Reinventing Channel Marketing

ZiftONE™



Contents

What is the Purpose of this Report?	03
Key Takeaways	04
The Growth of the Channel	05
The Relevance of Channel Marketing	06
The Rise of Cloud-Based Solutions	07
Influencing the Buyer’s Journey - Digitally	08
The Channel Marketing Model	10
The Inherent Flaws	11
Disrupting the Channel Marketing Model	13
Conclusion	14

What is the Purpose of this Report?

The business landscape is now a digital one that's connected globally. For channel marketers, this offers many opportunities and also presents numerous challenges which are highlighted throughout the report.

To take full advantage of those opportunities, marketers are adopting a more strategic and targeted approach. They're changing the way they communicate with partners, resellers and affiliates and becoming more closely aligned with their business strategy and goals.

This report highlights how technology has altered the channel and closely examines the current marketing model to provide vendors with a deeper understanding of how it operates.

It also outlines what's shifting, what to look out for, the current and emerging trends and what vendors need to do in order to capitalize on existing and future opportunities.



Key Takeaways

There has been a dramatic shift and channel marketing is perceived differently by channel marketers, distributors, resellers and even industries.

Vendors that embrace the new channel marketing model will increase program adoption, campaign execution and leads generated while enhancing partner engagement and retention.



Digital Marketing is a centric element to achieving, maintaining and expanding reach and engagement. Both with partners and end users. To fully enable resellers, vendors need to be digitally minded and **provide best in class nurture flow campaigns with the partners' needs in mind.**



Vendors need to know their partners. T**hey might not be able to talk to them all, but they certainly need to profile them so they can invest in the right areas.** Rather than saying 'this is what we have,' leading channel marketers are now asking partners; 'what do you need? **It's time to make the move to partners' own solution focused marketing collateral** rather than product centric collateral.



Partners sell numerous brands and can easily remove themselves from vendor programs. To attract and retain resellers, **vendors must make marketing campaigns available to all their partner types, not just the top 3%,** while providing easy access to a singlesource platform. Resellers will remain engaged if they can also **locate and launch campaigns for the other brands they sell.**

Introduction

The growth of the channel and technology has changed the way vendors engage with partners and partners with end users. It has also altered the channel flow entirely. This has led to vendors needing to re-evaluate their approach to channel marketing and adapt to the new model or risk being left out of the buying cycle.

The Growth of the Channel

Selling products through partners or affiliates is not a new concept, but it's a vast and growing industry.

Channel is big business that's only going to get bigger. And it will shape the future of marketing for all brands and industry sectors as marketers increase investment in their reseller community.



"With blockbuster mergers on the partner-facing side like Autotask-Datto and on the vendor-facing side such as Relayware-Zift, we are seeing a new trend where point solutions across different categories are combining to create a more holistic, horizontal approach to the channel software industry. It is about time that these sectors get attention by Wall Street because 75% of world trade flows indirectly."

Jay McBain
Principal Analyst, Global Channel
January 24, 2018

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This leaves a vast amount of untapped revenue in an expansive industry that continues to grow globally.

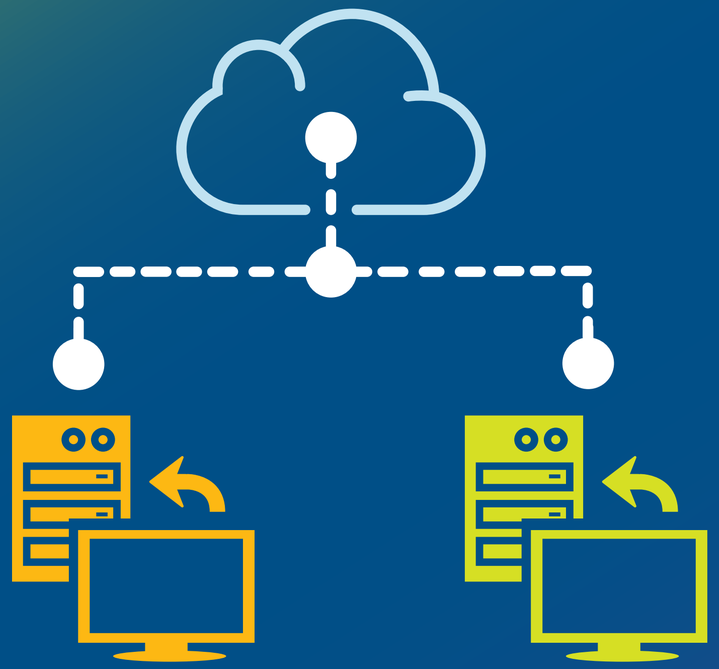
The Relevance of Channel Marketing

Looking for ways to attain greater ROI out of channels, smart brands are empowering partners to become effective marketers, so they can generate new revenue streams and achieve success across the board.

Enter channel marketing; a means of providing marketing support and sales collateral to partners, affiliates and resellers to enable them to promote and sell your products and services. This has significantly changed the vendor/partner dynamic and led to vendors becoming more closely aligned with partner needs and business goals.

The strategy behind a channel marketing program has become as important as the product or service itself. This has led to marketers diverting resources away from traditional marketing to digital programs.





The Rise of Cloud-Based Solutions

As technology continues to evolve, so too will the role digital marketing plays. Tech-savvy consumers always have at least one internet enabled device within easy reach. They now expect highly-personalized interaction and real-time responses from resellers. And partners are not just expecting, but demanding, the same high-level interaction from vendors.

Enter the era of cloud-based platforms.

As vendors search for ways to increase partnerships, the spotlight has become firmly focused on cloud-based platforms as channel marketing solutions. These are being utilized to drive highly targeted communication and brand penetration through partners to prospects and end-users across markets and geographic locations.

Another advantage for vendors is the ability to leverage APIs to accurately attain ROI on their channel program. And by providing partners with simple access to cloud-based platforms, vendors can cost effectively expand their reach on a global scale simultaneously.

Consequently, the challenge is to make these cloud-based solutions easy and relevant for every reseller to leverage, while providing tailored and highly personalized sales and marketing collateral.

Influencing the Buyer's Journey - Digitally

Technology has not only changed buyer behavior, it has transformed the buyer's journey. With anytime, anywhere connectivity, the use of mobile devices now exceeds desktop and laptop computers.



"76% of the Buyer's Journey is now done digitally."

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While vendors have had their own digital marketing transformations, partners, especially medium to smaller ones, are falling further behind. This is mainly due to a lack of internal resources, budget constraints or a full understanding of digital marketing.



"The future of business will be defined by how well they [brands] use technology to engage with partners and customers across a wide range of digitized processes."

Christy Pettey
April 8, 2016 | Gartner®

Through internet-enabled mobile devices, customers are actively researching companies, products and services online, long before contacting a salesperson. While successful brands have strategies in place to connect with their audience, many resellers often lack the time and resources to efficiently generate targeted marketing content.

Responsively designed email and social Nurture Flows give channel marketers the opportunity to provide their resellers with more than just an email to a landing page but with a compelling story that will drive prospects all the way down the sales funnel.



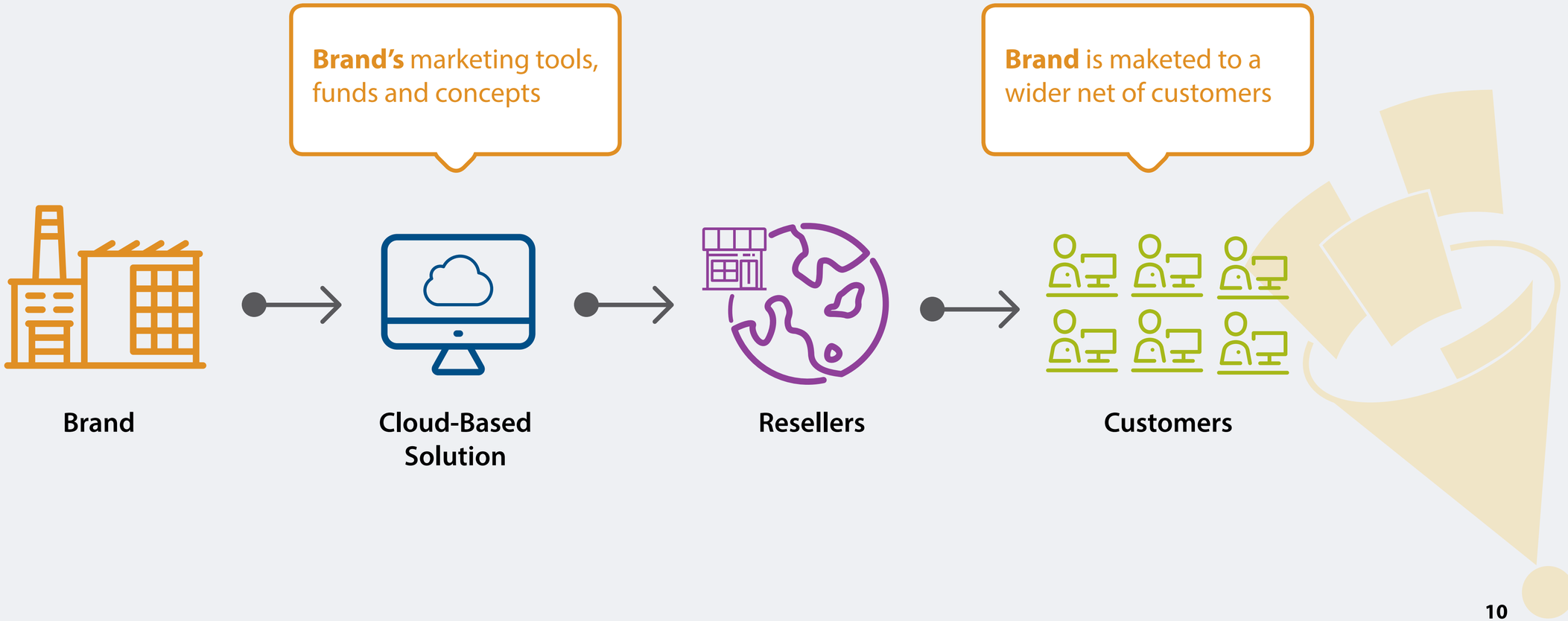
87% of partners prefer an integrated, multi-touch nurture marketing program, while 66% of partners want outside expertise to generate content for the different stages of the buying cycle*.

This has led to vendors investing significantly in digital channel marketing programs. By doing so, partners are able to simply connect with a fragmented target audience through customizable, co-branded campaigns that can be localized to fit their market.

** Figures based on the results of Zift Solutions Partner Survey.*

The Channel Marketing Model

Most unicorn brands created a linear channel marketing model dedicated to delivering content to their resellers. Focusing on the branding of their products and maintaining control all the way to the end user.



The Inherent Flaws

In recent years, flaws in the current popular model have been identified. Industry thought leaders, such as research and advisory firm, ***SiriusDecisions***, estimate the average partner is a member of more than eight partner programs. While some analysts report this number as high as 30 programs, partners are only "strategic" with as few as seven vendors.

"Channel partners can be more selective about their investments. More importantly, it is relatively easy for them to disengage with a supplier and sign up with a competitor if they are dissatisfied."

SiriusDecisions

With the escalation in competition, vendor offerings are exceeding demand – more programs available than partners to execute them. This means partners have become highly selective about the channel programs they implement. As such, vendors need to be strategic in their approach.





In today’s channel marketing, vendors have minimal or no interaction with end customers. A consequence is marketing content becoming too product or vendor centric and thereby not addressing business challenges nor resonating with the intended target audience.

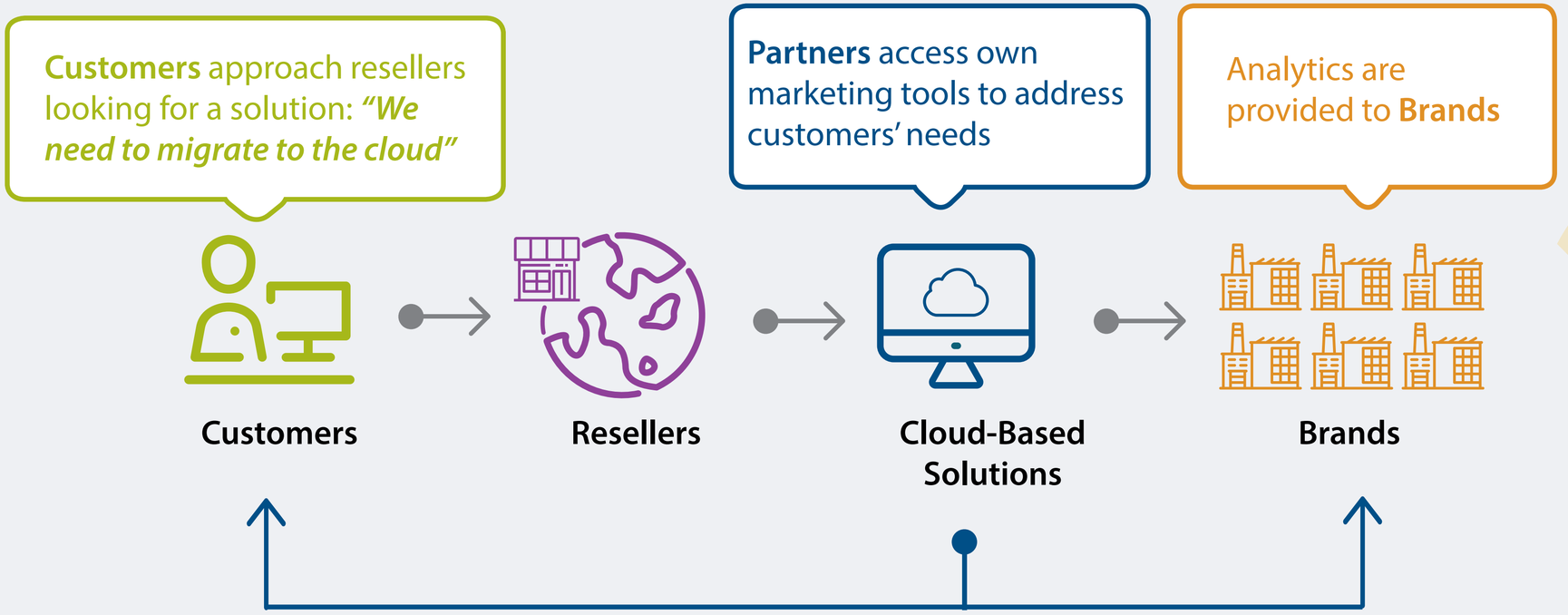
As a result, vendors that do not fully appreciate the needs and motivations of partners risk missing the mark with their channel marketing campaigns, leading to low partner engagement and impacts on the number of campaigns launched and so, amount of qualified leads generated.

Disrupting the Channel Marketing Model

Top analysts and industry trends indicate that the perception reaffirming the channel model is fundamentally flawed. The challenge lies in acknowledging the flaws, altering the perception of the model and instilling confidence to take an alternative approach. Vendors that embrace this change will reap the benefits, while those who resist or refuse to change will continue to fall further behind and eventually fade.

Demand for an effective and efficient channel marketing model as an enabler to promote vendor products and services and easily promote all brands is high and growing.

So in reality, the model looks like this:



Conclusion

As it stands today, channel marketing is at a crossroad. It can continue along its current path where nothing changes and is underutilized and undervalued by the vast majority of vendors. Or it can change direction entirely, and in so doing, change the IT industry.

Vendors willing to embrace change as channel marketing evolves will open up a world of opportunities.





Zift Solutions is the Enterprise Channel Management leader, delivering the people, processes and technology organizations require to drive channel success. Zift boosts channel partner program productivity, and profitability by automating and aligning marketing, sales, and operational processes. The ZiftONE platform integrates seamlessly with established systems and infrastructure to speed time-to-sales, create an exceptional partner experience, and provide faster ROI.

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