

WHITE PAPER

# CHANNEL MARKETING

WHERE IS YOUR CHANNEL GOING?

SAM

# *Introduction*

Channel Marketing usually refers to marketing campaigns and educational content that are sent to a company's resellers, partners, independent vendors, distributors, system integrators, VARs, and private labelers that are designed to nurture qualified leads, drive sales to end customers, and grow revenue. Channel marketing is more prevalent than what most people think, the following examples that you hear every day are all involved in the process:

In channel marketing, a personal touch seems so close yet so far away: everyone enjoys receiving it, yet most people are too busy to initiate it. The relationships between buyers and suppliers, manufacturers and wholesalers, wholesalers and retailers, or franchisors and franchisees, have long been a tug of war because of the constant conflict of interest involved.

The win-win situation is not easy to achieve, as the decentralized and competing nature of the channel model takes a whole lot to forge long-lasting bonds. Many channel partners said that their top vendors fail to listen to or act on their feedback. 50% channel partners don't think their strategic vendors to have done a good job in soliciting their feedback. A majority also feel dissatisfied about how their strategic vendors engage with them. This paper offers some insight as to what can be done to address this issue.

***Raz Choudhury***

**CO-FOUNDER & CEO  
SAM**

**SAM**  
WWW.SAM.AI

Suppliers oftentimes find it challenging to acquire channel partner loyalty, while channel partners, who contribute to the majority of sales, inevitably sense that the root incentive for suppliers is to drive sales, and therefore acknowledge the difficulty to lock suppliers into a strict commitment to who they can sell. Survey shows in the year of 2012, 25% channel partners reported that they fired their solution provider. (Source: Enterasys)

## Terms and Lingo Explained

### Players

#### Who are involved in the channel buying marketplace?

- The B2B buying process is usually originated *by a solution provider, a vendor, headquarters, a manufacturer*, who partners with resellers of various types to form channels, in order to access the markets, increase market penetration, and drive sales. The *channel partners (reseller)* will eventually sell the goods to the *end customer*.

### Channel Selling

#### Where are you in the process?

- Channels in B2B can take many formats, such as e-commerce or physical franchise. A service or product provider inputs most of its efforts on the quality of the products it supplies, so they forge a channel partnership with resellers, who can be wholesaler, deal, distributor, whose expertise is selling products to the right end clients in different markets.

### Lead Nurturing

#### Why is it so important in B2B channel buying?

- We hear about "Lead Nurturing" in B2B buying all the time. Why? It usually involves large sum of money and the demand is more predictable. Therefore, setting a strategy of driving a lead from initial interest down the funnel to purchase is critical in this process.

However, the urge for both sides to rebuild the relationship has culminated amid the digital revolution, which has transformed every practice of marketing and sales. Solution originators (*in this article, they include group sellers, manufacturers, solution providers, vendors, franchise headquarters, etc.*) become increasingly dependent on channel partners who has market access and influence on the customer buying process, while channel partners need data-fueled insights to reach targeted customers and accurate marketing information to communicate the right values of the products and services. In addition, as the origination of the process, solution originators tend to see a more complete picture about who buys their products than channel partners, which enable them to measure the effectiveness of new practices that channel partners might otherwise not be able to see.

It requires a mutual effort to streamline the buying process, lower costs, nurture leads, and shorten the sales cycle. And the ultimate goal is to convert more leads to customers and boost revenue. However, the fragmented nature of the digital marketing space and the decentralized channel model have created the following challenges:

1. **Conflicting Visions.** Oftentimes, channel partners and solution originators are not on the same page in terms of expansion rate, marketing messages, etc. The loosely-organized pipeline has also made information exchanges and communication not an easily viable option.
2. **Ineffective Advertising.** The original advertisement is usually hard to fully penetrate the layers between solution originators and end customers. Research shows that manufacturers now routinely allocate 2/3 or more of their marketing budgets to trade marketing, in-store promotions and advertising instead of cultivating their own consumer relationship through consumer relationship through media advertising and consumer promotion.
3. **Unevenly Divided Influence over End Customers.** The influence over end customers is increasingly moving downstream to channel partners, overshadowing solution originators' visibility in the buying and sourcing process. Solution originators are eager to change this power dynamic, and want to be more in control of the distribution network and expand their reach. At the same time, partners need to generate more qualified leads, and they are turning to the headquarters for assistance.
4. **Weak Communications.** Many channel partners said that their top vendors fail to listen to or act on their feedback. 50% channel partners don't think their strategic vendors to have done a good job in soliciting their feedback. A majority also feel dissatisfied about how their strategic vendors engage with them.

Albeit challenges, both sides recognize the importance of restoring the relationship in order to achieve a sustainable win-win situation that helps improve efficiency, acquire customers, grow business, and boost revenue.

## I. Secret Revealed: What Works Best for Channel Partners?

*What are the factors that drive channel partners to make the purchasing decision nowadays? What's the new paradigm in the sourcing marketplace? Why is marketing automation the right choice for you?*

New research from CEB's Marketing Leadership Council shows that potential business customers are increasingly referring to digital channels to form opinions about major purchases. Today's business buyers do not contact suppliers directly until 57 percent of the purchase process is complete, which means for more than half of the buying process, buyers are out researching suppliers, creating lists, narrowing down their choices, all with little control from suppliers. Therefore, the real opportunity for marketers lies in producing high quality content that attracts, engages, educates buyers and helps guide their purchasing decisions.

To refine your channel strategy, improve communication and responsiveness, maximize sales and profits, and drive channel partner engagement, we've prepared you with the most effective practices:

1. Automate email campaigns to your channel partners. Not only do you want to initiate a conversation and forge a relationship, but also you want to feed your channel partners with educational content, your marketing strategies and initiatives, and request feedback, such as surveys, to understand the health of your channel.
2. Use analytics to track channel partner engagement and success, identify leads, create lists, and invest time on the right channel partners. Concentrate your effort to nurture the relationship with your high-performing leads while stay on top of any emerging trend of your channel demographic. Deliver behavior-based content to your channel partners.
3. Create quality social media content and build brand identity through social channels. A solution originator's online presence could come extremely useful when potential channel partners research suppliers, compare deals, and narrow down choices. More than half of the buying process is completed without supplier involvement, but that doesn't mean you can't reach and influence potential buyers' decision making.

Channel marketing automation software solution such as LeadDNA - manages channel marketing activities and track and visualize results for both solution originators and channel partners. It offers a seamless experience for both sides to create content and communications, and provides analytics to enable targeted promotions. It helps to streamline sales and marketing, build brand awareness, and increase ROI.

## II. Marketing Automation: An All-in-one Solution to Streamline Marketing & Sales, Nurture Leads, and Grow Revenue

*Why should you automate? What should be automated?*

Top-notch solution originators use marketing automation platforms to capture the information about their channel partners and customers. Channel Marketing Automation platforms act as the “transmission center” that originates marketing messages, delivers campaigns, tests channel health, enables channel partners, and understands end customers.

Studies have found out that marketing automation increases qualified leads by 451%, conversion rate by 53%, and revenue by 10%. The success behind this is the lead nurturing and demand-based lead generation through marketing automation.

In addition, marketing automation software offers users valuable insights: from demographic characteristics to locations to customer behaviors, the highly-detailed client information about their leads enables highly targeted promotions and communications.

When marketing is done using a patchwork of different tools and without automation, organizations often face issues related to longer sales cycle, undelivered marketing messages, disengaged audience, and unrealized revenue potential.

In a digital age, however, we can use marketing automation platforms to automate email, social media, and content communications for a seamless experience across all digital touch points, concentrating our human resources on more specialized tasks. This way, you'll see shortened marketing & sales cycle, more qualified leads, and greater revenue.

### About LeaDNA:

SAM is a fully integrated Sales and Marketing Platform. It utilizes the power of data science, artificial intelligence, and automation all seamlessly working together to help companies grow.

Learn more at [www.sam.ai](http://www.sam.ai)