

Welcome to IF Consulting's weekly e-mail newsletter

December 6, 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.

Direct marketer sees opportunity in competitor's channel strategy

Personal computer vendor, MicronPC, has taken advantage of the fallout from the merger of Hewlett-Packard (HP) and Compaq. Previously concentrating on marketing PCs directly, MicronPC is now attempting to strike up positive channel partner relationships.

The change in strategy by MicronPC is a direct response to the perceived failing of their competitor's, HP, new channel program which was announced last month. Many small and medium business (SMB) computer vendors believe that HP's new channel program, PartnerOne will prevent them from achieving high level partner designations and related benefits.

Referring to HP's new channel program, Adam Lerner, MicronPC's executive vice president of sales and marketing said, "If you look at what HP is doing with PartnerOne, as they raise the bar, (channel partners) who have traditionally played at a higher level with that combined entity are looking for an alternative."

<http://www.crn.com/sections/BreakingNews/dailyarchives.asp?ArticleID=38705>

IF Comment

Channel partner goals should be meaningful and attainable if partners are to invest the time, money and resources required to achieve those goals. The same revenue or volume based reward system may not stretch across all market and channel segments. Whilst it might take a large business or enterprise solutions vendor one or two sales to make its target, a smaller SMB vendor may require many sales to achieve the same volume. This situation may not be perceived as fair.

Channel partners are independent business people with their own goals. If channel partners perceive their reward scheme to be inappropriate they become easy pickings for other providers which can lead to a loss of representation in key market segments.

The biggest winners from a poorly structured compensation program are the principal company's competitors

Snippets

7-Eleven Inc. is expanding its daily fresh food program to its convenience stores in Southern California. As part of a strategy to set it apart from its competitors, 7-Eleven stores in Southern California will offer sandwiches, freshly-made bakery goods, dairy products, fresh salads, entrees, sushi, produce and fresh-squeezed juices.



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

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<http://dallas.bizjournals.com/dallas/stories/2002/12/02/daily40.html>

The influx of online shoppers to Web stores over the recent Thanksgiving holiday has raised online retailers' hopes that this year's holiday shopping season will mark another high-growth quarter. Amazon.com's "Delight-O-Meter", which tracks the number of items sold in its virtual store, indicated that 5 million items were ordered last weekend.

<http://www.forbes.com/business/newswire/2002/12/02/rtr811121.html>

TiVo, the company offering a branded subscription-based interactive television service that lets viewers program and control which television shows they watch, and when, has been losing significant market share to satellite and digital cable providers. In an attempt to turn the company around, TiVo is now changing its marketing channel strategy from a go-it-alone approach to a licensing model.

<http://www.business2.com/articles/web/0,1653,45700,FF.html>

Share the Knowledge.

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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>