

3 STEPS

TO SUCCESSFUL CHANNEL PARTNER MARKETING:

WORKING COLLABORATIVELY TO DRIVE SALES ▶▶▶▶

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INTRODUCTION

It's a fact: indirect channels account for almost 70% of overall technology sales, a steady 17% increase over the previous ten years.¹ However, while increasing pressure has been placed on channel partners to drive sales, those businesses often lack the proper marketing tools, time, and manpower to promote the suppliers' products. Our research shows that the average channel partner juggles between five (5) and 13 vendor relationships - all vying at once in a crowded space for the partner's attention. And good partners have choices about whom they will represent. It's not enough to just sign-up a channel partner - not if you want to be successful increasing your revenue from this source. Best-in-class companies invest significant effort into collaborating with and engaging partners to help drive sales.

Over the years, the selling environment has evolved - it's now a buyer's market. Because of this evolution, channel partner marketing has had to change as well. This eBook will guide you through the 3 key steps to successful channel partner marketing. Specifically, the following points will be addressed:

- 1 HOW TO BUILD AN EFFECTIVE MARKETING CAMPAIGN
- 2 HOW TO SECURE CHANNEL PARTNERS' BUY-IN
- 3 HOW TO DELIVER CONTINUED SUCCESS THROUGH OPTIMIZATION

HOW THE SELLING ENVIRONMENT HAS CHANGED

Buyers Have Changed How They Buy Big Ticket Items

With the rise of information availability on the Internet, buyers have changed the way they learn about and evaluate major purchases. In the past, the most effective way for a prospect to learn about goods and services they were interested in was to contact a salesperson to help with research. This

rarely happens today and is typically sequestered to the end of the buying process. Buyers now have more tools at their disposal to pull together their own research, and come into the sales process better informed and ready for pricing discussions.

Supporting this behavior requires a major shift in how companies structure and deliver content. In the past, information about products, such as key differentiators and value proposition, would have been delivered by sales. Now this information is almost always delivered by marketing. This increase in responsibility and direct exposure to the prospective buyer makes effective marketing more important than ever as they touch prospects for longer and more frequently in the buyer's journey.

MARKETERS HAVE CHANGED HOW THEY EFFECTIVELY REACH THEIR AUDIENCE

With marketers now taking more responsibility for supporting buyers' self-directed learning, traditional marketing tactics are no longer sufficient. Now, effectively supporting self-directed learning requires content marketing. Quality content must be generated and published in ways that allow prospects to find the information themselves. Complicating the issue further, marketing content types should be customized depending on where a prospect is in their buying cycle.

Effectively managing this process can lead to great results, but typically requires marketers to deploy additional resources. Marketers need to create compelling content, deliver that content to their prospect audience, and track prospects' interactions for both additional content delivery and for determining optimal timing for the introduction of the prospect to the sales team. A host of marketing automation tools has emerged to help marketers meet these challenges. Products from companies such as Oracle (*Eloqua*), Marketo, ExactTarget and Hubspot provide the support required

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for deploying effective content marketing and managing leads through the sales lifecycle. When experienced marketers use these tools with relevant, engaging content, great results are achieved.

CURRENT STATE OF CHANNEL PARTNER MARKETING

Most channel partners don't have the marketing experience, let alone the quality content or automation tools, to effectively leverage content marketing. Suppliers have an opportunity to help alleviate these deficiencies. For instance, suppliers have the expertise and resources to create quality content that drives buyer engagement. They have marketing experience to put together effective campaigns, and they have the economies of scale to ensure their partner communities have access to required supporting infrastructure. When done well, bringing these resources to bear can have significant impact on channel partners' pipelines.

TACKLING SUPPLIER AND PARTNER CHALLENGES HEAD-ON

Both suppliers and channel partners face unique challenges when it comes to collaborating with each other to generate leads and drive sales. From the supplier perspective, a lack of visibility into what channel partners can and are doing to market themselves makes it difficult to create appropriate campaigns. Suppliers are not often privy to what marketing materials are being used, let alone knowing what's effective, and what's not working. As noted earlier, suppliers typically face poor adoption of programs by partners and difficulty staying top of mind because of so many vendors vying for their channel partners' attention.

On the flip side, channel partners are very busy managing their own business operations while also working with multiple vendors and suppliers. Also, most channel partners have limited resources or no internal expertise to build and execute successful marketing campaigns. Campaigns pushed to

them from suppliers often don't meet their needs or goals, rendering them basically ineffective.

The overall effect created between suppliers and channel partners in this situation is lack of trust - some partners may simply not trust their suppliers to know their business and be able to create relevant marketing content for them. Suppliers can't take partner relationships for granted if meaningful and sustained revenue is to be developed from the channel. Suppliers must work hard to build trust with their partners who need to support many vendors and may be reluctant to provide visibility into their prospects' activities.

SETTING THE STAGE

Whether your channel partners are VARs, integrators, or sales agents, they are your direct line to the marketplace. In order to optimize your channel partner's ability to drive sales, an effective marketing strategy needs to be in place. It's your job to empower your partners to reach prospects and customers with multi-channel marketing campaigns designed to develop and nurture engagement of qualified prospects using accurate and timely content. These programs must be integrated, easy to execute, and provide visibility into results so you know where and how to properly allocate resources.

STEP 1: BUILDING EFFECTIVE CAMPAIGNS

As a supplier, your ultimate goal is to help close deals more quickly by supporting your partners' sales efforts. As a channel marketer, you have the internal resources and expertise to create 90% of the materials, content, and campaigns your channel partners want and need to be most effective selling your products and services. You have website content describing your products and services. You may have already produced premium content like webinars and white papers. You have likely developed newsletters and created marketing campaigns around special offers and promotions - all content that will be useful for your channel partners to rebrand and repurpose for their own use.

As such, the first step in working collaboratively is to build effective branded campaigns. There are three main steps involved in this best practice:

- 1 DEVELOPING A MULTI-TACTIC STRATEGY
- 2 SETTING THE STAGE FOR COLLABORATION
- 3 NURTURING DEMAND

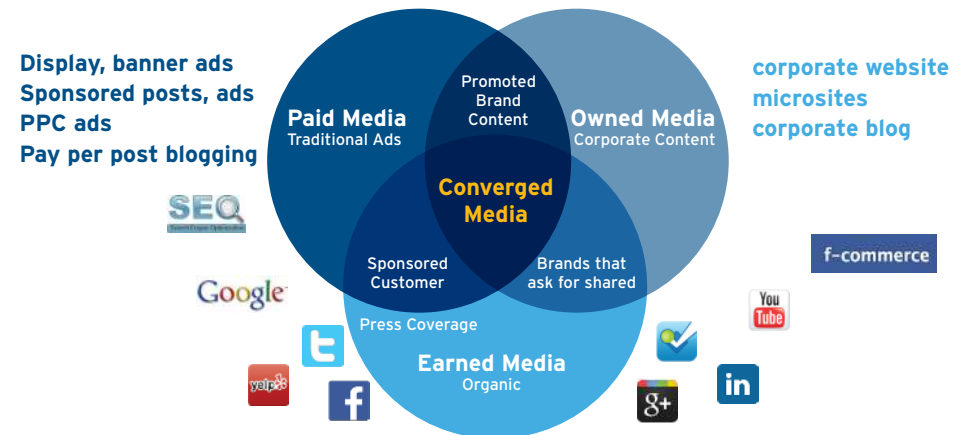
DEVELOPING MULTI-TACTIC STRATEGY

ACCORDING TO FORRESTER, 86% OF MARKETING PROFESSIONALS AGREE THAT SUCCESSFULLY INTEGRATING MULTIPLE CHANNELS UNDER A SINGLE INTEGRATED MARKETING STRATEGY IS CRUCIAL TO THEIR LONG-TERM SUCCESS.²

To do marketing right, you have to break down the silos of information and see how these tactics work together. It's no secret that having a strong website is a central component of an effective marketing campaign. While the center of the marketing universe may revolve around an optimized website, other components also need to be incorporated into a multi-tactic strategy.

At a minimum, brands must integrate paid, owned and earned media types into their marketing campaigns. According to a 2012 report by the Altimeter Group, advertising, corporate content, and social content is often separated; however, trends show these media types converging and overlapping, with little or no separation.³ Hence the term, "Converged Media" (see Fig. 1).

Figure 1: The Convergence of Paid, Owned & Earned Media



Source: "The Converged Media Imperative: How Brands Must Combine Paid, Owned & Earned Media" Altimeter Group (July 19, 2012)



The Altimeter Group defines Converged Media as two or more channels of paid, earned and owned media with a consistent storyline, look, and feel. All channels work in concert, enabling brands to reach customers throughout the customer journey.⁴ Otherwise, prospects often face fragmented messaging with inconsistent branding, redundant efforts with no communication or collaboration, and low customer engagement and advocacy.

Other components that can be integrated into a multi-tactic marketing strategy may include, but are not limited to social media content, email outreach, newsletters and telemarketing.

STEP 1: BUILDING EFFECTIVE CAMPAIGNS

PUTTING A MULTI-TACTIC STRATEGY INTO PRACTICE: MARKETING AUTOMATION

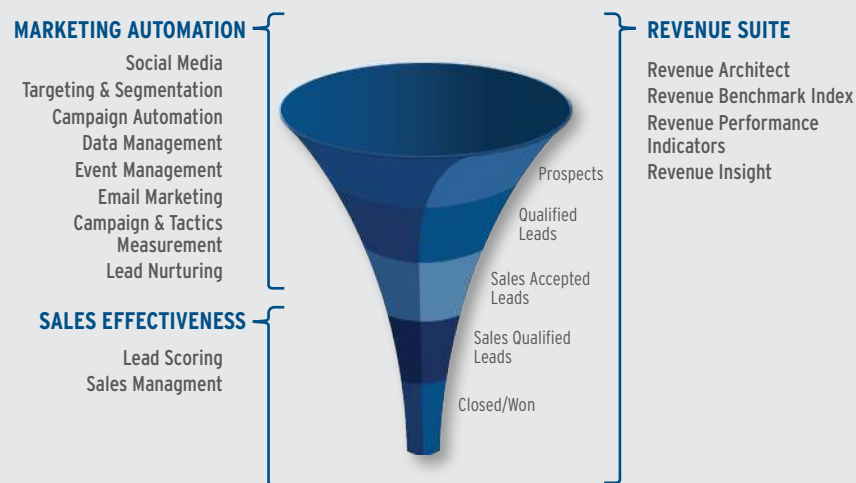
In our experience, the number of touches required to close a deal can range from five to more than 30 depending on the market, price point and other variables. And when using a best practice multi-tactic marketing strategy, those touches are coming from multiple platforms, across multiple channels, with multiple types of content - all creating the potential for a coordination and management nightmare.

This is where marketing automation comes into play as a best-in-class practice. Marketing automation revolves around coordinating and managing marketing activities. With many companies getting by with fewer employees, any part of the process that can be automated should be. A new generation of marketing automation tools is not only improving the efficiency and effectiveness of established channel ecosystems, it's creating fresh opportunities for forward-thinking partners to streamline complex information dissemination without sacrificing cost or profitability gains.

Automation can make multichannel marketing easier by offering your channel partners solutions such as syndicated content for their site, pre-built and branded email marketing campaigns or helping them with social media syndication. For example, in the area of content syndication, a partner simply has to add a line of code to their website and new content is automatically published on their site and to social media feeds. This content can even be displayed dynamically based on visitor profile data such as industry, company size or whether the visitor is a prospect or a current customer.

With marketing automation, efficiencies are also gained for lead distribution. Marketing automation allows channel partners to get leads sent to their sales people at the right time and in the right format - from email directly into their own CRM. Turnkey delivery of marketing, leveraging proper behavioral segmentation and "closed loop" reporting help identify tactics to deliver ROI (see Figure 2). Once your partners realize automation can deliver real value without increasing their workload, they'll be happy to get on board - and your channel partnership will be more profitable. In today's environment, smarter use of technology to create more customer-driven distribution is the most effective way to drive sales.

Figure 2: Turnkey Marketing Automation Funnel



STEP 1: BUILDING EFFECTIVE CAMPAIGNS

SETTING THE STAGE FOR COLLABORATION

Once you've developed a multi-tactic strategy, the next step in building an effective marketing campaign is to set the stage for collaboration between you and your channel partner(s). To achieve this, you must break down silos between you and your partners - work directly with them to understand their needs so you can ultimately provide campaigns that best meet their end goals.

Collaboration is a great opportunity to learn more about the way your partners think about vendor relations. Earlier, we talked about the trust issue often created between suppliers and their partners. By making your channel partners valued allies and treating them as equal go-to-market collaborators, not merely as links in a supply chain, you can work wonders in better aligning your messaging to what will resonate with prospects.

While having a great product is vital, it is not always enough. Our research shows partners work most closely with the suppliers that offer them the best support that aligns to current sales incentives. To deliver on that promise, it's important to encourage communication and provide complete access to necessary data between suppliers and partners. Helping in lead generation activities is an important factor in gaining their confidence and empowering sales teams.

How can you do that? One way is by sharing analytics and allowing your partners to leverage activity on your website to uncover hidden sales opportunities and improve close rates. In the past, channel partners may have been hesitant to send customers to your website, but your website could become your channel partners' greatest resource. By using shared analytics, you can empower sales and leverage prospect data to provide deep insight into the buyer's state of mind.

PUTTING A COLLABORATIVE STRATEGY INTO PRACTICE: INTEGRATING MARKETING PLATFORM

Effective collaboration requires connected systems. The key to making this type of collaboration successful is sharing all marketing touches. Integrated marketing platforms enable partners to execute complete campaigns that may include websites, AdWords, email, social media, newsletters, events, videos and other premium content. Channel partners can then create and deploy registration forms in front of whitepapers, case studies, and webinars to capture and track every lead as early as possible. As a best practice, be sure to leverage extensions built into enterprise marketing automation systems (e.g. *AppCloud extensions in Eloqua, Marketplace add-ons in Marketo, etc.*) to connect to the marketing automation supporting the channel community.

NURTURING DEMAND

Once you have implemented a multi-tactic strategy and set the stage for collaboration, the next step in building an effective marketing strategy is to nurture demand. As discussed earlier, it takes many marketing touches before the typical prospect engages with sales. This means that most prospects need to be nurtured after they are uncovered. A recent Marketo customer case study demonstrated effectively nurturing leads that aren't initially ready to buy can increase pipelines over 250%.⁵ With Forrester reporting that lead origination and lead nurturing accounts for 21 percent of the overall B2B marketing budget (*accounting for the largest component of B2B marketing spend*⁶) investing in lead nurturing is critical. To get this right, you need to make sure you have an ongoing, automated touch process. By doing so, you're much more likely to generate more sales opportunities at lower costs.

STEP 1: BUILDING EFFECTIVE CAMPAIGNS

PUTTING A NURTURING STRATEGY INTO PRACTICE: ESTABLISHING AN ONGOING TOUCH PROCESS

Channel marketers usually work within a complex sales process during lead generation - taking a long-term view of the customer, whether they are B2B or B2C. If the buying process is for an expensive item, it's likely the purchase decisions will require extensive research and a long lead-time.

As a supplier, it's in your best interest to establish yourself as a primary resource for your channel marketers to help nurture those leads through the sales lifecycle to ultimately close the deal. Help your partners engage, re-engage when necessary (see Figure 3), and stay in contact

with their leads by automating as much of the marketing process as possible. This includes providing an integrated marketing platform that allows for coordination of what you deliver to a prospect with what the partner is delivering to the prospect. Make it as easy as possible for partners to educate their customers and prospects, and in the end, you will both benefit.

Figure 3: Importance of Using Multiple Tactics as Part of Your Marketing and Nurturing Efforts.



STEP 2: GETTING CHANNEL PARTNERS' BUY-IN ON MARKETING CAMPAIGNS

So you've developed a multi-tactic marketing strategy, designed a collaborative process, and are positioned to help your channel partners nurture demand...but what good will any of that do if you can't get partners to buy-in to your marketing campaigns in the first place?

It sounds counterintuitive, but to ensure channel partner marketers are embracing campaigns, suppliers have to actually *market* their marketing! At the core of this strategy is having the type of marketing that partners are looking for – particularly current marketing aligned with active sales incentives. In addition, suppliers have to invest resources to make it simple to use their campaigns, actively promote what is available, and they have to *get channel partners to buy-in*. There are two main steps involved in this best practice:

- 1 SIMPLIFY CAMPAIGNS
- 2 DRIVE ADOPTION

SIMPLIFY CAMPAIGNS

The pressure is on your channel partners to drive sales, but they're often overwhelmed trying to support multiple vendors and product lines. When combined with limited, or no, marketing resources, tools, or time to drive awareness to your products or nurture leads, your partners aren't set up for success.

Your partners need your help...and you need to make it as easy as possible for them to use your marketing campaigns by simplifying all of the moving parts and processes going on behind the scenes. Each stakeholder has his or her own unique role in the process.

PUTTING A SIMPLIFICATION STRATEGY INTO PRACTICE: USING GOAL-DRIVEN MENUS

One of the most effective and easy-to-implement strategies to gain partner mindshare is to create simple, marketing goal-oriented menus. Channel partners need to deploy your campaigns and start seeing leads coming to them as quickly as possible. Marketing goal menus are an easy way to communicate your expectations, tactics, types of content available, and expected results in a clear, concise format (see Figure 4).

Figure 4: Sample Marketing Goal Menu

Play Type:	Get Face-to-Face Meetings	Generate New Interest	Appointment Setting	Nurturing Existing Contacts	Extend Prospect Database
MDF Cost	\$10,000	\$500	\$2500/4 appts. \$4000/8 appts.	\$1200	\$2000
Duration	6 Weeks	30 Days	30 or 45 Days	30 Days	15 Days
What's Included	<ul style="list-style-type: none"> • Venue Mgmt. • Teleservices • Onsite Support • VIP Takeaway 	<ul style="list-style-type: none"> • Adword Placement • Inbound Support • Biweekly Reporting 	<ul style="list-style-type: none"> • Database • Teleservices • Confirmation • Follow-Up Reporting 	<ul style="list-style-type: none"> • Three-Touch Email • Video Training • Try/Buy Offer 	<ul style="list-style-type: none"> • Teleservices • Account Mapping • Database Cleansing
Estimated Results	6-8 Meetings	15 MQLs	4 or 8 Appointments	25-30 MQLs	300 Telequalified Names

STEP 2: GETTING CHANNEL PARTNERS' BUY-IN ON MARKETING CAMPAIGNS

DRIVE ADOPTION

You're the channel marketer, you know marketing works to sell your products, which is why you spend a great deal of time, effort and resources building effective campaigns for your partners to use. But what good do those campaigns do if your partners don't adopt them and put them into action? You have to get your channel partners excited about your programs. You have to market your own marketing!

A major challenge with this step in the process is that most suppliers don't realize how much time and resources are needed to not only make their channel partners aware of their marketing programs, but also to actively use them. In our experience, in order to be most effective, **BETWEEN 20 AND 30% OF YOUR TOTAL PARTNERSHIP SUPPORT BUDGET SHOULD BE EARMARKED FOR BRINGING AWARENESS TO YOUR PROGRAMS.** What are you currently spending to help drive adoption?

PUTTING ADOPTION STRATEGIES INTO PRACTICE: MARKETING CAMPAIGNS TO YOUR PARTNERS

Are you personalizing your marketing programs to reflect your channel partners' brands? Do your marketing campaigns provide the flexibility to incorporate your partners' knowledge of their particular niche or territory, and demonstrate the value they bring to the table? Do the resources you provide in your campaign address the unique pain points of your partners' specific target audience(s)? If not, you're suppressing your partners' unique value proposition and subjecting them to your corporate brand. End result? They may not be taking full advantage of your programs.

Instead, consider positioning yourself as the channel partner's advocate for the effective customization of your campaign materials without diluting your brand and product message. Emphasize business uses in your marketing campaigns, but recognize that personalization is necessary to foster trust and willingness for your partners to share and connect. Give your channel partners the confidence that their own brands and messaging will be incorporated into your campaigns according to their specifications.

PUTTING ADOPTION STRATEGIES INTO PRACTICE: ONGOING ADOPTION PRACTICES

In addition to marketing your own programs in order to drive adoption, there are several other best practices to consider for the benefit of your channel partners.

- ▶ Ongoing training: You take the time to train your partners about your product line, but do you also take the time to train them in how to implement your joint marketing programs? What about other marketing best practices?
- ▶ Incentives: Consider possible incentives for channel partners to put their new skills into practice; time campaigns so incentives kick in after marketing training.
- ▶ Limit reporting requirements for MDF support; use budgets for campaigns to partners (*i.e., gamification and/or contests*).
- ▶ Coordinate with CAMs/PBMs both to promote and to gain feedback for what is being embraced.

STEP 3: OPTIMIZING CAMPAIGNS OVER TIME

As new trends emerge, suppliers must be able to provide accurate data showing a strong, positive ROI from the channel partnership – and that can only be accomplished through up-to-date and accurate analytics and reporting. Partners should have access to metrics that are relevant to their marketing campaigns. Channel marketers need access to roll-up reporting to keep an eye on how their marketing campaigns are being used and providing value over their entire partner community.

With a focus on analytics, the final step in improving channel partner effectiveness is to *optimize campaigns over time*. There are three basic steps involved in this best practice:

- 1 MONITOR
- 2 ANALYZE
- 3 TWEAK

MONITOR, ANALYZE AND TWEAK

New technologies, changing digital strategies, shifting buying behaviors, and evolving sales processes are making suppliers' marketing goals a constant moving target. You must consistently reevaluate and reposition your goals to ensure they're aligned with the changing landscape, so that you deliver the greatest value to your channel partners. For many suppliers, the information they use to monitor marketing efforts isn't telling them what they need to know. Typically, they will have access to silos of marketing data for different marketing channels that don't tell the full story.

Analytics help you figure out which programs are delivering the most value – programs to focus on – and which programs are not performing – programs

to discontinue. With the right analytics, you can create and modify programs so they're directly meeting your channel partners' goals.

In some respects, the metrics behind opportunity creation are even more important than the initial lead generation. For example, you can track whether your marketing investment ultimately created an opportunity in your sales pipeline. Companies need to relate marketing investments back to critical sales metrics to determine efforts that are generating the most ROI.

With the right analytics, you can monitor the effectiveness of your marketing programs, analyze results of particular campaigns or promotions, and then tweak future campaigns or programs based on lessons learned or the changing landscape. Optimizing your marketing campaigns is a very fluid part of the process and requires dedication from both the supplier and channel partner to be most effective and drive maximum sales as an end result.

PUTTING OPTIMIZATION STRATEGIES INTO PRACTICE: INCREASING VISIBILITY INTO PIPELINE DATA

Don't rely on trial and error to tell you if your marketing programs are working. As a channel marketer, you're flying blind if you have zero insight into the effectiveness of your marketing efforts. At the end of the day, you need to make sure you're getting appropriate leads into the pipeline and you need to see ROI generated by your marketing activities. An integrated analytics platform that combines your direct campaign information with the results achieved by each of the participating partners can be leveraged to dig deep into the effectiveness of business activities for the benefit of both the supplier and channel partner.

STEP 3: OPTIMIZING CAMPAIGNS OVER TIME

The key to increasing your visibility into pipeline data is to take the time to *measure and review metrics that really matter*. Where do you begin? Here are a few suggestions:

- ➔ **GET A 360-DEGREE VIEW OF HOW YOUR MONEY IS BEING SPENT.** Gartner reports it is becoming increasingly difficult to monitor digital marketing spend. A recent survey reported marketers were spending between 10% and 50% of their marketing budget on digital marketing activities – the average is 25%.⁷ Suppliers are pumping money into their channel without a complete, 360-degree view of how it's being used. Integrated analytics provides the complete data that shows how engaged your partners are and if they're using your funds in an effective manner.
- ➔ **UNDERSTAND WHAT MARKETING RESOURCES ARE WORKING.** By using an integrated analytics platform, you keep your finger on the pulse of the resources and materials you have provided. This includes information like whether marketing campaigns are being used, which ones are producing results, and which ones are not performing. In turn, you can focus your efforts on resources and programs that are producing ROI.
- ➔ **LEVERAGE KPIS.** Key performance indicators (KPIs) give you a quick overview for measuring performance and growth, and when warranted, you can drill into the details that provide a deeper understanding of what is working in your program. Examples of KPIs include partner adoption, most successful partners, lead generation goals, and campaign effectiveness.

PUTTING OPTIMIZATION STRATEGIES INTO PRACTICE: INTEGRATING REPORTING TOOLS

As a supplier, you need to know if your campaigns are working by measuring results and ensuring visibility. You can't expect your channel partners to manually fill in the gaps. Tools and business processes have matured to the point where it is no longer cost prohibitive to track marketing interactions, scientifically test different messaging and systematically optimize the results. Invest the time and resources to integrate with other reporting tools such as CRMs and marketing automation systems, and have them working with whatever you're driving channel partner marketers to. Ensure that your solution integrates smoothly with your partners' preferred CRM and sales processes. Ensure all links in co-branded activities and communications take leads to the partner rather than the supplier site. Follow the trends so you can iteratively review other strategies that may be more effective.

CONCLUSION

Channel partner marketing is most effective when there is a mutual, collaborative relationship between the supplier and partner. Suppliers that provide partners joint marketing programs that are easy to use, streamline time and resources, and generate ROI will lead the way. Not only are you working to reframe the outdated view of a vendor-partner relationship, you are gaining and retaining partner loyalty and trust, reducing overall costs, and boosting profits for both businesses.

Vendors who want to effect real change in their channel partner relationships must commit to a real change in attitude. To make true believers of partners, vendors must first become true believers in this mutually beneficial model. Taking on and surmounting this challenge can set in motion ongoing growth for adaptive vendors and their channel partners.

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