



Share of wallet has become a hot topic due to the turbulence in markets within Australia and New Zealand over the last few years. Between COVID, inflation, staff shortages, and supply chain issues, finding a business that hasn't encountered any business challenges would be hard. There have been various focuses on the present internally and externally, let alone the concept of moving forward.

Regardless of the challenges, it is a certainty that business customers will continue to spend, regardless of market conditions or changes in purchasing behaviour, as products in the B2B sphere generally find a niche in solving business pain points. However, what is your business doing to ensure that these customers will keep spending with you?

It's important for your organisation to have a plan for what they'll do to remain competitive in an increasingly volatile market, especially when your competitors will be keeping this in mind as well. While there are ways to create interest, you don't want to leave your success up to chance.

While the challenges facing business owners will vary from industry to industry, we've chosen a few key strategies to increase your share of wallet with your customers using this design pillar.

Share of Wallet: Creating a Pathway to Gains

The first thing to consider is that your company is not facing these problems alone. Widespread economic factors affect most, if not all businesses. This may feel negative, but your organisation can turn this into a positive by finding ways to sympathise with your channel partners and work together to solve these pain points.

Targeting the right behaviours and solving business pains are the most effective measures of successful [customer loyalty programs](#) or [sales incentive](#) programs.

So, with these factors in mind, your new challenge is to find ways to create new pathways or refresh old ones considering changing market conditions, supply chains and economic and labour factors to increase your share of wallet.

In order to have your business ensure that more sales can be acquire, without the need for heavy discounting, you'll need to focus in on a strategic program pillar known as share of wallet. Share of wallet is the amount that an average customer regularly spends with your organisation, rather than your competitors in the same industry.

Share of wallet is an incredibly important consideration in all our [incentive marketing](#) program designs as it is a familiar concept, regardless of their industry. This feature and the initiatives built around it can assist your business to make the most of every customer opportunity.

Share of wallet design focuses on two areas of customer relationships:

-

Understanding and recognising your current customers' spend through incentives and reward

-

Recognising the shift of their spend from your competitors to reward them even further.

Completion, Integration, Accomplishment

It is integral for the design of a B2B incentive program to shift customer spending and build relationships. The most effective way to do this is to provide a purpose built rewards and benefits that speak directly to your target audience and sales channel.

The challenge presented in delivering this is that there are many distractors, offers and discounts across most markets. Your organisation will need to get the balance right within your program, something that stands true even if you're not seeking new customers and instead only looking for a way to gain incremental sales for a current customer or connect with customers who may have drifted away.

Growing your share of wallet generally leads to an increase in customer loyalty – depending on your long-term approach to your [customer loyalty program](#) . Your customers may be happy with your brand but may prefer doing business with your competitor more. Understanding your industry's share of wallet provides you a more accurate picture of the way your audience perceives your brand, which will in turn present opportunities to increase your share of wallet by integrating more competitive offers.

Success, Action, Determination

Depending on what your brand is looking to do, there are various elements of design that can lead to an increase in share of wallet within your B2B loyalty program. It's not just about rewarding a single transaction, but instead about influencing a change in behaviour that will benefit both the purchaser and their business, which will also incentivise additional loyalty.

Your program should present a mix of both soft rewards (e.g. a sense of community, special treatment, recognition and appreciation) as well as higher tier service levels and customisations. By presenting a selection bespoke to your target audience, this will increase the loyalty program's attractiveness to the expected spectrum of customers. These tactics will contrast against the perceived costs of switching at the point of purchase, further enhancing the share of wallet.

Providing choice to your customers on their rewards is also beneficial to account for individual preferences and maximise customer utility from the rewards offered. The wider a range of customers you can attract, the more likely you are to increase your share of wallet. It is important not to spread your net too wide though, as it can appear as though your brand may lack confidence or understanding of the desired targets.

A strategic share of wallet program ensures that the person selling your product pushes it further than your competitor's product. If your incentive is enticing enough, your salesperson will favour your product over competitors when they're speaking to a customer who's looking within your industry.

You will need to create a specific communication strategy focused in on your motivators to shift the share of wallet spend to ensure success for your incentive and rewards program. By providing recognition and demonstrating how their movements achieve rewards, your communications will instill positive reinforcement to your customers that connect with purchasing from your brand. This allows them to also target new or more influential and aspirational offers.

The importance of a strategic plan that is unique to your business objectives and based on your business insights cannot be understated. It must outline:

-

how your share of wallet engagement elements will look

-

what your key program metrics will be (to ensure it kicks goals!)

-

how you will measure the results.

Don't Leave Program Design To Chance!

It would be foolish to expect 100% of customers to spend with you, but having share of wallet as a key measure of your customer loyalty and incentive program will give you options to create bespoke offers, reinvigorate customers you may have lost, and nudge newer customers towards your brand through the additional value that purchasing with you can provide.

Inflation is causing increased competition within markets, so having an additional demonstration of value based on more than just price, which shifts share of wallet spend to your business, could help your organisation through this turbulent time.

As shown, there are more than a single way to measure your share of wallet. So, our question to you – have you taken measures to create pathways for a successful partner relationship?