

Welcome to IF Consulting's weekly e-mail newsletter

February 13, 2004

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.

Supplier drives hard to improve marketing channel partner relationships

Computer hard-drive supplier Maxtor recently announced that it is teaming up with partner relationship management (PRM) partner ChannelWave to improve its marketing channel relationships both within the US and internationally.

CEO of ChannelWave, Rob Hagen believes that essentially, Maxtor has bought a global channel tool. Part of the new program is a closed-loop lead management system that passes leads to specific channel partners based on their profiles. Other aspects of the new program include partner metrics tracking, partner recruitment tools, order taking, inventory management and partner communications.

According to Hagen, the tools are designed to reduce the significant expense that suppliers and channel partners face in maintaining their relationships, including the hassle partners face when trying to look into the manufacturer's inventory and take advantage of sales leads.

<http://www.crn.com/sections/BreakingNews/breakingnews.asp?ArticleID=47675>

IF Comment

The increased demand for hard drives is being driven by the movement of smaller hard drives into consumer gadgets like ultra-slim notebooks, tablet PC's and by digital entertainment equipment such as game consoles, personal video records and portable audio players. With shipment of hard drives increasing by 16% in 2003 it's important that Maxtor maneuver themselves into a position to take advantage of the increasing demand.

Independent channel partners are not part of the supplier's organization, and cannot be managed like a direct sales force. Thus, building loyalty among resellers is inherently difficult. Resellers are inclined to be loyal to suppliers when their capacities are enhanced, the cost of doing business is cut and/or the amount of business generated is increased. PRM tools, such as the closed loop management system in Maxtor's agreement, aim to increase resellers' business while decreasing their costs of doing business with the supplier in order to harness that ever-elusive quality of loyalty.

Partner relationship management (PRM) is a relatively new phenomenon; however it is not a 'one size fits all' solution. Hopefully Maxtor's adoption of a PRM program is just one aspect of an appropriate and comprehensive marketing channel strategy.



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

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Snippets

Krispy Kreme, the high profile US doughnut shop chain is facing criticism in the UK. The company, which opened its first UK branch last October in London department store Harrods, has been criticized for targeting the disabled as part of an expansion in the UK. After unveiling plans to roll-out the fundraising program which already operates in the US, Krispy Kreme has been accused of being "highly irresponsible" and operating "in low-income areas where the risk of being obese is higher".

<http://news.scotsman.com/latest.cfm?id=2505731>

The US Federal Communications Commission commenced work on new rules this week that could significantly change the way the Internet is delivered and used in homes and businesses.

The work includes developing regulations that will enable computer users to gain access to the Internet through electric power lines, allowing users to plug modems directly into the wall sockets.

<http://www.nytimes.com/2004/02/12/technology/12CND-NET.html?hp> (free registration required)

UK telecommunications reseller Via-fon has teamed up with suppliers Your Communications and C3 to launch Unikit, a low cost phone and Internet service for university and college students. The channel alliance will provide students with a pay-in-advance service that will enable them to keep in touch with friends and families directly from their own rooms.

<http://www.channelbusiness.com/articles/newsroom-open.asp?node=1%20&ArticleID=13349>

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.

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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>