

Welcome to IF Consulting's e-Newsletter

June 16, 2005

Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

The search is on

Google, king of the online search engines, is looking to enter the business world with gusto. Dave Girouard, general manager of the company's enterprise group, has confirmed that engaging marketing channel partners are part of the grand plan, but won't go into detail. Girouard has indicated that Google wants to push its technology into the broad spectrum of small, midsize and large business as well as federal agencies. "We try things in the consumer world and make sure they are well and thoroughly tested. And I think we have other products that could be good in the enterprise," he said.

Galloping beyond the success of its search engine business, Google's stable now includes e-mail, Blogger, Orkut social networking, news, maps and satellites. Girouard believes all of these tools are useful to business users. Google also sells two hardware appliances that bring its search know-how into businesses.

The Google name carries a lot of weight with potential channel partners. When asked, David Via, vice president of business development for The Wolcott Group, an e-mail solution provider said that partnering with Google "never occurred to us, but if they called, we would certainly be interested in having the discussion. They have a lot of brand value that could be leveraged by partners."

<http://www.crn.com/showArticle.jhtml;jsessionid=GAAUSZFGXMYXAQSNDKESKHA?articleId=163701723>

IF Comment

Google has become a household word among Internet users because of its robust search engine. It does have a host of other offerings, such as Google News, G-mail and Blogger which are also primarily for individual use.

Naturally, Google wants to find more customers in the business world. Unfortunately technical prowess does not always win the competition for business accounts. Google, whose sophisticated technology and smart workforce strikes awe into its competitors, realises that it needs channel partners with existing relationships with important business customers.

Google's technical products, engineering skills and strong brand will certainly be attractive to potential channel partners. Unfortunately technical prowess does not guarantee channel management know-how either.

Developing a channel partner value proposition that provides continuing benefits to both parties is a complex undertaking. Large, publicly traded, engineering-based corporations often have difficulty allowing channel partners to continue to own customer relationships, as well as to enjoy respectable margins over the medium-term. In recent years, the channel has



Marketing Channel

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grown in strategic importance and some technology giants, such as IBM, have arrived at a successful modus vivendi with partners in the channel.

Snippets

The Competition Commission of South Africa, a statutory body in South Africa empowered to investigate, control and evaluate restrictive business practices, has announced that seven motor vehicle manufacturers (including DaimlerChrysler, BMW, Volkswagen and General Motors) are to be referred to the Commission's Tribunal for adjudication, after an investigation revealed possible price fixing and anti-competitive practices by the manufacturers and their franchised dealers.

http://www.moneyweb.co.za/news/eco_trends/445318.htm

Following the lead of other fast-food chains, Subway Restaurants announced this week that it will be replacing its paper loyalty cards with electronic cards. The new cards are designed, like their paper counterparts, to reward frequent customers yet will also be capable of storing customer data.

http://www.theglobeandmail.com/servlet/Page/document/v4/sub/MarketingPage?user_URL=http://www.theglobeandmail.com%2Fservlet%2FArticleNews%2FTPStory%2FLAC%2F20050603%2FRSUBWAY03%2FTPBusiness%2FCanadian&ord=1118890547109&brand=theglobeandmail&force_login=true (Because of the length of this URL, you may need to cut and paste it into your browser's address bar)

Khamzat Khasbulatov, head of McDonald's in Russia, announced this week that the fast-food giant will spend up to US\$50 million to expand its chain in Russia by 20 percent this year, with plans to commence franchising operations within three years.

http://www.sptimes.ru/archive/times/1077/news/b_15963.htm

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