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4 Critical Failure Points in Partner Marketing

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CUSTOMIZATION

LACK OF ANALYTICS

CO-OP ADVERTISING

DIGITAL MARKETING

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Through-Partner Marketing has never been more complex than it is today. Brands using an Indirect Distribution strategy need to focus on driving sales in hypercompetitive markets. And their Local Partners aren't just competing against the store down the street, they're up against e-Commerce giants and Big Box retailers. To understand how to compete and win, we need take a good hard look at critical failures points that, over time, have oddly become accepted as routine in Partner Marketing because "that's the way it's always been done." But, as they say, you'd have to be insane to do the same thing over and over again and expect different results.

Here are the four critical failure points in Partner Marketing:

Brands waste time and money customizing local ads for their Partners.

Half of your Partners don't participate in Brand marketing campaigns.

Brands can't pull analytics on Partner campaigns when local vendors are used.

Partners don't adopt Digital Marketing Tactics.

Brands waste time and money customizing local ads for their Partners.

Ad customization is standard practice when national Brands run Co-Op Advertising with their Partners in local markets. It's essential for Partners to include their own information — company name, address, phone number, social media contact information — on Brand ads and resize them as needed for various multi-tactic campaigns within a specific market. Many Brands make the mistake of either dedicating an internal team to handle ad customization or hiring an ad agency to do so. Either choice carries inherent costs related to internal headcount or excessive agency fees.

Tying up the Brand team

About 76 percent of Brands we surveyed have staff dedicated to managing advertising approvals. The Brand Marketing managers tasked with overseeing ad customization say it's one of the most monotonous parts of their job: Inboxes overflow with customization requests, and Partners complain about Brand guidelines. It's an endless cycle: Review. Reject. Approve. Repeat.

Exorbitant Agency Fees

Hiring an agency to handle Partner customization requests is expensive. **In fact, nearly 50 percent of the Brands we surveyed said they saw an increase in Partner Marketing operating expenses over the past year.** Consider how much it would cost to cover agency fees for creating multiple versions of ads for multi-tactic campaigns — with different company names, contact information and ad sizes — for every Partner within your network. I have seen companies creating up to 100+ templates per month for a single campaign.

Slowing Speed to Market

Speed to market matters — especially in consumer markets where a competitive promotion can completely disrupt your Brand's existing campaign. Market conditions can change at a moment's notice. Every Brand Marketer knows that success is about getting compelling campaigns in market, in front of customers, as quickly as possible. Brand Marketing leaders also know that being too late can cost you the sale. Now, consider the hours and days Brand teams or agencies spend reviewing requests, collecting information, inputting data, resizing ads, proofing revisions and approving local ads. All this kills speed to market and impedes a Brand's ability to quickly respond to market conditions.

Solutions

For Brands, the key to saving both time and money is a comprehensive SaaS-based Channel Marketing Automation Platform, that addresses ad customization solutions and much more:

■ Pre-programmed "profiles" of each Partner can be loaded into the Brand's Partner Marketing Portal. This means that adding local information for every Partner within your Brand's network takes seconds instead of days, resulting in more campaigns getting to market faster, driving leads and sales to your Local Retailers.

- Dynamic templates remove the need for Brand Marketing managers or agencies to handle individual requests for ad customization. All changes can be made within a native Ad Builder that is pre-configured to be Brand compliant. This means no more endless email queues of Partner customization requests.

- Data-driven customization allows for specific sections of Brand ads — such as promotions or legal disclaimers — to be auto-populated to comply with the needs of specific Partners or groups of Partners by class or region. This eliminates the need for an agency or vendor to build dozens of ads, when a series of well-designed templates are accessible 24/7 on a SaaS Channel Marketing Automation Platform.
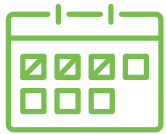
Failure Point No. 2:
Half of your Partners don't participate in Brand marketing campaigns.

Two statistics illustrate the current state of Co-Op Advertising within Indirect Distribution Partner networks:

> For the majority of Brands, only about 50 percent of their Channel Partners participate in Co-Op Advertising campaigns.
>
> Of the $70 Billion in Co-Op funds that Brands make available to their Partner networks each year, about 52 percent gets utilized.

Frankly, there are not that many marketing roles where you can say you achieved 50% of your goal and still keep your job. For Brand Marketing leaders, becoming accustomed to this as an acceptable reality is a mistake. Co-Op Advertising was originally designed to benefit both Brands and their Partners, by encouraging Local Partners to invest their dollars with the Brand on the local campaigns. The key to increasing Partner participation lies in understanding why 1 out of 2 Partners don't opt into Co-Op offers. Brands and their Partners can benefit by embracing solutions that would restore Co-Op to what it should be: a win-win.

Why Partners Don't Participate in Co-Op

It takes too long to get ads approved:
If the ad customization process of review-reject-approve-repeat is at best monotonous for Brand Marketers, then for Local Partners it's so cumbersome that half of them will determine it's not worth their time.

It takes too long for Partners to get reimbursed:
When Small Business Owners pay 100 percent of local marketing costs upfront for the Brand, they often wait weeks for a Co-Op reimbursement from the Brand. In fact, 44 percent of Brands we surveyed say it take at least 4 weeks to provide Co-Op reimbursements to their Partners. Over time, that cuts into the limited funds they have to cover essential business expenses, like payroll and inventory. Many Local Partners decide that the potential cost-savings isn't worth the wait, especially when the Brand's Co-Op offers may not cover the full cost of the ads.

Incompatible systems make it complicated:
The process is confusing to Partners when they have to use one system to access and build ads, another to upload proof of performance and yet another to submit Co-Op claims.

Brands lack influence over their Partners' marketing decisions:
Every year Partners are leaving $33 billion in Co-Op funds on the table, because they say the process is just too difficult. Despite Brand preferences and guidance, most Partners say they don't rely on Brands when they make decisions about Local Marketing. In one Partner network we recently surveyed:

54 percent of Partners said they'd take advice from a local agency, a local vendor or a business colleague.

22 percent said they trust their gut when they make marketing decisions.

Only 15 percent said they'd take advice from the Brand.

Solutions

The vast majority of Channel Partners say they hate wasting time on marketing. They'd rather spend time selling Brand products and driving up sales revenue. With a comprehensive Channel Marketing Automation Platform, Brands have an array of solutions designed to increase Partner participation by making marketing faster, easier and more effective:

- Instant Funding allows funds from Brands and Partners to be simultaneously applied to Co-Op offers on Brand-compliant local marketing campaigns. This gives Partners an incentive to choose Brand-preferred tactics, while giving Brands greater influence over Partner Marketing decisions. It also means that Partners no longer have to wait for approval or reimbursements because funds are applied immediately.

- Centralizing Marketing Resources goes beyond the functionality of Ad Builder and Digital Asset Management. Within a comprehensive Channel Marketing Automation Platform, this means that solutions and functionality for ad customization, funding and local marketing execution are all housed within the same SaaS-based Platform to increase savings and efficiency for Brands and provide much-needed support for their Partner networks.

■ Integrating vendors within a leading Channel Marketing Automation Platform means that Brands and their Partners have access to world-class expertise through a [network of Marketing Service Providers](#) that are integrated directly into the SaaS Platform. This gives Brands the assurance of high-quality, consistent and Brand-compliant local marketing throughout their entire Partner network.

Failure Point No. 3:

Brands can't pull analytics on Partner campaigns when local vendors are used.

Channel Partners, in general, tend to be fiercely independent. As Small Business Owners and entrepreneurs, they're used to wearing many hats, but there is one job they say they don't like to do: Marketing. In fact, in one network we recently surveyed, Partners nearly unanimously stated that they hate marketing:

56 percent of the Partners said the business owner is also the one who manages marketing.

70 percent of the time spent on marketing is dedicated to ad creation and customization.

42 percent said they hate submitting Co-Op claims for reimbursement.

28 percent said they hate ad creation.

So, they tend to rely on local marketing vendors to handle the job, often without a rigorous process in place for vetting, selecting, managing and monitoring them on a regular basis. Each Partner is likely to have multiple vendors, and each vendor is likely to have their own process and system — if any — for tracking local marketing execution. Multiplied across a network of thousands of Partners, it's clear that getting access to any data, let alone timely or relevant data, becomes impossible for Brands.

For Brands and their Partners, this makes ROI on local marketing unattainable. If an ad campaign fails to deliver an increase in traffic, leads or sales, how would you know what went wrong? Was it the messaging, the timing, the tactic, the execution or all of the above? Without visibility on measurable outcomes, Brands have no insight on what's working and what's not. The right data can reveal how a tactic, a campaign, a Partner or even a region or class of Partners is performing in real time. This would allow the Brand to make strategic course corrections that could have a significant impact on sales. Without data, Brands and their Partners are [flying blind.](#)

Solutions

A comprehensive Channel Marketing Automation Platform can deliver the insight that Brands and their Partners need to make data-driven decisions in real time. This gives Brands renewed confidence in the Local Marketing efforts throughout their networks:

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- By taking marketing execution out of the hands of individual local vendors and bringing it into the measurable, controlled environment of a leading Channel Marketing Automation Platform, every aspect of the local marketing becomes visible and able to be mined for valuable analytics.

- Using approved vendors with a world-class Marketing Service Provider network increases efficiency, reduces vendor sprawl, and eliminates the risk of fraud.

- When local marketing — from start to finish — is funded, created, executed and analyzed within the same comprehensive SaaS-based Channel Marketing Automation Platform, Brands have access to a wealth of data. Robust analytics dashboards make it easy for Brands to identify what's working and what's not in real time.

Failure Point No. 4:
Partners don't adopt Digital Marketing Tactics.

When Brands are dealing with low Partner participation and the absence of relevant performance metrics, they also tend to have less influence than they'd like to have over Partner Marketing decisions. This becomes increasingly evident when you look at whether your Partners are investing in Digital Marketing tactics or not.

Partners with limited time for marketing tend to fall back on what they've always done. Often, for Partners struggling to meet sales goals, Traditional Marketing tactics like newspaper and radio ads tend to be the most familiar, while Digital Marketing tactics — such as Pay-Per-Click Ads, Dynamic Local Display Ads, Social Media ads, Reputation Management and Directory Listings Management — can seem too complicated or too risky. But avoiding Digital Marketing can be a fatal mistake, because online shoppers are also local shoppers:

72 percent of consumers who search online for a product or service end up visiting a store within 5 miles, according to WordStream.

53 percent of online searchers visit a local business within 48 hours of searching, according to ReviewTrackers.

Solutions

The truth is, Partners are worried about trying tactics they may not fully understand. Brands can eliminate the mystery and pain that seem to shroud Digital Marketing by giving their Partners the right software, services and support they need to be successful. The leading Channel Marketing Automation Platform offers all of this in a single SaaS-based solution.

- Local Marketing experts are available to offer Partners much needed support. A unique Digital Scorecard can be generated for every Partner within a Brand's network, to shed light on their online presence and reveal how Partners stack up against top competitors in their local markets.

- Partners need a platform that integrates world-class vendors, so they no longer have to worry about vetting, selecting, managing and monitoring local vendors on a regular basis.

- Partners need DIFM (Do-It-For-Me) and OBO (On-Behalf-Of) functionality, which takes daily administrative tasks related to local marketing execution off of their plate.

- Partners need proactive engagement with Local Marketing experts to ensure they enroll in the most effective programs designed to increase traffic, leads and sales.

The competition is too fierce to keep doing what you are already doing. Brands and their Partner networks have to change or be beaten by Big Box retailers and e-Commerce giants that are spending hundreds of millions each year — or in Amazon's case, more than $10 billion in 2017 — on marketing alone. But innovations in the leading Channel Marketing Automation Platform allow Brands and Partners to avoid these failure points and move to a new process seamlessly, while making costs go down and productivity of the workforce go up.

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