

WHAT IS CHANNEL MARKETING



INTRODUCTION

Whether you are new to channel marketing or you're an experienced practitioner, there's always something new to learn due to changing markets. The way people make buying decisions has changed since they now have better access to information.

According to CEB, "57% of the purchase decision is complete before a customer even calls a supplier". Use of marketing presents the best opportunity to impact the 57% of the decision making that takes place before initial contact with the vendor.

As channel marketing professionals, we recognize the impact of this change in the market and continue to develop innovative programs for attracting the attention of buyers through our channel partners.

But it's not easy - it never has been and likely never will be. Many of your partners do not have full-time marketing resources, so they have to make choices between their day job and marketing tasks. The partners who have marketers are already stretched thin. Your partners don't have the resources, knowledge, and experience that you have. Your partners need help! This is where a channel marketer has the potential to be the hero!

But let's get a better understanding of channel marketing before we order our hero capes! Read on, and enjoy!

Mike Moore

VP, Channel Strategy at Averetek



"Putting together marketing programs and enabling channel partners is the single most effective thing that you can do to grow your business."

— *Meaghan Sullivan, Vice President Global Channel Marketing at SAP*

TABLE OF CONTENTS



What is Channel Marketing 4



To-Partner Marketing 6



With-Partner Marketing 7



Through-Partner Marketing 8



For-Partner Marketing 9



Conclusion 10



WHAT IS CHANNEL MARKETING

THE BASICS

Channel marketing is a specialization within the overall discipline of marketing, focused on communicating value to, with, through, and for channel partners.

Channel partners are companies outside of your organization. They might be distributors, resellers, agents, alliance partners, or many other types of third-party companies. Understand that each of these companies deal with the same types of problems every other business faces: not enough time, people, or money to solve all the problems that are in front of them. As a channel marketer you are in a unique position to help them.

Many organizations engage channel partners as a route to market, for addressing a need, or an opportunity they cannot satisfy alone.

For example, if you don't have the resources to manage dozens or hundreds of resellers directly, you can choose to establish a distribution partner. You can pay for the service they provide, typically by sharing the margin you would have kept for yourself in a direct sales model. The distributor can help make up for the expense, with the growth and scale they offer.

Just because someone agrees to be your partner, it doesn't mean they're going to proactively bring your product or service to the market. Sometimes they need some stimulation and that's where channel marketing can help.



HOW DOES IT WORK?

Channel marketing is focused on communicating the value of your products and services to, with, through and for channel partners. Therefore, it's important to consider the value you offer in the context of this audience.

No matter what product or service your company offers, when it comes to your channel partners, you must ask and answer two very important questions: What's in it for them, and why should they care? In other words, of all the vendors out there whose products they could sell, (many of whom could be your competitors) why should they pick you?

Your channel partners might not know what's in it for them or why they should care. Having the answer to these questions can shape your approach to channel marketing.

So what is this *to, with, through and for* business? Well, it's the most important part of your channel marketing plan! Understanding the various ways to support your partners is the key to identifying your channel marketing needs and setting priorities. We'll dig deeper into the four ways to approach your channel in the following chapters, including what the metrics are for each approach.



TO-PARTNER MARKETING

To-partner marketing is largely about answering the questions mentioned previously – “What’s in it for me, and why should I care?”

Your channel partners, like most businesses, are primarily motivated by money. Your answers to these questions should have a financial component to the response. Each time you launch a new product, or service, or launch a campaign you want them to support, you can include a *to-partner* set of messages in your plans. This is for explaining to your partners why they should care, and how they can benefit financially.

Your to-partner marketing messages can take the form of *partner training*, *partner enablement*, or *partner readiness content*. We’re using these three terms since channel organizations use all of these terms. They essentially all mean the same thing.

You should take the time to clearly explain the value to your partners and follow that explanation with a call to action (CTA), just like you do in your direct marketing efforts. In your to-partner campaigns, it’s very common to have a packaged campaign as your CTA. Your partners can take this and customize it to use with their customers and prospects. This extends the value to them, and drives new business to their front door.

Tracking the results of your to-partner marketing effort is critical, and the best measurement for this is in the form of reach (e.g. number of partners trained/reached). Revenue metrics are important as well, but not as important for this stage since you’re mostly concerned with awareness-building.



WITH-PARTNER MARKETING

You've already shared your value with your partners in your to-partner marketing efforts. Now they know what's in it for them and why they should care. In some cases, your CTA will be a *with-partner* initiative – a joint-marketing initiative you'll utilize with one or more of your partners.

You might select with-partner marketing campaigns and activities in the following situations:

- When you want to lend the power of your brand to help attract interest for your partner.
- When you're presenting a joint solution to customers, like your product in addition to their service offering. The audience will likely be more interested in hearing about a complete offering from you and your partner at the same time.
- When you want to hold a local product launch you can present the event, and have more than one partner drive demand for the event.

With-partner marketing activities are often reserved for top-tier partners since there's typically a limit to how many partners you can go-to-market with, due to time or resource limitations.

Metrics for with-partner marketing will likely be the same as your direct marketing metrics – leads, marketing-qualified leads, sales-qualified leads, opportunities, pipeline, and closed-won revenue.



THROUGH-PARTNER MARKETING

Enabling and equipping your partners to take your message to market is known as through-partner marketing. *Through-partner marketing* is often used when the partner is capable and ready to communicate the value of your solution to their customers and prospects.

In many through-partner marketing scenarios, the partner has some value-added message or offering that complements your message. Allowing for customization of your campaign materials, so partners can easily include their value-added message (e.g. what makes them different from their competitors), is key to through-partner marketing. Without easy customization, partners will either send the wrong message to the market or they won't go to market with you at all.

The "in-a-box" concept for through-partner marketing campaigns has been around for many years. Put together a kit with the to-partner value message, some through-partner materials ready to customize, and the partner will do the rest (e.g. seminars, webinars).

Measurement of your through-partner marketing efforts will be a combination of the metrics from your to-partner and with-partner activities. You'll be able to measure your reach – how many partners are participating in the campaign, as well as the impact of each partner as measured by their leads, marketing-qualified leads, sales-qualified leads, opportunities, pipeline, and closed-won revenue.



FOR-PARTNER MARKETING

For-partner marketing, where you as the vendor drive demand in order to produce leads for your partners, is by far the most popular approach with channel partners. And it's easy to understand why. You do all of the work to generate interest and the partners handles the follow-up.

Many companies invest in this type of activity because it's often easier to generate leads as the vendor. You have brand awareness, the expertise in communicating the value message to the market, and the ability to collect the responses to an offer (usually through a form on your web site). Your partners might not have all of these capabilities.

This approach is useful throughout your typical business cycle. Especially during periods like a product launch, you'll have a spike in leads. Having the ability to share the leads with partners gives you additional sales capacity, so you can quickly respond to interested customers.

Measurement of your for-partner marketing will be focused on two things: the handoff to the partner, and their engagement with the lead. For the handoff, you'll want to measure how many partners are participating, how many leads they've received, and how long it takes the partner to engage the lead. Once your partners have engaged the leads, you'll want to measure the conversion of the leads, marketing-qualified leads, sales-qualified leads, and the development of opportunities, pipeline, and closed-won revenue.



CONCLUSION

Now that you have the basics of *channel marketing*, determining what the right mix is for your company is the next step. Perhaps you have an existing channel marketing plan and simply need some new ideas.

With so many options to consider, the most important thing to remember is to keep it simple for your channel partners. They need training, support, motivation, and resources to be successful. They won't make use of anything you give them if you give them too much.

Remember to be prescriptive with your partners! Most will want you to tell them what they should be focusing on, and many partners don't have capacity to do more than one marketing activity at a time. Considering that fact, you should continuously focus on what makes the most sense for you, and for them.

Republished by Channel Institute with approval from Averetek.

www.channelinstitute.com



Mike Moore, VP, Channel Strategy at Averetek

Mike Moore serves as Averetek's Vice President of Channel Strategy. In this capacity, Mike is responsible for the Company's corporate marketing strategy and operations, as well as spearheading strategy and initiatives for Averetek's growing consulting practice. Mike has spent twenty years in the IT channel as a channel partner and as a channel marketer for software companies.

