

## Welcome to IF Consulting's weekly e-mail newsletter

September 19, 2003

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.

### Deal with channel partners keeps the wheels turning

Last week, Canadian Tire Company announced a new commercial contract with dealers, which includes improved financial terms aimed at boosting profits. Nearly half of Canadian Tire's countrywide store network is run by private dealers.

Private dealers, which own about 450 of the company's 1,000 or so stores, have agreed to a 10-year deal which replaces an existing contract set to expire next June.

Mark Foote, president of Canadian Tire's retail division said, "In reaching an agreement in principle on a new contract, associate dealers and the corporation have worked together to adjust the financial terms of the existing contract and have also agreed to important strategic and operational changes."

Foote added, "As a result, we expect a positive contribution to the future earnings of the corporation while continuing to offer an attractive incentive for associate dealers to build, maintain and grow the business of their stores."

[http://www.torontostar.com/NASApp/cs/ContentServer?GXHC\\_gx\\_session\\_id=64f2883889e18ff1&pagename=thestar/Layout/Article\\_Type1&c=Article&cid=1063361057537&call\\_pageid=968350072197&col=969048863851](http://www.torontostar.com/NASApp/cs/ContentServer?GXHC_gx_session_id=64f2883889e18ff1&pagename=thestar/Layout/Article_Type1&c=Article&cid=1063361057537&call_pageid=968350072197&col=969048863851)

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### IF Comment

Canadian Tire Company (CTC) has long been seen as an innovative leader in dealer relations. In franchising's early days in the 1960's, Canadian Tire was held out as a company to emulate in working with independents - regardless of whether they were dealers, distributors or franchisees.

There have, sadly, been innumerable cases where suppliers have totally alienated their channel partners, with some suppliers' insensitivity to their channel partners' needs resulting in defections, court cases and even government legislation.

One well known company lost almost its entire dealer network by offering a unilaterally developed new deal which was advised to its channel partners by mail. Another organized a major launch at which it told its channel partners to get with the new program or get out. Predictably, the company's channel partners got out. Neither of these companies consulted with their channel partners.



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CTC worked with its dealers to develop a new mutually beneficial program. It's clear from the article that both CTC and its dealers worked hard to develop a frank and fair program. The key to developing new programs for old networks is open communications - a hallmark of CTC's dealer relations.

Open communications ensure that the company and its channel partners have common goals

### **Snippets**

Are churches different from corporations? One church in the US operates a music studio, publishing house, computer graphic design suite and owns its own record label. This is a business - pastors often act as chief executives and use business tactics to grow their congregations. This entrepreneurial approach has contributed to the explosive growth of megachurches, defined as non-Catholic churches with at least 2,000 members, in the U.S

[http://www.forbes.com/business/2003/09/17/cz\\_lk\\_0917megachurch.html](http://www.forbes.com/business/2003/09/17/cz_lk_0917megachurch.html)

Gordon Richardson, founder of the Beanscene coffee shop and music venue chain is counting the days until the opening of the new Scottish Parliament building. It's only a 15-minute walk to Beanscene's other Capital coffee bar, but the two venues are managing to tap into quite different markets.

<http://www.edinburghnews.com/business.cfm?id=1030642003>

The Cadbury-Schweppes owned Snapple brand has secured a \$166 million deal with the City of New York to become its official sponsor. The deal means that the brand has exclusive rights to sell its beverages to 1,200 schools and other public buildings and to advertise on public transport and rubbish bins.

<http://www.datamonitor.com/~73b6bc8b740f49eba41e8d9ebb09779e~/all/news/product.asp?pid=1CED70D1-8989-4848-9A35-938ABA196172>

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### **Share the Knowledge.**

If you have colleagues who would be interested in receiving our weekly email please forward this e-mail to them.

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.



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