

Welcome to IF Consulting's weekly e-mail newsletter

September 26, 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.

Strategy changes worry channel partners

Some of Microsoft's channel partners are preparing themselves for the potentially drastic effects of proposed revisions to the company's marketing channel strategy.

Microsoft has talked to select partners about future changes that would potentially segment channel partners based on customer size. For example, under of the new plan, Microsoft would encourage major consumers, such as large manufacturers, to work with global enterprise channel partners, such as Hewlett-Packard's services division or Accenture, for implementation. However, this new strategy would have significant repercussions in cases where smaller partners are already active in that account.

Smaller channel partners are worried about larger partners moving in on their customers. However, Microsoft has been communicating segmentation plans for over a year and has reassured them that it will encourage more "partnering of partners." In the example mentioned earlier HP Services would subcontract more of its business in a given large account to smaller colleagues with specialized expertise.

http://www.crn.com/sections/News/Top_News.asp?RSID=CRN&ArticleID=44660

IF Comment

Channel partner segmentation is the starting point of any successful marketing channel strategy. Companies invest significantly in segmenting their end users and developing attractive value propositions for their consumers. Consumer segmentation techniques are continually becoming more sophisticated and the concept of micro marketing is well known. Yet, unless similar emphasis and effort is placed in segmenting channel partners and in developing adequate differentiated channel value propositions, only a fraction of the potential return of a company's marketing efforts will be realized.

Channel partners can be segmented in a variety of ways; customer size is one of the most obvious ones. More sophisticated segmentation criteria includes the channel partner's motivation for being in business. Multiple segmentation criteria can be used. The important aspect to remember is that the criteria and the resulting segmentation must lead to the identification of channel segments that require a different offer or proposition to enable them to sell more and become more profitable. Any other criteria is simply a waste of time and energy.

Snippets



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Maximizing shareholder value
through creating the best route
to market

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Having seen the music industry squabble over how best to deal with Internet piracy and their failure to develop consumer-friendly ways to buy music online, Hollywood executives have coordinated their efforts to stem the free downloading of movies before it gets out of control. The movie industry's trade association has instigated a nationwide piracy awareness campaign in movie theaters and on television, while studios have started to put electronic watermarks on movie prints so they can determine who is involved with file-sharing.

<http://www.iht.com/articles/111371.html>

Franchising in Scotland is booming. A recent report in *The Scotsman*, Scotland's national newspaper, stated that more people than ever before have chosen franchising as their route into business. A number of new franchises have recently entered the market, creating fresh opportunities for potential franchisees in Scotland, as well as becoming pioneers of what looks likely to become an affluent industry in Scotland.

<http://www.thescotsman.co.uk/business.cfm?id=1057932003>

The first online care center that caters specifically for osteoporosis patients has been launched recently. MyDocOnline's new web based care center has the potential to benefit insurance companies and employers, as well as physicians and patients, by reducing the number of hospitalizations and avoidable adverse events.

<http://www.datamonitor.com/~9012b48b343b49e3b9e5e60200d56b3d-/healthcare/news/product.asp?pid=DD2200E1-21EC-4A81-A54B-8FF501BEEE28>

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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>