



Communicating to, through, & for channel partners

JUST AS IMPORTANT AS CUSTOMERS

Communicating with your customers is obviously important and gets a lot of attention. However, communicating with your channel partners is every bit as important, but often gets second billing. That's an unfortunate and costly mistake. Channel partners and their customers are *your* customers—don't neglect them.

Communications is a powerful tool for managing channel partners (second only to financial incentives). Channel partner communications should be cost-effective and behavior-oriented. They should focus on exactly what you want your channels and their end users to do.

Not all channel partners are created equal

Regardless of your channel schema—one layer (e.g. just retailers) or multiple layers (e.g. wholesalers and retailers)—you must actively communicate with each channel partner. But you don't have to communicate with each one equally; in fact, you shouldn't.

Communications frequency and intensity should be dictated by the value each channel partner brings to your distribution chain. The more value a channel partner adds, the more you should communicate with them. Channel value is determined by several criteria:

- How much do they interact with end users? How visible are they?
- How much do they add to your product? Nothing, or some important components?
- How actively do they push your product versus pushing mass inventory?

A three-pronged approach

There are three general categories of channel communication:

1. Communications **to** your channel (training and motivating)
2. Communications **through** your channel (providing tools for channel partners to share with end users)
3. Communications **for** your channel (driving end users to your channel)

COMMUNICATING TO YOUR CHANNELS

This is an opportunity to speak directly to the channel. These communications typically focus on training and motivation.

Training communications explain:

- What you want the channel partner to do (i.e. push this, up-sell that)
- The features and benefits of your products and services
- How to best position each of your products (against each other and against competitors' products)

Motivational communications explain the rewards that a channel partner receives if they do what you want. They typically refer to promotional activities such as:

- Incentive programs
- Special pricing
- Sales contests

Paying attention strengthens and sustains relationships

Visibility and clarity are the goals—keep your company and your products on the tip of your channel partner's tongue. Make sure they know what to do and how to do it. Most of these communications can be delivered online, preferably through a password-protected section of your company's website or through a channel-specific online portal separate from your company's website. Some examples:

- Sales guides that clearly and concisely define your products and explain how to sell them

- Training sessions to educate and interact with channel sales reps
- Newsletters with current information about your products and promotional activities
- Short notices or emails that highlight your promotional activities
- Free trinkets with your logo, tag line, or contact information (i.e. pens, CD holders, coffee mugs, etc.)
- In-person visits to channel partner managers and sales reps

COMMUNICATING THROUGH YOUR CHANNELS

This is an opportunity to control what your channel partners say to end users about your company, products, and services. Providing channel partners with customer-facing materials, both online and printed, allows you to:

- Maintain consistent positioning of your products against each other and against competitors' products
- Reinforce your branding investment with consistent messaging
- Enhance the effectiveness and efficiency of your channel partner's sales efforts
- Leverage other end-user communications you deliver

Make your channel's life easy

The goal is to help channel partners sell your products and services. Simple, easy, direct, and quick are the watchwords. Some examples:

- Sales materials for one-on-one selling (i.e. brochures, flyers, and data sheets that are available online and/or printed if your channel partner has a store front)
- Point of purchase (POP) materials for retail channels with storefronts and customer spaces. POP materials include product displays, merchandising materials, and in-store advertising (e.g. posters and banners for wall, window, or easel display). These typically reference selling features, pricing, and promotional information.
- Promotional kits that help channels include you in their web site, advertising, customer literature, and other promotional materials. Promotional kits typically contain your logo, product photographs or illustrations, sample copy, and other graphics about your offerings.

- Marketing toolkits that guide channels through a particular marketing activity. For example, a marketing kit for conducting an email campaign would include complete copy and graphics for developing the email, as well as step-by-step instructions for incorporating the channel's logo and contact information, acquiring a mailing list, segmenting the market, nurture flow recommendations, and following-up after distribution.
- Market development funds (MDF) to help channels conduct advertising, digital marketing, and other promotional activities for your products. MDF typically come with a lot of strings attached before and during use, such as: a minimum number of channel sales reps that must be trained on your products; volume guarantees or minimums; access to new customers or types of customers; approval of budgets, subcontractors, target audiences, and deliverables; and sharing of resulting sales data.

MDF should be managed carefully to ensure a reasonable return on investment (ROI) and avoid abuse. Forecasting and tracking a written, detailed ROI is strongly encouraged. Start slowly; choose channels you have a good relationship with.

COMMUNICATING FOR YOUR CHANNELS

This last category is an opportunity to promote your channel partners. The objective is to *pull* customers to your channel partners. *Pull* communications are powerful and help build trust and success.

It's typically done by featuring a channel's company logo, contact information, and promotional offerings on your existing web site, advertising, digital marketing, collateral, and other marketing vehicles.

COMMUNICATIONS: SHOW ME THE MONEY

- Channels partners are in business to make money and many have small margins.
- Financial incentives are prime motivators.
- However it is only through *communications* that your partners understand how to most effectively and efficiently achieve their financial rewards.

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- **Envisioning possibilities:** Super-smart, competent marketing consultants
- **Raising the bar:** Experienced leaders that continuously deliver innovative yet meaningful business impact
- **Making it happen:** Driven, accountable marketing experts that are focused on results...not our egos

On The Mark's full-time and part-time consultants strategize, plan, and execute a wide range of business-to-business marketing programs. Our conscientious, can-do approach combined with our extensive marketing expertise make us smart and fast on our feet. Clients rave about our results and how easy and hassle-free it is to do business with us. If you'd like to learn more, please contact us at Connect@OTMmarketing.com.