



The Time is Now

Why You Can't Afford to Wait to Upgrade
Your Partner Marketing Technology

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According to the World Trade Organization, 75% of all trade flows through indirect channels.¹ And while 73% of marketing decision makers consider managing their channel partners to be a challenge, only about 50% of those B2B decision makers are using a Through-Channel Marketing Automation (TCMA) solution.² TCMA is gaining mainstream adoption by Enterprise Marketers the same way Enterprise Marketing Automation platforms like Salesforce Cloud, Marketo and Eloqua have become the norm over the past 10 years.

In our marketing research at SproutLoud, we've found that Brands that use an Indirect Distribution strategy tend to have critical priorities in common. They want to increase speed to market, improve Brand compliance, lower OpEx, grow Partner Participation and improve analytics. If your current solutions aren't proactively addressing these needs, it's time for an upgrade. Every day that your Brand is not taking advantage of TCMA, you're losing the time, money and influence needed to drive more sales to your Indirect Partners.

As you will see as you read on, the stats are staggering. And one day you are going to have to have a hard conversation with your CFO, COO or Channel Chief. Are you really willing to say: "We are spending a ton of money on very manual processes to push Brand advertising to Partners that don't really care or participate. Oh, and by the way, we have no way to know if it is really working."

¹ Jay McBain, "Through-Channel Marketing Represents The Third Stage for Sales and Marketing Leaders," (blog) Forrester Research Inc., April 25, 2018.

² The Forrester Wave™: Through-Channel Marketing Automation, Q2 2018. Cambridge: Forrester Research Inc., 2018.

Part 1 | The Challenge with Innovation

For some Brands, upgrading marketing technology is not as easy as it sounds. It takes a lot of time to evaluate current processes, review current systems, compare leading solutions, and garner sufficient support from key stakeholders to proceed. Here are few common obstacles that make innovation seem difficult, at least at first glance:

Obstacle No. 1: The job still seems to be getting done.

Existing solutions may be fractured, outdated and heavily dependent on manual processes, but if you're using them now, that must mean they're still working.



74% of Brands use manual processes for Partner Marketing.

Obstacle No. 2: Change is complex.

If current processes are dependent on the old technology, then change is not going to be easy. Because so many teams touch Partner Marketing, centralization on a single comprehensive system requires a lot of stakeholders to change their processes. This is especially difficult if you don't have a central project manager to oversee it.



44% of Brands have at least 10 people dedicated to managing different vendors.

Obstacle No. 3: Getting buy-in can be difficult.

Pulling together a cross-functional team from Brand Marketing, Marketing Operations, Creative, Advertising, Finance, IT and Field Sales is not an easy task. Trying to get all of them to see the inherent value of updating technology and improving processes is also very difficult. But the fact of the matter is that continuing to use old processes is not only incredibly costly, but it is also killing your ability to compete.



48% of Brands saw an increase in Partner Marketing Operating Expenses.

While these challenges may seem daunting, the alternative is unthinkable. Hanging onto outdated technology and antiquated systems is like rotary dialing in a world that's long since moved on to smartphones.

Part 2 | Not Innovating Can Cost More Than You Think

You can count on one thing: your competition isn't thinking twice about innovation. Even though your dealers, distributors, retailers and agents are the face and voice of your Brand in the local market, their competition is changing. Big Box retailers and e-Commerce giants are using deep pockets and highly sophisticated digital marketing to take customers away from your Local Partners. Today, when 97 percent of consumers search online first when looking to buy local³, it's easy for the big guys to shut out your Partners. Consider this:

- **Home Depot spent \$874 million on advertising in 2016.**⁴
- **Amazon spent \$7.2 billion on Digital Advertising alone in 2017.**⁵

That level of marketing spend is dedicated to hyper-segmentation based on analytics, high-frequency messaging, responsive promotions, multi-channel touch points which require more graphic design and creative execution. Brands that are using outdated marketing technology and traditional Co-Op Programs are finding that they, and their Channel Partners, simply can't compete. According to survey results gathered in SproutLoud's 2017 Channel Marketing Retrospective, here are the main things that Brand marketers say are holding them back.

Partners Don't Care

Partners say they don't participate in local marketing with their Brands because it's too difficult.

- 71% of Brands say <50% of their Partners participate in Local Marketing
- 68% of Brands say <50% of their Co-Op Funds are used
- 66% of Brands say <25% of their Partners use Digital Marketing

Out of Control Costs

Brands say exorbitant agency fees and increased administrative work are driving costs out of control:

- 79% of Brands saw an increase in marketing vendors
- 60% of Brands increased the number of tactics they use
- 44% of Brands have 10 or more people dedicated to managing vendors

Speed to Market is Too Slow

Antiquated customization and approval processes make it impossible to respond to ever-changing market conditions in real time.

- 74 % of Brands depend on Channel Partners for localization
- 72% of Brands have staff dedicated to managing Partner claims
- 76% of Brands have staff dedicated to managing approvals

Flying Blind

- 67% of Brands use historical adoption as their primary resource to guide investment strategy
- 38% of Brands provide performance metrics to their Partners
- 19% of Brands believe Partners review performance data on their own

³ Local Consumer Review Survey. BrightLocal, 2017.

⁴ Statistica, 2017.

⁵ Cowen and Company, 2017.

Part 3 | Innovation is Easier than you think

Change does not have to be complicated, nor does it have to be expensive. In fact, moving to a SaaS Through-Channel Marketing Automation Platform is low cost, fast and secure. At SproutLoud, our Co-Op Claims and Reimbursement module alone offers a 50 percent savings on processing fees. We can build a custom instance of our SaaS TCMA platform for a Brand – from discovery to launch – in as little as 90 days. How do we do it? There are a few key elements you should know about.

We Have Been There and Done That

SproutLoud has 75 leading Brands and 90,000 Partners on our Platform. We have launched literally millions of campaigns over our history. We know what makes a program successful, what saves money, how to improve processes and how to get Partners participating. We also know who needs to be in the cross-functional evaluation group, who needs to be available for implementation and how to get Partners engaged and advertising in the right types of campaigns. So while centralization of a large set of fractured processes and dispersed vendors seems difficult to you, SproutLoud has been there and done that – a lot. From our first conversation to our implementation kickoff, you will find our knowledge, efficiency and technology get you where you want to go faster and with less cost.



SproutLoud has increased Partner participation by 60% for a major paint manufacturer with over 6,000 Partners.

The Advantage of Single Code Base TCMA

Brands that choose a single code base TCMA platform have the advantage of benefiting from more than a decade of best practices. At SproutLoud, when we develop a feature for one customer that feature can be instantly pushed for all our customers across the Platform. This means all our Brands can benefit from the combined wisdom and experience of some of the largest Partner Marketing companies in the world, because their best ideas are already implemented and integrated into the SproutLoud TCMA Platform. Now, if we are building something proprietary for a Brand, obviously it is theirs alone. But, in most cases, new features become available instantly for all our customers.



SproutLoud saves our customers 24,000 hours of administrative work per year.

SproutLoud's TCMA Modules Offer Brands Flexibility

SproutLoud's Channel Marketing Automation Platform is designed to be flexible. Various features are accessible as modules that can be turned on or off to fit the needs of your Brand. The reality is your Brand probably has contractual obligations to a variety of vendors – each with different end dates. This is where module-based products become so powerful.

Let's say you are ready to move to SproutLoud's dynamic ad templates and campaign management modules now, but your contract with your Co-Op administrator doesn't end for another 6 months. SproutLoud can roll out a custom instance of our Platform for you immediately that has Co-Op turned off. This means you improve speed to market and reduce OpEx in the present, while preparing to save 50% on Co-Op processing in the near future. And if a Brand has existing vendors executing marketing services that they'd like to continue working with, those vendors can be seamlessly integrated into SproutLoud's Marketing Service Provider network.



SproutLoud has reduced administrative costs by 75% for a major retailer with 3,500 Partners.

Project Management Expertise

From the discovery phase to launch, SproutLoud provides dedicated Project Management for Brands. There is no need for a Brand to pull a member of its own team to manage the transition to SproutLoud. Our in-depth discovery process is led by a dedicated Project Manager who works directly with the Brand's team to provide support every step of the way prior to launch. SproutLoud also offers dedicated support to the Brand's Channel Partners, the Brand Sales team and the Brand Marketing team. The SproutLoud team handles every detail of the transition to our Platform with meticulous precision, ensuring that it's painless, seamless and efficient for Brands.



Local Partners launch more than 250K campaigns through SproutLoud every year.

Part 4 | The Time is Now

Over the past 20 years, technology has become integral in the way that Brands sell and market their products. First, CRM systems brought discipline and automation to how sales opportunities are managed. Then, Marketing Automation platforms brought discipline and automation to how Brands communicate directly with their customers. Now, TCMA is bringing that same discipline and automation to the highly fractured world of Partner Marketing. When facing bigger competitors with deeper pockets, your Brand cannot afford to keep using old, manual processes and outdated technologies to try to compete.

If you have an Indirect Distribution Network, the question has to be:
“What is it costing us not to move to TCMA?”

Understand How to Overcome the Challenges of Evolving Your Partner Marketing Program

Challenge	Cost	Solution
No Centralized Owner of Partner Marketing	<50% Partner Participation	SproutLoud provides dedicated project management including in depth discovery, day-to-day management during implementation, and dedicated Customer Relationship Managers to oversee daily operations going forward.
Too Many Existing Vendors	68% of Brands say OpEx increase is driven by increase in vendors.	SproutLoud's Marketing Service Provider (MSP) Ecosystem comes with 75+ world-class marketing vendors of every type – digital and traditional. Brands can even have certain existing vendors integrated into the SproutLoud MSP network. This means that Brands can eliminate the need to manage and pay individually for vendors.
Limited Budget	74% of Brands use manual processes for customization of Partner Advertising	SproutLoud's SaaS Platform requires no seat licenses, no IT footprint and limited support costs. This allows Brands to efficiently scale Partner Marketing across their entire Partner network.
Partners Won't Adopt New Technologies	<25% of Partners utilize Digital Marketing	SproutLoud's Partner Ignite is the industry's leading turnkey Partner Success Management program, which is all about engaging your Partners. From onboarding, to training, to day-to-day support, SproutLoud gives your Partners the guidance and support they need to overhaul their local marketing performance.
Our Partner Ecosystem is Too Complex	65% of Brands have more than 7 different types of Channel Partners.	SproutLoud's rules-based campaign engine allows Partners to receive a custom experience where they only receive campaign assets, offers and support specific to their business.



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