

Welcome to IF Consulting's weekly e-mail newsletter

August 16, 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.

Hello? Hello? Is anybody listening?

As the world of telecommunications is thrown into turmoil following scandals, federal probes and industry cost-cutting, it is clear that carriers are struggling to connect with their channel partners.

Customers' demands for telecommunication services and solutions are on the increase, yet providers are failing in their channel relationships. The list of complaints coming from partners include; faulty order processing and fulfillment, commission payment delays, direct-sales staff problems, variable compensation policies and inadequate customer services.

A recent poll, conducted by the technology solutions publication *CRN*, indicated that only a third of solution providers were satisfied with their carriers' channel program while approximately 25 percent said they were not satisfied. One of the major problems channel partners are experiencing is lack of confidence in the future of some telecom companies. Greg Zulli, president, CEO and co-founder of CarrierChoice, a Bethlehem, Pa.-based solution provider said "I think the biggest issue right now for everyone is which carrier you feel safe doing business with and who can you afford to be building your business around".

<http://www.crn.com/Sections/CoverStory/CoverStory.asp?ArticleID=36313>

IF Comment

Significant omissions from the partners' complaints listed in the article are margins and terms. Both these factors are important, but the ease of doing business with you as a channel principal is what is critical. Make your company easier to do business with than your competitors and, all other things being equal, you'll do more business.

While this equation sounds simple, by definition most companies make things difficult. If there are five major players in your industry, four companies are not the easiest to do business with. Are you one of those four?

Your partners deal with all sorts of suppliers, from those who supply their office needs; e.g. cleaning services and coffee; to those who supply goods for resale i.e. channel principals. Channel principals therefore need to not only ask, "How easy is it to do business with us, compared to our competitors?" But also, "What can we learn from other, totally different industries that are serving the people we are trying to reach?"

How healthy are your marketing channels?



Marketing Channel
Strategy Consultants
Maximizing shareholder value
through creating the best routes
to market

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Snippets

European customers are clicking on in droves. According to researcher Nielsen/NetRatings Inc, 12.7 million new users have signed on in Europe's five largest nations--Britain, France, Germany, Italy, and Spain. These countries' active Net population, made up of those who log on at least once a month, is now 60 million, up 14% in the past six months.

http://www.businessweek.com/magazine/content/02_34/b3796070.htm

In a move to expand its travel reservations business, the biggest franchiser of hotels in the US, Cendant Corp., has bought online hotel reservation company Lodging.com. This latest purchase follows a series of acquisitions Cendant has made recently as the company bets on an increase in travel as the US population ages.

<http://www.latimes.com/business/la-fi-cendant13aug13.story?coll=la%2Dheadlines%2Dbusiness>

A study released this week by the Pew Internet and American Life Project found that students, although they use the Internet for a variety of educational activities, do not believe that their schools are using the Web to its full advantage.

<http://www.iht.com/articles/67869.htm>