



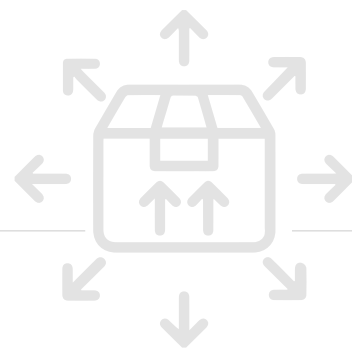
# How to Build a Channel Marketing Agency Business



## Channel automation represents the third wave of business process automation.

Channel marketing has come into its own. **Forrester not only suggests** that the channel marketing services business is directly linked to the third wave of business process automation, and but also calls attention to its significance as a fast-growing fast as a multi-billion-dollar business line for digital marketing agencies.

“ Digital marketing agencies now have a great opportunity to extend their offerings to this market. This high-level summary shows that there are multiple areas in which agencies can tap into their expertise in marketing, creative design, outbound campaigns and other areas to broaden and deepen their revenue generation opportunities by serving large to medium global brands locally and globally. ”



“ *An agency with channel marketing expertise has the potential to build a much bigger and deeper relationship with a vendor, since there is an opportunity to provide a very broad range of services to enable vendor partners.* ”

In this article we will explore how to extend a digital agency business into a next-generation **channel marketing** business. However, let's first touch briefly on what channel marketing actually is. We have previously explored in various articles what a channel is—essentially an indirect way to market and sell a vendor's product and services through a network of resellers, agents, distributors, franchises, and other partners. With this as a backdrop, channel marketing refers to **marketing activities** that focus on marketing not only to channel partners but also through and with them to generate demand from the end customer base. Needless to say, channel marketing requires all the expertise and tools that are typically deployed in direct marketing, plus a lot more.

Before we explore how an agency can make money by building a channel marketing business, let's talk about money in the channel in general. In most cases, the marketing budgets (people, programs and platform) of vendor brands that sell through an

indirect channel tend to be many times larger than corporate marketing budgets. This is primarily a result of the market development funds (MDF) that vendors accumulate on behalf of their partners. (Please refer to our **articles on MDF** to learn more about this aspect of channel marketing.) Therefore, an agency with channel marketing expertise has the potential to build a much bigger and deeper relationship with a vendor, since there is an opportunity to provide a very broad range of services to enable vendor partners.

Let's explore some of the core areas where a channel marketing agency can help a vendor brand:

- **Digital Content Creation & Adaptation:** Most vendors already have a large amount of marketing and sales content for their direct sales and marketing team. However, in most cases that content needs to be adapted for use by channel partners. Also, if a vendor has an alliance program, the creative agency may have to work with multiple brands to pull together solution content which may not yet exist on its own.
- **Campaign Development:** Most vendors are running various channel programs and updating those programs or adding new programs on a quarterly basis. A channel marketing agency certainly needs to have channel knowledge, but it also needs deep expertise in digital marketing to work with a vendor to come up with the right campaign strategy. The **tools and tactics** required for partner recruitment campaigns may be very different from those required for partner training campaigns.
- **Incentives Programs:** Just as vendors provide sales incentives for its sales team, channel sales organizations provide incentives for their channel partners. However, in the latter case the vendor has to promote those **incentives programs** to their partner base in order to be successful, and a channel marketing agency can play both strategic and tactical roles in designing these incentives programs and executing their rollout.

“ In most cases a vendor will fund these programs using MDF or co-op funds. We have written many articles on the kinds of MDF programs work and don’t work, so we won’t repeat those points here. However, a channel marketing agency can provide both local and global support in these areas.

”

- **Concierge Programs:** Most large vendors today have dedicated **concierge programs** where a third-party marketing agency provides marketing, sales and technical support to the vendor’s partner base. This service requires a combination of digital marketing, telemarketing and technical support expertise. Some vendors may break these requirements down across multiple channel marketing agencies.
- **Sales Programs:** Vendors often roll out sales-specific programs to drive demand—say, “buy one get one free” or a 30% discount—to drive quarterly sales targets. These are important programs involving “short and sweet” marketing/sales tactics, where sales takes the ownership to drive, but in many cases these programs are also outsourced to a third-party agency to provide a range of services from creative to outbound calling and everything in between.

In addition to these examples of vendor-specific programs, one of the key roles an agency can play in the channel marketing context is to provide creative and campaign services to the vendor partner network. In most cases a vendor will fund these programs using MDF or co-op funds. We have written many articles on the kinds of MDF programs work and don’t work, so we won’t repeat those points here. However, a channel marketing agency can provide both local and global support in these areas.

I started this article by asserting that channel automation represents the third wave of business process automation, and that digital marketing agencies now have a great opportunity to extend their offerings to this market. I hope my high-level summary shows that there are multiple areas in which agencies can tap into their expertise in marketing, creative design, outbound campaigns and other areas to broaden and deepen their revenue generation opportunities by serving large to medium global brands locally and globally.



[www.zinfo.com](http://www.zinfo.com)

## Contact Us

### AMERICAS

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

### EUROPE, MIDDLE EAST AND AFRICA

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

### ASIA PACIFIC

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