

Welcome to IF Consulting's weekly e-mail newsletter

November 8, 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.

Telco channel partners feel disconnected

AT&T Wireless' channel partners are worried that the company is hoarding transition business as it moves customers from its older CDPD (Cellular Digital Packet Data) network to its updated service GPRS (General Packet Radio Services).

According to its channel partners, AT&T Wireless will not allow all partners to sell GPRS equipment to, or collect commissions from, customers that need to change from CDPD to AT&T Wireless' new 2.5G wireless network. One vendor, who has been working with AT&T Wireless on GPRS solutions, said that the company is more interested in direct sales and said "We don't see any interest from AT&T Wireless in putting sales through its indirect channels."

A spokesperson for AT&T Wireless denied any exclusive GPRS direct efforts and said that the company was working with its channel partners on a case-by-case basis to evaluate transition and compensation programs for channel partners selling CDPD.

<http://www.crn.com/components/NI/direct/article.asp?ArticleID=38179>

IF Comment

Channel partners aren't in business to do their principals favors, or to take any crumbs thrown at them Channel partners are independent business people, with their own goals and objectives. They partner with their principals because it makes business sense to them.

It is fair and good business to lay out the ground rules at the beginning of the relationship, where a principal identifies channel partner market segments, as well as those it wishes to keep for itself. Part of this segmentation also involves identifying a channel partner's special skills and abilities and using them to add value where it would be valued most.

Segmenting according to deal value, regardless of market segment, is inappropriate. Why should a channel partner dedicate considerable resources to develop a deal, when the principal can come in at the 11th hour to claim the big job as its own? Principals need to be aware that their channel partners will not put up with unfair treatment just because they have a strong brand or dominant market presence.

In recent IF experience, we observed a dominant market leader with high market share - only to find that its channel partner loyalty was very fragile indeed. The market leader's channel partners were hanging onto the leader until another competitor came along with a slightly better offer. This leader one day will wake up to find its market share disappear overnight and wonder why.



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

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Snippets

More than 70 Thai franchises are aiming to expand licensing nationwide under a new campaign operated by Department of Business Development. As part of the Franchise B2B Thailand project, five roadshows will be held this month, where franchisors will promote their businesses to potential investors.

http://www.bangkokpost.com/Business/08Nov2002_biz47.html

The new marketing catchphrase "No credit card required!" is making its presence felt on the Internet. PaymentOne CEO Joe Lynam explains how consumers can put fees for online content and Internet access straight onto their phone bills.

<http://www.emarketer.com/news/article.php?1001824>

Microsoft's endeavors to enter the mobile phone business faced a significant setback this week when Sendo, the UK mobile phone manufacturer, abandoned a two-year relationship with the group just a few days before it was due to deliver phones that used Microsoft software.

<http://news.ft.com/servlet/ContentServer?pagename=FT.com/StoryFT/FullStory&c=StoryFT&id=1035873099783&p=1012571727108>

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IF Consulting publishes "Our View", a quarterly review of topical marketing channel issues. Samples are available on our website. To receive "Our View", please return this email with your address details.

To unsubscribe, please reply with "unsubscribe" AND a copy of the email address to be removed.

IF Consulting is a leading international marketing channel strategy consulting firm with over 30 years experience in a vast number of industry sectors. See our website for further information.

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