



# How to Increase the Probability of Success for **Channel Management** Programs



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One of the biggest challenges for a vendor in worldwide channel management who rolls out one or more “new” channel programs is to make sure that the partners who are supposed to use those programs not only sign up, but also actually participate and execute those programs successfully.

There are various **channel management programs** that are critical to brands selling through a network of agents, resellers and solution providers. In most cases it is natural to assume that if a program works in a direct

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model, then with a few tweaks it will also work in an indirect—i.e., channel-model. Unfortunately, that is rarely the case.

Let me take a few moments and illustrate this challenge in more detail. It's important, because the number of partners adopting a program is the primary measure of success for channel programs, followed by the impact those programs have on partner satisfaction and revenue generation.

In the case of direct marketing or sales programs, if we split the programs across end-user awareness, engagement and purchase-related activities—following a very simple three step buying process—then we can illustrate why simply transferring a set of programs from a direct to an indirect (channel) sales model doesn't work. In each case, appropriate steps need to be taken for a channel management program to succeed.

### 1. End-User awareness campaigns:

While for any brand it is incredibly important to build brand and specific product/solution awareness with the end-buyers, the tactics that are used for the direct go-to-market model are different from those required under the channel go-to-market model.

For example, whether and how a company advertises on billboards, radio, TV, newspapers or online (or all of these) depends to a large extent on the kinds of products they sell. If the product is consumer-centric, then it's possible all channels will be used, but if it is business-centric it's likely the company will use mass media tactics (billboards, radio, TV, etc.) for brand awareness campaigns, but will use digital online (inbound/outbound) campaigns for demand generation campaigns.

It's very rare that partner marketing capabilities can compete with a vendor's ability to market via mass media tactics. In most cases, mass media tactics don't work very well in the channel, and fail to drive true results for the channel management team.

I can go on further to talk about various types of awareness campaigns, but hopefully this specific example helps illustrate the core challenge in channel management when a vendor is trying to roll out an end-user awareness generation program via the channel. In most cases, it is really not an ideal approach—unless you have an Amway-like boots-on-the-ground social circle strategy. In today's world, you are better off driving an end-user awareness campaign via social media, because all those Amway soldiers who went door-to-door or mall-to-mall looking for prospects or who pitched at parties are now huddling online

### 2. End-user engagement campaigns:

This is a typical **channel program** that focuses primarily on demand generation activities. This is an area where a partner can have a significant impact. In most cases, smaller partners tend to serve an area or a territory, while larger partners address a national or a worldwide market.

The key is to make sure that when a vendor is rolling out channel management programs for all partners at the same time, leveraging all types of assets really does not make a lot of sense. That's one reason it's essential to have a partner marketing management (PMM) automation platform that allows proper grouping of campaigns by different partner groups and types to make sure the content provided to specific partner types—e.g., national, regional and local—is relevant to those partners.

In addition to ensuring campaign alignment, it is also important to make sure that the tactics for a campaign are appropriate for the partners executing them. For example, if a partner sells to the small and medium size business (SMB) segment where the solution purchase cycle tends to be short, it makes no sense to deploy multi-tactic campaigns. In this scenario, the best thing to do would be to set up **search, social** and **email** campaigns with a specific call-to-action to purchase. On the other hand, if a partner sells to

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mid-market and enterprise customers, a multi-touch campaign may make sense. I say “may” because, if the campaign cycle is too long and the partner has to stay on top of a campaign for multiple months, then it can be almost impossible for a partner to manage this without the help of a **concierge service** and/or complete end-to-end automation.

For an end-user engagement campaign to succeed, a vendor cannot blindly take a direct marketing tactic and apply it to an indirect sales model. The partner’s ability to engage and execute must be taken into an account. Doing so will not only prevent vendors from making unwise investments, but will also ensure that partners don’t become frustrated or leave campaigns untouched or unfinished.

### 3. Purchase or sales promotions programs:

These programs are quite popular with channel management organizations. However, in many cases organizations will take direct sales promotion programs and try to convert them to channel programs. While in some cases this may work, in many cases it doesn’t.

As I noted earlier, these programs tend to be quite common and are popular with channel management teams. That’s because when they do work, they can

quickly drive up sales. An example of such programs would be “buy one get one free” (BOGO) or “buy one and get the next one at 50% off.” These programs are easy to understand and easy to roll out through a channel network. These sorts of promotions tend to work with transactional sales, where the buyer doesn’t need to depend on anything else.

However, when these programs involve solutions where multiple components need to be put together for a vendor to make it work—something we see quite a bit in the tech and medical sectors, for example—it is very difficult for a vendor to drive a promotion targeted to a specific transaction. While this may work in a direct sales organization, it will often fall flat in an organization selling indirectly through the channel.

In complex sales, it is always better not only to offer promotions for the end customers, but also to provide various levels of **incentives** to the channel partner. Ignoring this is a mistake that channel management organizations make quite frequently.

Technical solution sales is another area where channel management organizations tend to overlook the importance of awarding promotions or incentives across multiple functions such as marketing, technical and support—and not just to sales. The primary rationale behind this is to ensure that channel partners are fully behind the channel management initiative and its associated promotions.

I hope this gives you a high-level overview of why it is essential to pick the right channel management program for specific contexts, and to make sure that any programs you choose actually fit the channel (indirect) model and are not just copies of direct marketing or sales programs.

In a future article, I will discuss how you can drive adoption of channel management programs in seven sequential steps. Once the right approach and tactics are chosen for channel deployment, the probability of success for channel programs can increase dramatically. We see this every day at ZINFI across a broad set of clients operating worldwide.





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## Contact Us

### AMERICAS

[sales.noram@zinfotech.com](mailto:sales.noram@zinfotech.com)  
6200 Stoneridge Mall Road, Suite 300  
Pleasanton, CA 94588  
United States of America

### EUROPE, MIDDLE EAST AND AFRICA

[sales.emea@zinfotech.com](mailto:sales.emea@zinfotech.com)  
Davidson House  
Forbury Square, Reading  
RG1 3EU, United Kingdom

### ASIA PACIFIC

[sales.apj@zinfotech.com](mailto:sales.apj@zinfotech.com)  
3 Temasek Avenue  
#21-00 Centennial Tower  
Singapore 039190