

Welcome to IF Consulting's weekly e-mail newsletter

June 28, 2002

Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

This newsletter is also available as a PDF on our Website (<http://www.i-f.com/E-comLinks02.htm>) if you want to download a version for your hard copy file.

The changing channels at Oracle

In a recent address to Oracle's partner advisory council, George Roberts, executive vice president of Oracle's North American sales explained some of the changes that have occurred within the business over the last couple of years.

The advisory council, made up of a dozen or so handpicked IT integrators and VARs, represent channel partners who make their livings selling Oracle's flagship database. The relationship between the company and its solution providers has not always been a smooth one. Oracle's channel partners must compete every day, not only against a wide range of rivals, but also against Oracle's own direct sales force.

For almost two years, Roberts has been trying to leverage this Oracle's channel and fulfill channel partners' needs at the same time. He found that the two major issues were Oracle's culture of relying on direct sales and convincing his superiors that an indirect sales channel is in Oracle's best interest long-term.

Roberts has concentrated on both of these issues, and announced during the address that he was allowing channel partners to sell unencumbered to businesses with annual revenue of less than \$1 billion.

<http://www.varbusiness.com/sections/news/breakingnews.asp?ArticleID=34238>

IF Comment

Invariably, when a multi-channel strategy is employed, conflict occurs. In Oracle's case conflict must be managed between its direct channels (call center, Internet and direct sales force) and indirect channels.

Oracle is doing several things right to manage the conflict. Its channel management team is customer focussed with its customer base segmentation driving its marketing channel strategy. The level of communication is another key factor - channel partners understand that markets evolve and channel strategies change but pre-change discussion, clear definition of roles and responsibilities and open communication channels create a climate for success. Finally, George Roberts has top level support and is championing indirect channels, showing visible senior management support for channel partners.

As software markets evolve, and indirect channels become more critical to success, the issue of channel conflict can only increase. Channel conflict is unavoidable where competitive multi-



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channel strategies are used - it can only be managed. In changing markets, a fluid channel strategy, clear communication and experienced channel management is needed.

Snippets

An analyst at Forrester Research Inc says that the prospect of Internet service interruptions or quality problems resulting from WorldCom Inc.'s financial problems is sending its customers into "an absolute panic." Although known primarily as a telephone company, approximately 50 percent of all the e-mails in the world pass through WorldCom's UUNet unit, including 70 percent of those that travel within the United States.

<http://www.iht.com/articles/62906.html>

A federal judge dismissed an antitrust lawsuit against movie rental franchise Blockbuster Inc. and five Hollywood movie studios this week. Three small video-store operators claimed the studios and Dallas-based Blockbuster conspired on special revenue-sharing deals in the late 1990s that would drive them out of business.

<http://dallas.bizjournals.com/dallas/stories/2002/06/24/daily41.html>

A new service has been introduced which allows credit card holders to check to see whether thieves are attempting to use their account numbers. Backers of the new service, Cardcops.com, said the site is aimed at closing the gap between when a card is stolen and when the theft is reported.

<http://www.ecommercetimes.com/perl/story/18405.html>

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<http://www.i-f.com>