

# B2B vs B2C: The differences in CRM and loyalty

 By [Karen De Lorenzo](#)

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At Truth, we are proud to have the opportunity to work on B2C (business to consumer) and B2B (business to business) CRM and loyalty strategies. We are often asked how to explain the differences, and what makes a loyalty programme work in the B2B environment. So here are some thoughts, I'd like to share with you.

## 1. The relationship

B2C is mostly product driven; it's about matching consumers' wants to the benefits of your product features. B2B is relationship driven; how well you get on with your sales representative, how well he/she understands your business and how you operate.

## 2. The buying process

In the B2B world, the buying process and the buying cycle is usually long and involves multiple approvals. In B2C, it's a much faster decision making process. B2C can even be impulse-led and most often involves only one person.

## 3. The brand

The brand plays a very different role in each sector. For B2C, a strong brand can encourage the consumer to buy, remain loyal and potentially pay a higher price. In B2B, it usually helps to be considered, but not necessarily to be chosen.

## 4. The marketing toolkit

In B2B, a lot of attention is spent on awareness building and educational understanding of the products/services on offer.

In B2C, its focus is on getting the product sampled and in the right place at the right time, so budgets are more likely spent on merchandising and point of purchase activity.

## 5. An emotional vs rational purchasing decision

B2B purchasing is usually far more rational than B2C, which is generally more emotional. B2B is more considered around saving money, increasing profitability and productivity. B2C has been said to be up to 70% driven by emotional behaviours, where desire, style and prestige are far more considered.

## 6. The target audience

The B2B market has a much smaller target market, where B2C works to attract a larger target audience.

## 7. Effective measurement of a programme

In B2B loyalty programmes, it is generally harder to switch supplier; costs are usually much higher and far more complex than in the B2C world. Therefore in the world of B2B, we look to change behaviours for the best benefit as

we do in B2C, but ultimately the best measure is the 'attitude' over the 'behaviour' of your customers.

### **What to focus on in B2B loyalty**

For a B2B loyalty programme to succeed, it is essential that companies capture, share and segment customer data, throughout multiple functions and departments within the organisation. The data should reveal customer end goals, as opposed to only their immediate goals. Far too often they have a short-term tactical focus and don't support the customer through their long term goals.

The data captured and the insight extracted should be used to go beyond simply matching products/services to current customer needs. It needs to provide real added-value and support things like educating customers about what others in their industry are doing.

Ultimately, to engage and retain its customers further, it must empower customer advocates. You should empower your advocate customers with the right knowledge and tools that they need to effectively promote your differentiated value proposition, to key decision makers within their own organisation.

### **ABOUT KAREN DE LORENZO**

Karen De Lorenzo is the customer loyalty and engagement consultant at Truth, she helps clients to get closer to understanding their customers, and develops strategies to maximise the relationship. She has over 12 years' experience working in CRM and Direct Marketing, gained across a mix of industries including: publishing, media, mobile, retail, entertainment, and automotive. Contact details: email [Karen@truth.co.za](mailto:Karen@truth.co.za)  
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