

Welcome to IF Consulting's e-Newsletter

July 24, 2006

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

Why the chips aren't down

Computer chip maker Intel is about to launch a revamped marketing channel program that will see the company's top partners needing to qualify to be recognized as "Premier Providers". Previously, membership to this exclusive level was through invite-only. One channel partner interviewed said he is pleased Intel is standardizing qualification for Premier Partner status, believing the previous system for choosing Premier Providers to be "arbitrary".

The new program, however, does not address all of Intel's channel issues. Apparently channel partners have been concerned for some time that smaller partners do not get credit for buying through the larger partners. Currently, credit is earned only when purchasing through an authorized Intel distributor. According to Shirley Turner, director of North American distribution and channel marketing at Intel, the company is not ready to roll out such an option.

<http://www.channelweb.com/article/showArticle.jhtml?newscenterId=100007&articleId=190400068>

IF Comment

Intel's decision to revamp its channel program and to introduce clear and transparent requirements for its top partners to qualify for its Premier Provider program is consistent with a trend that we have been observing in many industries and companies. Companies have become increasingly sophisticated in the structure and content of their channel programs and, consequently, in measuring the return on their investment in the development, management and delivery of channel programs. Equally, as the requirements to join channel programs, particularly in the top tier, have become more stringent, channel partners have become more careful in measuring the return on their investments and commitments in any one program.

Additionally, as non-exclusive channel partners often join more than one channel program, they can more easily compare and measure their potential and actual rewards. This situation simply emphasizes the need for companies to develop cost-effective channel programs that deliver support and assistance that can help a channel partner sell more or reduce their operating costs.

Snippets

McDonald's Corporation announced earlier this month that McDonald's Bulgaria has transferred to a Developmental Licensee (DL) structure. This model is a form of franchising used by McDonald's for about 20 years that enables local ownership and brand development.

<http://biz.yahoo.com/prnews/060714/cqf023.html?v=58>



IF International

Marketing Channel

Strategy Consultants

Maximizing shareholder value
through creating the best route
to market

IF International

ACN 004 783 519

email channels@i-f.com

www.i-f.com

USA

Europe

Australia



Escalating land prices are dampening the expansion plans of major convenience store operators in China. Competition for land with local businesses has intensified dramatically, making it very difficult for the convenience store chains to open in favorable locations. Many outlets have also been forced to shut down as surging rents make it increasingly difficult to make profits.

<http://mdn.mainichi-msn.co.jp/national/news/20060723p2a00m0na007000c.html>

Published reports claim that Amazon.com plans to launch a digital video download service next month. Although the company remains tight-lipped on the subject, analysts believe that it is computer manufacturer Apple who would be most likely to succeed in this market.

<http://www.ecommercetimes.com/story/PVNAwaqFeerib6/Amazon-Reportedly-Planning-to-Make-Movie-Rental-Play.xhtml>

Share the Knowledge

If you or your colleagues are interested in receiving our e-Newsletter please visit: <http://www.i-f.com/E-comForm.htm>

IF Consulting publishes "Our View", a review of topical marketing channel issues. Samples are available on our website.

IF Consulting is a leading international marketing channel strategy consulting firm with over 35 years' experience in a vast number of industry sectors. See our website for further information.

<http://www.i-f.com>