

Welcome to IF Consulting's e-Newsletter

August 26, 2005

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

Building a loyal channel program

US component manufacturer Honeywell has engaged teams of sales representatives to pull in business for channel partners as the company rolls out its new channel program, the 'Honeywell Builder Program'.

Kenneth Weinstein, senior vice president, program marketing, said at the recent 2005 International Builders' Show in Orlando, "Honeywell has a field sales team calling on builders to specify Honeywell products. That is a pull strategy of driving in business."

The new program offer builders the chance to join one of three partner levels in order to take advantage of Honeywell marketing materials, design center support, training, rebates and more. In addition, the company runs a program offering the opportunity to its contractors and dealers to reach authorized subcontractor status so as to reassure builders that they are working with the most qualified subcontractors available.

Honeywell also supports builders to improve customer satisfaction by offering extended product warranties, after-sales support and follow-up.

http://www.sdmamag.com/CDA/ArticleInformation/features/BNP_Features_Item/0,6950,145656,00.html

IF Comment

The article above describes an excellent example of a channel program aimed at helping channel partners increase their sales. Effective channel programs will generate channel partners' loyalty only if they help partners sell more or reduce their costs, everything else is a "nice to have" but probably not required.

To develop an effective channel program, companies need to have an in-depth understanding of their partners' sales and costs drivers. Honeywell understood that channel partners' sales are driven by builders that specify Honeywell products. They could have developed an incentive or reward program for channel partners that focused on this channel, but decided to take the most direct and immediate route, focus its field sales team to pull in the builders' business directly for its dealers. The same approach can be taken on any other significant cost and revenue driver.

Snippets

Microsoft's decision to slash rebates to some of its channel partners is causing some significant ripples. Sources told CRN Magazine that Microsoft had significantly reduced some of the back-end rebates channel partners receive.



Marketing Channel

Strategy Consultants

Maximizing shareholder value through creating the best route to market

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<http://www.crn.com/sections/breakingnews/dailyarchives.jhtml?articleId=169400700>

A conflict has arisen between Australia's only listed mortgage broker and its franchise owners after the company cut performance bonuses in a slowing home loan market. Forty franchisees, who between them control about 100 Mortgage Choice franchise have served the company with a notice of dispute.

http://www.theaustralian.news.com.au/common/story_page/0,5744,16272986%255E643,00.html

7-Eleven wants to transfer operations of its corporate-owned locations to franchises in Colorado and Utah. The chain is offering store managers the opportunity to buy their own stores and operate as franchisees.

http://www.csnews.com/csn/news/article_display.jsp?vnu_content_id=1001021889

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