevant and meaningful.

LM: You mentioned APIs. Explain the benefits to a B2B company?

MP: APIs provide data in real time. They make it possible to interrupt activity and change behaviours in real time. By working in the moment, you are rewarding current activity rather than actions that have already happened. To use the example of of using an online car configuration tool during the purchasing process, using the right emotive messaging at the right time, so the customer can visualise the benefits of the different features is going to have much more impact than providing them with an email later on telling them what they missed out on. If you are only getting data post activity, then how do you know whether you are motivating change or just rewarding an action the customer would have taken anyway.
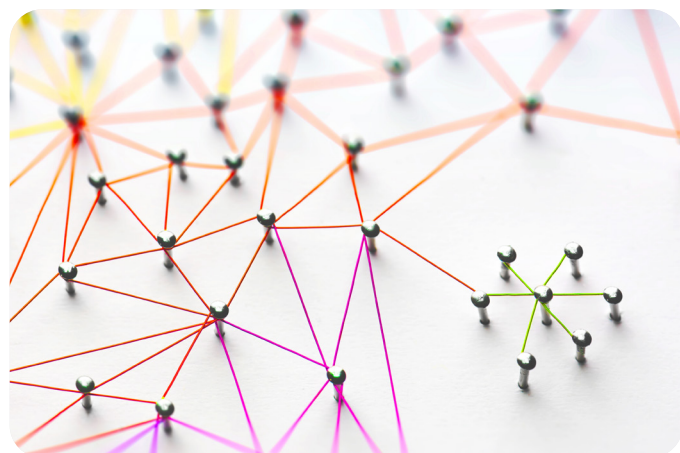
How big is Stream Loyalty?

MP: We are a core team of 15 people and growing. We have plans to recruit another three in the coming months. We have an in-house development team and a network of consultants who we can use within specific markets when necessary. We work all over the world, and 50% of our business is with companies outside of the UK.

LM: How is customer loyalty changing?

MP: It is increasingly about engagement and creating an emotional connection. For example, for one education sector client, we are running a loyalty programme with no reward currency at all. It is all about creating a community of members and encouraging the participation of parents, alumni and employees for the good of the community.

Sustainability is also high on the agenda both for clients and their end user customers. As a company, Stream Loyalty is working to achieve Net Zero by 2030 and we are very keen to promote environmental concerns as a really worthwhile destination for customers' loyalty rewards.

LM: You offer a wide range of rewards, what works best?

MP: The rewards that customers are choosing is definitely changing; charity donations are now the second biggest redemption, behind vouchers.

As part of our approach to sustainability we are providing visibility of the environmental credentials of rewards on all our platforms and will be watching to see what impact that has. We want to offer the end customer the ability to choose a sustainable reward, or to make a donation, or to carbon-offset their reward.

Our main goal with rewards is to get end customers redeeming, as increasing the number of redemptions drives customer growth. In our programmes we can achieve as much as six times growth with a customer who 'realises' the value in the programme. This really drives behaviour, and we see it time and again. Increased redemptions lead to more business whereas high breakage rates damage customer loyalty.

LM: In your experience, what is the biggest challenge you face when helping clients work through what you describe as the 'minefield of customer loyalty'?

MP: It always comes back to the data and getting the client to agree KPIs and what success they want to achieve. You would be amazed how many businesses don't know what they want to achieve.

It is very difficult to try to encourage change before you have an idea what behaviours are of value to you as a business. For example, a customer that has been referred has on average a 76% higher lifetime value. That is enormously powerful.

We use the mantra "Keep, Grow, Win" when implementing strategies for a client. Firstly, it is important to keep your core customers, the key accounts that likely provide 80% of your business. Secondly you want to grow your customers, grow their share of wallet, their willingness to refer, share and review and their interactions with the brand. Lastly, but of no less importance, loyalty is a great tool to inspire customer acquisition.

LM: So once you have persuaded a company to work out their KPIs, what happens next?

MP: We consider the regulatory and legal requirements in that market and then we seek to understand how they do business, which elements are working, and which aren't, what their competitors are doing and how best to communicate with their audience. Then we configure our software to suit their needs and set up the milestones to measure the success of the programme.

LM: Can we talk more about data? What is your approach to using data for customer understanding, and how has this developed over the past ten years?

MP: The way that we collect data has changed hugely since we started. For a start, we encourage clients to ask for less data upfront, and we are clear why we want the data. There must be a benefit to both the business and the customer for providing the data. To encourage engagement, you need a frictionless process for all aspects of the programme. We are all time poor so making something simple to understand and to engage with is going to increase the propensity of your customers to act.

Our LoyaltyStream software gives companies the ability to look at trends within the data, as well as view a snapshot of the health of the programme at any one time. By analysing this, they can see how the next campaign should be adapted to suit the audience. Customer loyalty has moved beyond the transactional to the emotional, with trust and shared values of foremost importance.

All of this is very hard to measure – without a loyalty programme.

LM: You run Lunch and Learn sessions to help people understand more about customer loyalty and how they can utilise the Stream Loyalty approach. Who are these aimed at?

MP: They are individually tailored – and free – sessions where we focus on the customer requirement and where they are on their loyalty journey. We send participants a questionnaire before the session, and then aim to increase understanding of what customer loyalty should look like and how they can achieve this.

LM: Stream Loyalty has chosen to sponsor the Eco-Loyalty category of the International Loyalty Awards this year. Why are you sponsoring and why this category?

MP: We have often entered the International Loyalty Awards and are really excited about partnering more closely with Loyalty Magazine to launch this year's awards. As we emerge stronger from the pandemic, not only will it be great to see people face-to-face, but we also get to be part of the customer loyalty conversation and the International Loyalty Awards is the place to be for everything that is new and exciting in loyalty.

In respect of the Eco-Loyalty category, it is going to be increasingly important for companies to demonstrate their environmental credentials beyond just words on a website. We are stepping up to show what our environmental credentials are in loyalty software and service, and we aim to help our clients to do the same. We can't wait to see who is shortlisted by the judges in this category.

About Stream

Stream are passionate about loyalty – we are the experts after all!

As a tech-enabled consultancy, we seek to understand your business challenges and your audience and work with you to craft a loyalty solution that delivers value. We are both consultants and implementers and use our extensive expertise and software capability to deliver proven, lasting results.

Loyalty is not 'one size fits all' and our team of commercial experts work to ensure that your loyalty strategy is right for you.

Whether you need to increase revenue, grow breadth of spend, or create a referrer programme, we have the experience to help sculpt the right solution. Our proprietary loyalty software- LoyaltyStream® helps to: retain customers, change buying behaviours, build brand loyalty and drive referrals.

Our LoyaltyStream® software is deployed globally, helping our clients to build trust that delivers brand loyalty and commercial rewards.

We guarantee to be able to help you Keep, Grow and Win customers for life.

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