

# Enhance the Channel Partner Experience With a Frictionless Claims Process

Proven Advice for Building the Best Claims-Based Contractor Loyalty Program

**Loyalty programs that reward dealers, reps and customers can multiply their lifetime value.** But a clunky claims process with unclear terms, delayed processing and failed communications will stop any chance of capitalizing on these core relationships.

Considering how ease of use and engagement increase contractor participation, organizations that build a frictionless partner experience will prevent frustrations, lower complaints, reduce administrative burden, build long-term loyalty and unlock the full potential of a claims-based contractor loyalty program.

A claims-based loyalty program that reduces complexity is essential to stay ahead of the competition. But any process can come with its own challenges. To create a seamless experience, organizations must be prepared to address how:

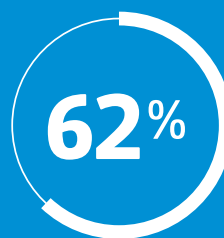
- > Claims process management can stress administrative teams.
- > Bad technology can burden your channel.
- > Programs can be costly to run, especially if there's no oversight around optimizing the investment.

You can save your organization from any downside of managing claims at scale with smart integrations and automations, all while building excitement for your products among dealers, reps, contractors and customers, putting your brand among the best.

Growing (or launching) a high-performing claims-based contractor loyalty program is within reach. **Read on to discover just what it takes.**



**Requiring multi-step claims can lower contractor enrollment, engagement and participation by as much as 40%, according to our clients' experiences.**



Contractors enrolled in a manufacturer loyalty program spent 62% of their product category budget with the brands that rewarded their purchases.

—PRINCIPIA CONSULTING

# Create a Simple Partner Experience

As pressure to keep up with competitors grows, building connections with the people who purchase and promote your products is more important than ever. Creating a positive partner experience means paying attention to their entire journey, not just tracing a transaction.

## Eliminate Paperwork & Personalize the Portal

Brands that strive to simplify their processes show they value their partners' time and energy.

**Partner experience is based on the sum of every interaction the partner has with the supplier and how the partner perceives and values these interactions.**

The overall perception drives partner retention, loyalty, advocacy and growth. Channel partners consider five essential pillars that define their experience:



### Product & Profit

What is the value and profitability of the product?



### People & Alignment

How competent and collaborative is your organization?



### Programs & Tools

What deliverables do you offer to help partners grow?



### Processes & Technology

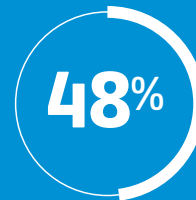
How easy is it to do business using your systems?



### Promotion & Engagement

Are promotions and messaging timely and relevant?

In this white paper, we'll focus on the last two pillars of processes/technology and promotion/engagement because sales and marketing teams tend to have the greatest influence over those two elements. Streamlining the program interface and how you're capturing claims data (processes/technology) can transform the partner experience with a claims-based loyalty program (promotion/engagement).



48% of global senior B2B marketing decision-makers reported that improving the experience of their ecosystem partners would be an area of focus to support their organization's business strategy over the next two years.

—FORRESTER'S 2021 GLOBAL MARKETING SURVEY

## Streamline Processes & Technology

Loyalty program processes and technology should prioritize a user-friendly experience. When brands map out participant touchpoints during the design process and explore how audiences will experience each aspect, possible pain points become obvious.

Take these steps to begin the journey-mapping process.

1. Take account of all possible partner touchpoints (partner program and portal, pre- and post-sales support).
2. Track the experience of each type of partner stakeholder (sales lead, technical lead, marketing lead, administrative assistant who submits claims on behalf of others).
3. Evaluate what's working at each stage in the journey.

### Follow Claims Management Best Practices

Most claims-based loyalty programs require two primary steps from the participant:

- |   |  |   |  |
|---|--|---|--|
|  | <b>Report the eligible sale, purchase and activity</b> |  | <b>Submit evidence, such as a receipt, invoice and proof of purchase</b> |
|---|--|---|--|

Manual redemption processes often overcomplicate the two steps. If partners feel like they need to jump through too many hoops to benefit, they'll abandon any attempt. Partner-centric organizations should consider ways to make their claims process as convenient as possible.

**Don't settle for inflexible templated claim forms based on open fields of data input. Smart online forms or uploads should guide the participant through the claims process.**

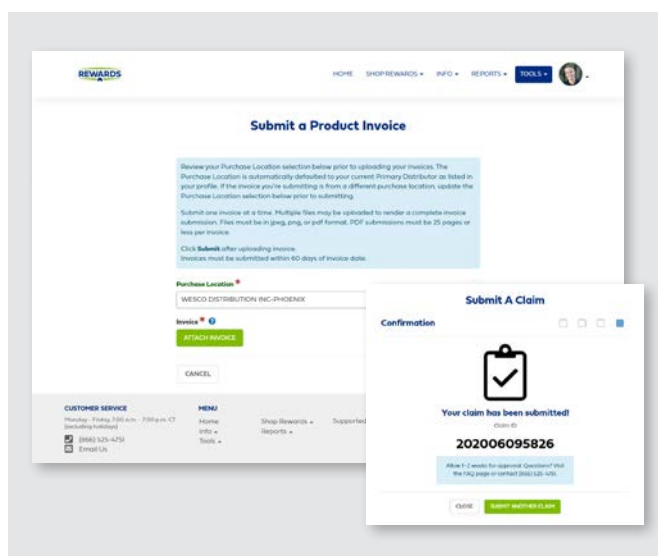
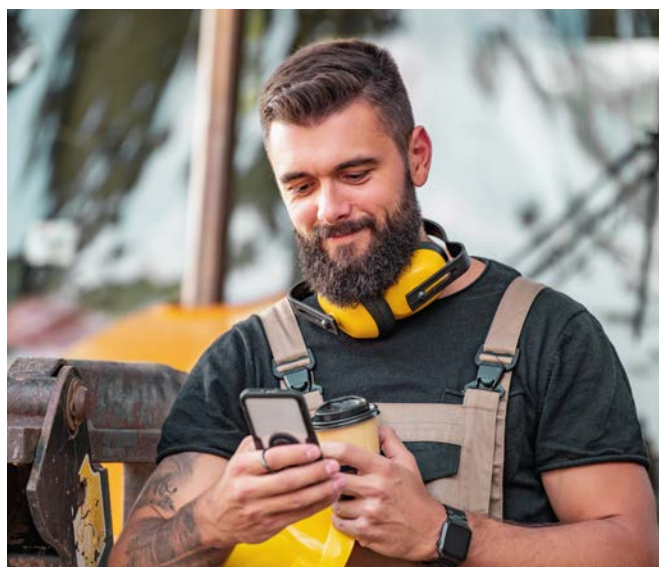
- > Autofill as much participant information as possible.
- > Break the collection into distinct pieces instead of one continuous form.
- > Use auto-complete fields for previously or commonly submitted information.
- > Employ hierarchal steps to limit the length of drop-down lists.
- > Leverage in-form logic to provide immediate feedback on invalid/ineligible information.

A growing number of programs let participants submit their proof of purchase without completing any online claim form fields, which requires a higher level of back-end effort to turn those receipts into actionable transactions. But the payoff can be exceptional.

Take an informed approach to develop the best user experience. Work hard to limit any administrative work required to participate in the program. Whenever possible, look for opportunities to coordinate with the suppliers so the proof of purchase comes directly from the sources managing the participant transactions up-channel.

## Deliver Customized Tools

Whether it's a contractor's first purchase or 500<sup>th</sup>, **personalized engagement** is all about meeting them on their journey. A portal plays an important role in communicating relevant information, tracking progress toward goals and offering tools that contractors can use to boost their business. The best programs build portals that address the desire for a tailored experience.



More than 75% of channel partner owners, reps and team members said personalization would increase their sales or influence of a vendor's products and services. Yet only 28% customize their partner portals by partner demographic.

—FORRESTER B2B BENCHMARK METRICS DATA STUDY, COMMISSIONED ON BEHALF OF ITA GROUP

**One of the best first actions to create a more usable portal is to combine elements from various portals into an engagement hub via single sign-on.** Smart integrations that enable the channel to submit rebates on behalf of customers are also compelling. Offering KPI widgets, next best actions and creating feedback loops (like pulse surveys) turns your loyalty program portal into a true engagement hub. This is also a great opportunity to combine multiple product lines and brands into a single earning platform, creating better usage and reporting for your channel and administrators.

After refreshing and updating program portals, you should expect an uptick in engagement and business. One leading manufacturer client has seen a **26% increase in sales and 34% increase in units** after a program overhaul created a user-friendly and flexible platform.

## Engagement Hub Example

**Allow Participants To Easily Track Progress & Success**

**Provide Program Information to All Audiences**

**Communicate Timely & Important Messages**

**Promote Ongoing Engagement Through Game Play**

## Enable User-Friendly Submissions

Consider your ability to accept invoice data from anywhere. Claims collection methods should always meet partners where they are:



**Direct feed from distributors and wholesalers**



**Photo uploads**



**Manual submissions (mailed)**



**Bulk uploads**



**Integrations to your E-commerce tools and ERP or product management systems**



## Data Capture Strategies

Claims programs collect valuable sell-out data that manufacturers don't normally receive. When you distribute through multiple levels of a channel, well-crafted claims programs enable you to see what end customers are buying.

Make sure data is actionable and the organization plans to use it. Here are eight ways claims data can illuminate actionable opportunities.

1. Understand who your best dealers are (so you can reward them!).
2. Drill down on where you may need to focus to grow sales.
3. Compare sell-out claim data with sell-in data to understand supply needs.
4. Make product decisions based on sell-out volume.
5. Identify items commonly sold together to build bundle offers.
6. Monetize the data by targeting contractors with room to grow or offering end-customer gifts.
7. Grow the relationship between your field reps and the independent channel.
8. Know where there are gaps in your sellers based on what they aren't buying/selling.

Collecting more data on the sale than what is specifically needed to pay the claim can seem strategic. But some information can clutter your CRM and get in the way of effective program management. Too many organizations over-harvest intel as part of their incentive program.

---

**The desire for data collection should never overtake the ease of use or jeopardize participant engagement.**

---

Consider bonus opportunities for those who provide extra information versus requiring the fields. It's helpful to know what other product types were sold with this transaction, what percent of the total sale the eligible incentive products represented and what detailed end-customer information you can gather.

Leverage services of third parties to dig into the data and determine which strategy shifts will advance company goals.

## Protect Program Integrity

Claims-based loyalty program integrity is important for fostering trust between stakeholders and participants. Programs without checks and balances risk exploitation by those who aim to game the system. Payments for invalid activity put a financial strain on the program. And witnessing fraud by peers can render awards meaningless to participants who act within the established guidelines. But burdensome validation processes keep the program from reaching its maximum potential.

The best program designers resist the temptation to create barriers when establishing accountability. Reviewing risk tolerance relative to administrative cost ratio requires reflection.

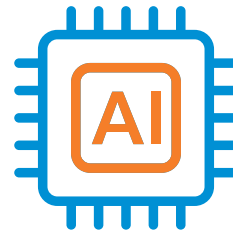
---

### **Ask: What warrants the cost and payment delay caused by a process that requires claims be reviewed?**

---

If there's only a moderate risk of a small percent of claims paid out in error based on mistaken user inputs, comprehensive validation management can hold the rest of the program back. Consider what can be a barrier to participation and potentially lower your overall engagement. Lean into automation where possible.

Leverage technology to detect suspicious activity and monitor for potential fraud—or human error. Algorithms can “sniff out” anomalies and hold those transactions in queue for further review. They might flag claims that have high-dollar values, or alert administrators to audit an account when claim volume reaches a defined “suspicious” threshold.



### **AI/Machine Learning Increases Claim Submission Accuracy**

Avoid overpayments and fraud attempts by validating 100% of your submissions (affordably) through AI-driven data capture. Artificial intelligence enables machines to simulate human thinking and behavior. Set customized business rules to filter claims. Machine learning uses past data to act without explicit programming.

Duplicate checking across submission types, introducing human interventions for abnormal activity the machine flags as questionable.



## Design for Automation

Imagine a claims-based loyalty program that is:

- ✓ **Free from participant claim forms**
- ✓ **Automatically and effectively flags fraud risks**
- ✓ **Eliminates most manual processing**
- ✓ **Saves money and time**

Rapid technological transformations mean this ideal state is within reach. A completely automated claim system can take an invoice image and capture its data, process valid and eligible information from the image, and store other meta data from the invoice that could be used for further market-basket analysis.

Today, machine learning and AI can be used to automate data entry, validation and approval tasks. This can significantly speed up the overall process, leading to improved partner satisfaction. Savvy manufacturers seek out a loyalty program provider with comprehensive expertise to stand up automated systems that fully integrate across all elements of the claims program.

If you're piecemealing claims management, consider consolidating vendors to lower administrative burdens for things like:

- > Claims management (submission, validation and processing)
- > Claims award fulfillment (cash, gift cards, points, merchandise and travel)
- > Claims portal and engagement platform
- > Program communication
- > Data analysis
- > Customer service

Unified support reduces the cost to serve and allows for a more consistent participant experience. But automating processes shouldn't be confused with a "set-it-and-forget-it" strategy. Relieving your team from the more tedious tasks of claims management opens opportunities to better optimize your entire loyalty program.

## Increase Promotion & Engagement

An airtight communications strategy allows your brand message to break through and define your partner relationships. Yet planning for effective communication is often the most overlooked piece of the loyalty program puzzle. Excellent B2B2C loyalty program benefits and a frictionless portal will not be successful if contractors don't know why or how to participate.

---

**We highly recommend working with a creative agency to map touchpoints, and ensure the tone and delivery method resonates with stakeholders at every step.**

---

### Enroll Participants & Sustain Participation

Spend time thinking about your unique audiences, the best ways to reach them, how they work and what they value. Contractors and reps are rarely at a desk. They're on job sites, securing supplies or meeting with clients. A traditional email marketing campaign is less likely to reach them. Consider SMS messaging and direct mail so they'll have quick, easy access from anywhere.

Enroll your dealers, reps and customers with a hard-to-ignore value proposition. If contractors take an extra step to sign up for a loyalty program, they need to know what's in it for them. Grab your audience's attention by communicating program benefits before they log into the platform. A strong introductory offer will convince them participating is worth their effort.

### Key Elements of an Effective Communication Strategy for Loyalty Programs

- > Give the program its own recognizable identity distinctly tied to your brand
- > Understand who to target with enrollment opportunities and how to convey the benefits of participating
- > Develop consistent touchpoints to give key updates for continued engagement
- > Know who to target with the program then invite them to participate in the next step(s)
- > Share why they should join and what they will earn, setting their thresholds accordingly
- > Provide ongoing communications about goal progress and new earning opportunities



Sign-up opportunities can be woven into on-site promotions by including a QR code on point-of-purchase displays, product packaging or coupons you can share with distributors. Promote at trade shows and/or partner with the sales team to encourage customers to register with your platform and incorporate call to actions on your website and social channels to advertise the program.

An initial incentive target audiences can't pass up will draw them in and deliver a positive ROI. Similarly, strategic follow-up communications through the loyalty platform encourage repeat purchases and help build loyalty. For example, promoting a \$75 bonus after a first purchase and double points during the first 60 days offers immediate benefits and a reason to purchase again soon, encouraging a new habit and submissions to be part of their day-to-day.

### **Sometimes contractors need a nudge to take advantage of your loyalty program benefits.**

- > *Has it been 60 days since you've seen a purchase from your contractor?* Send a text promotion to activate a personalized offer.
- > *Is a participant close to hitting the next threshold?* Encourage them with a message that outlines the additional benefits and next steps needed to unlock them.
- > *Notice lagging engagement?* Introduce gamification to boost participation. Tap into contractors' competitive side and push desired behaviors using fun, psychologically motivating features. Badging, tiers, and relevant rewards encourage participants to earn more.

### **Communication Elements to Help Your New Program Stand Out**

- > **Celebrate the launch.**  
Approach announcing the program as you would a marketing campaign. Mail launch kits with swag and QR codes to the site.
- > **Customize the experience.**  
Users receive different dashboard views and custom promotions based on audience or role type.
- > **Keep it current.**  
Your channel partners should always know how they can earn and what opportunities are available to their customers.
- > **Arm participants with tools to succeed.**  
A step-by-step program training/ user guide can also reduce the amount of hands-on customer support needed.

## Align Motivation & Awards With Audience Values

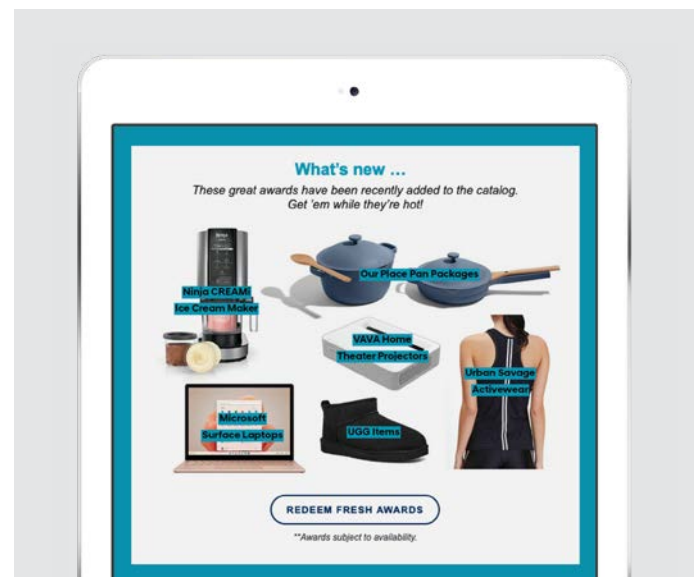
Audience motivations vary. Claims-based loyalty programs should empower participants to choose their awards based on personal preference.

Using points allows program-enrolled contractors to self-select the award they desire most, building positive brand associations and channel loyalty. Ensure awards are provided in a timely manner to tie the desired behavior with the return. In fact, numerous studies indicate self-selected awards have higher perceived value.

Rewarding loyalty with branded swag might be a common practice, but while a free T-shirt and hard hat sticker might get contractors to enroll in the program and promote your brand on the job site, it takes experiential offerings to keep them engaged and actively participating.

- > Tools and accessories to fuel their business
- > Trips that celebrate their hard work
- > Merchandise from brands they favor
- > Co-branded marketing materials
- > Avenues for sharing customer leads with contractors
- > Integrations between the learning management system (LMS) and channel partner incentive platform to turn trainings into earning opportunities (offer information on relevant business topics, such as quoting projects, building up a digital presence or leveling up Google reviews)

Programs that include resources for personal and professional development among award offerings support a long-term-relationship mindset focused on loyalty.



# Prioritize Partner Experience Enhancements

A smooth claims process is essential for developing and maintaining loyalty with dealers, reps and customers. Investing in improvements can prevent the unresolved claims issues that strain supplier/partner relationships.

## Review Your Program for Friction Potential

Unclear terms, delayed processing and failed communications create friction that can lead to finger-pointing. Prioritizing partner experience positions brands as the go-to manufacturer for an audience with plenty of options.

### Partner-Experience Improvements to Transform Claims-Based Loyalty Programs

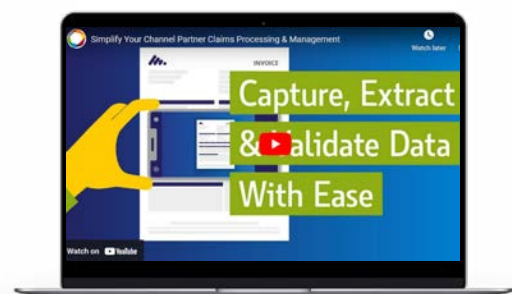
- > Streamline processes
- > Update systems
- > Integrate technologies
- > Develop personalized and relevant content
- > Curate resources
- > Enhance incentives
- > Deliver tools to promote customer satisfaction
- > Elevate program awareness through strong communications

Building the best claims-based loyalty program is about more than slick invoice validation software (although that's certainly a key component!). Offer dealers, reps, contractors and customers a seamless experience and communicate valuable awards that encourage them to return repeatedly.

Curious how a customized claims solution **can enhance your partner experience?**

**Request a demo.** Create an effortless submission experience that significantly lowers program administration costs and wins lasting loyalty.

### Watch How It Works



Automated processes simplify the claims process for customers and administrators.

Let's Talk—[itagroup.com](https://itagroup.com)



© 2023 ITA Group and/or its affiliates. All rights reserved.