



# Choosing a TCMA Solution Aligned to Your Brand's Approach

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In the Through-Channel Marketing Automation (TCMA) industry, different providers offer different pricing models. Understanding how pricing models work will help you determine whether a TCMA provider's solution aligns with your Brand's approach to Distributed Marketing.

As you evaluate pricing models for local marketing platforms, it's helpful to keep in mind that platform pricing is separate from the pricing of individual marketing services.

TCMA solutions generally fall into three different pricing models:



Let's take a closer look at each model and weigh their pros and cons.



# Results-focused Model



TCMA solutions that use a Results-focused pricing model are built for Brands that want their platform provider aligned to drive partner engagement and usage of the platform. The provider is incentivized to achieve the Brand's goals because the revenue model monetizes media and tactics available through the platform. **Results-focused TCMA platforms tend to offer comprehensive solutions, including software, integrations and a Marketing Service Provider network for fulfillment of digital and traditional marketing tactics.** Templating, brand support and retailer support are also available from a Results-focused TCMA provider.



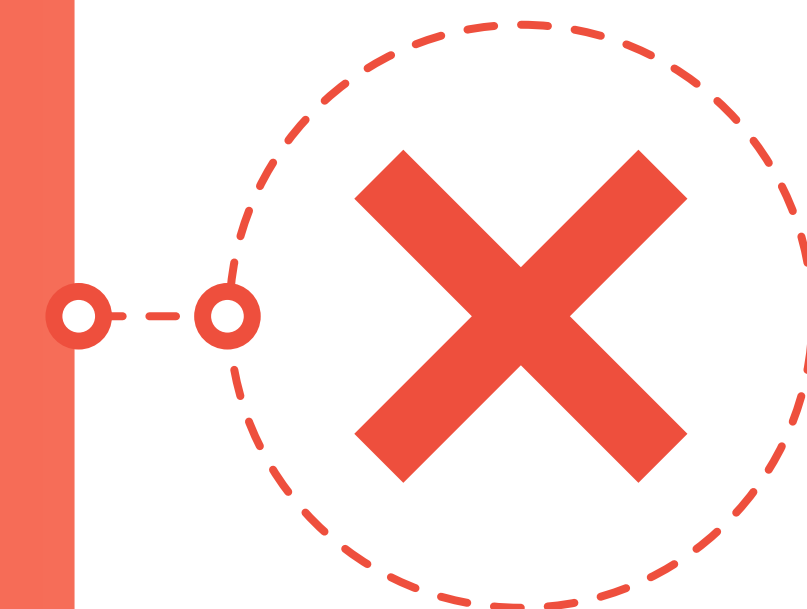
## Pros

- | Partner engagement, partner satisfaction and tactic adoption increase because the platform provider is incentivized to drive engagement
- | Tactic pricing must be competitive to entice partners to utilize the software
- | Partners get consistently leading-edge technology and high-quality fulfillment for digital and traditional marketing, because the platform is responsible for vetting, monitoring and evaluating integrated Marketing Service Providers
- | Implementing additional services and tactics is easy

## Cons

- | Brands with limited budgets may have difficulty sustaining the investment required for a Results-focused TCMA platform
- | Brands that want to handle vendor management, engagement and servicing their partner networks on their own may not need the comprehensive services available with this pricing model

## Here are a few pros and cons of **Results-focused** TCMA platforms



### Keep in mind:

Some TCMA providers may offer hybrids of the Results-focused Model or other pricing models. For example, the Results-focused Model can be scaled down in many cases to accommodate a phased approach to your Brand's current needs.




# Software Model



Brands that prefer the Software TCMA pricing model typically want to build their own in-house agencies. It's designed for Brands that want to directly manage the retailer experience by integrating their own vendors and revenue rebates. General license fees and ancillary software fees are the primary revenue center for these platform providers. **A complimentary vendor ecosystem may be available, but it's typically less polished and not comprehensive** because the platform provider has no vested interest in utilization outcomes.





# Let's take a look at a few pros and cons of the **Software pricing model**

## Pros

| Brands have control over vetting, monitoring and managing the platform's Marketing Service Provider network

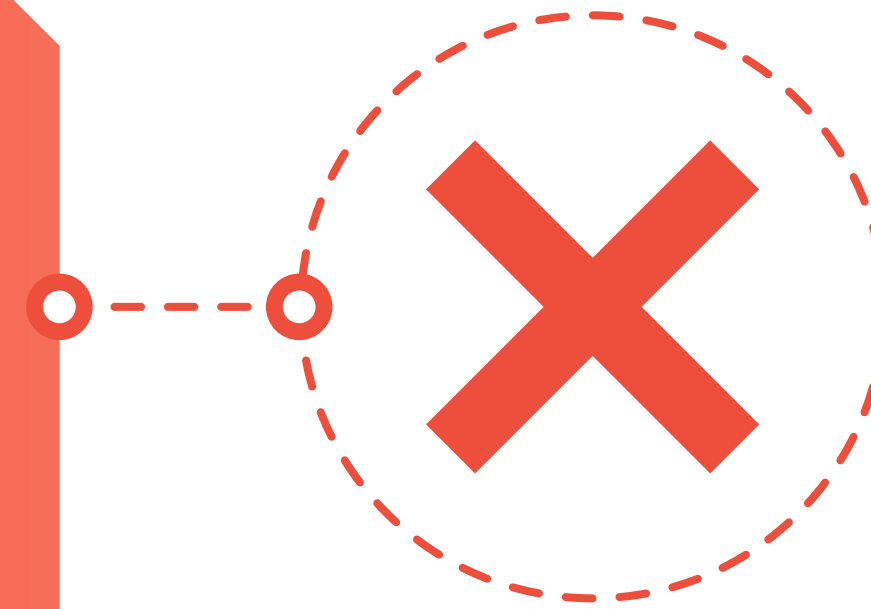


## Cons

| Vendor management involves sourcing, handling contracts, day-to-day issues and vendor payments

| There is a larger need for internal resources

| Per-user licensing fees drive up software costs and usually include users that are neither engaged nor active, which leads to wasted budget



# “Free” Model



The “Free” or super low-cost model is a tactic some TCMA providers use in order to sell the provider's marketing services to the brand's partner network. This model is usually appealing to brands that have little to no budget but still need to offer their partners something. Typically, “free” platform providers do not own the marketing technology they offer, which means they cannot update or customize the technology to fit their clients' needs. **These providers white-label a third-party's software solution as a giveaway in order to drive clients to high-volume spending through the single-solution provider's main business.**



**For example**, the platform is “free” for Brands that spend a certain amount on fulfilment with a graphic design and printing company that the platform provider owns. In this pricing model, while marketing technology and customer support may be offered as “free,” what it really means is that Brands don't pay these expenses upfront. **Those expenses are typically added to fulfillment costs.**

# Here are some pros and cons to consider when evaluating the “Free” pricing model



## Pros

- | Lower budgets required for software and professional services

## Cons

- | Partners assume the burden of higher costs for the services provided through the platform
- | Partners are dissatisfied when pricing is not competitive
- | Platform usage declines when partners turn to local vendors for lower costs on tactics, which can lead to decreased governance brand compliance
- | Brands lose control over local marketing and have no visibility on the performance of their marketing spend
- | Technology is offered as-is, with limited options for customization or improvement
- | Brands are held captive to the quality and service capabilities





Finding the TCMA pricing model that fits your Brand requires clarity on your Brand's challenges and goals. Also consider if the TCMA provider can offer the flexibility of a hybrid model, such as scaled down Results-focused Model, to accommodate a phased approach to your Brand's current needs.

Understanding the pros and cons of each model can help you pinpoint whether the TCMA providers you're evaluating can meet your current needs and whether they are capable of evolving with your Brand to tackle tomorrow's challenges.

