



# 10 Channel Marketing Metrics That Truly Matter



## The Evolution of Channel Marketing

With the rise of content marketing as a primary way to engage the target audience and drive sales, channel marketing is also evolving rapidly. A decade or two ago, channel marketing pretty much meant running events (for recruitment, training and lead generation) and giving away market-development funds to those who knew how to leverage them. Today, unified channel management is changing the way companies invest, track and improve ROI from their channel marketing activities. A core set of channel marketing metrics play a critical role in driving better ROI.

Before we take a deep dive into the channel marketing metrics that truly matter, let's step back and clearly define the objectives of channel marketing. If marketing is about driving awareness, engagement and customer intimacy, channel marketing essentially means the same thing, but it operates in more dimensions: The first two dimensions are the channel partners who resell the products and services, and the end users who procure them. To that you add a third dimension: increasing reach at a lower cost. Channel marketing metrics need to address all three core dimensions, measuring ROI from partner marketing, ROI from end user marketing and expansion of reach.

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## 1. Partner Engagement

This channel marketing metric focuses on how well you are engaging partners across various partner types, geography and channel programs. A state-of-the-art channel marketing automation platform should dynamically show clear engagement metrics.

## 2. Program Utilization

Every company has ongoing programs in place to drive channel marketing. The key is to figure out the core metrics of those programs, in terms of partner recruitment, partner training, multi-partner demand generation and incentives programs. It's essential to have a channel marketing automation platform in place that can allow the channel management team to slice and dice the data to understand what is truly going on in the channel.

## 3. Program Effectiveness

Unlike program utilization metrics, which focus on the ways in which partners are engaged in program activities, program effectiveness metrics are focused on measuring the ROI delivered by specific programs. This applies to both indirect marketing channels (e.g., search and social) and direct channels (e.g., collateral, email, telemarketing, etc.) as well as marketing programs. These are key channel marketing metrics, and they should allow the channel management team to understand how well each program is meeting its objectives, as well as driving ROI.

## 4. Partner Portal Effectiveness

Partner portals play a critical role in communicating to the partners what is going on with the various aspects of the company's channel marketing. They also provide partners with access to all necessary tools related to program components like marketing, sales and incentives.

## 5. Sales Reach

The very purpose of a channel is to extend reach, but very rarely do companies run territory analysis to understand over- and under-penetration from an end-user demand perspective. We will discuss in detail how to do this separately, as it requires partner profiling. The important point here is that sales reach is an essential metric when it comes to channel marketing program selection. If you don't understand what is selling where, program selection and execution is a little like shooting in the dark.

## 6. Return on Incentives

These very important channel marketing metrics measure the effectiveness of three core incentives programs: co-marketing funds (or market development funds), sales rewards and rebates. Without a proper partner relationship management platform, it is almost impossible to track these metrics dynamically. That's an important consideration, since most channel incentives change dynamically on a quarterly and bi-annual basis. Companies that can track incentives dynamically can make rapid adjustments, quickly realigning

behind successful programs and redirecting resources from programs that are not working.

## 7. Partner Sales Velocity

This is obviously a channel sales metric, but it is also an important indicator for effective channel marketing. Since marketing enables sales – with customer awareness, new leads and closing tools – it's important to understand which partners are increasing velocity, and which marketing programs and tools are associated with those successes.

## 8. Partner Repurchase Rate

When it comes to top-tier partners in a broadly distributed channel, most companies have a good sense of the repurchase rates of their top partners. However, this is a very important metric to track for partners who are not repeat buyers of the company's products and solutions. Why? Well, when you look at this output metric in light of the relevant input metrics for channel marketing mentioned above, you will enhance your understanding of what is driving revenue forward (from a partner perspective) and what is not.

## 9. End-customer Repurchase Rate

We know that two core factors increase end-customer repurchase rate: solution value and reach. The two factors are tightly linked. Assuming there is a compelling value in the solution, the key is to make sure that there is enough market coverage via a healthy and capable channel network so the end-customer has multiple solution providers that can adapt and grow with their needs when they're ready to repurchase. The partner who sold to an end-customer the first time may not be the partner who is able to keep up with the growth of the end-customer's business requirements over time. Therefore, it is essential that your channel marketing efforts have a broader reach (which can also be indirectly measured by the repurchase rate) so you have the opportunity to recapture those customers through other partners. Looking at repurchase rates is one way to determine if your reach is sufficiently broad.

## 10. Partner Satisfaction Rate

Finally, one of the most important channel marketing metrics measures partner satisfaction rates. We will discuss in detail how to measure satisfaction and loyalty in another post, but an effective channel marketing automation platform should provide dynamic online survey tools and capabilities that can track partner satisfaction rates and core drivers in an effective way.

As you look at this list of 10 core metrics, you may be wondering what is missing. I can think of two things: granular sub-metrics in each of these areas, and essential channel sales metrics. Remember, we can only see what we measure. With that in mind, it is essential that any channel management team that is striving to produce better results for their partners, end users and the entire ecosystem properly align their channel program, processes and tools to make sure these core metrics are visible.



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