



# The Secret to Gaining Strategic Influence Over Partner Marketing



By JARED SHUSTERMAN | SproutLoud CEO

When Channel Marketing succeeds, it's a win for both Brands and their Partner networks, because it drives Brand sales in local markets. But different interests between Brands and their Partners can lead to misalignment and conflict between advertising and channel sales.

In this eBook, we explore the concept of "Partner Captivity" and how Brands can achieve greater strategic influence over local Partner Marketing decisions.

A silver laptop is shown from a slightly elevated angle, open. The screen displays the text "Learn more at sproutloud.com" in white. The background of the screen is a solid green color. The laptop is set against a dark blue background with a faint, light blue grid pattern.

Learn more at  
[sproutloud.com](http://sproutloud.com)

# The Five Forces of Partner Captivity

Most business MBAs use Michael Porter's five forces framework to think about business strategy. Similarly, we apply our own version of a five forces model to determine "Partner Captivity." At SproutLoud, we tell Brands that the less control they have over how their Partners advertise, the more "non-captive" the Partners are. Unless you influence how they are advertising, Partners are going to do what they think is best for them.

## We define the five forces of Partner Captivity as:

- 1 The Partner's Brand is Different than Yours
- 2 Your Partners Sell Competing Products
- 3 Your Brand is More Reliant on a Push Strategy
- 4 Partners Service Customers Post Purchase
- 5 Partners have their own Marketing Teams

**Let's look at each "force" to determine your Partners' independence in their marketing decision making, and why it matters to your Brand.**



## Force #1

### The Partner's Brand is Different than Yours

If a Partner's logo or name is different from the Brand's, that's the biggest indication you have non-captive Partners. When a company is operating under their own name, they want to invest the time and money needed to build up their own audience and their own local brand. A lot of Partners also see themselves as

"rugged individualists" who are the marketing experts when it comes to their company; therefore, they have strong opinions. This can lead to competing opinions on the creative look and feel of the marketing collateral, and such Partners may even stray from your brand guidelines.

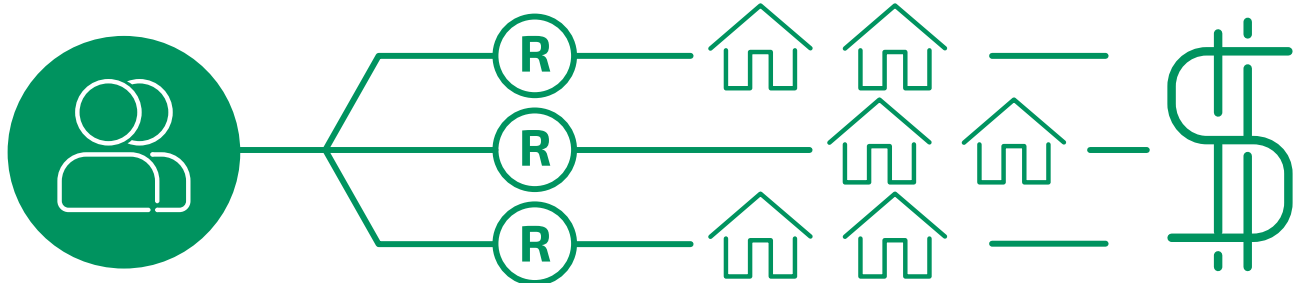


## Force #2

### Your Partners Sell Competing Products

If your Partners sell the offerings of your competitors or other types of products and services, regardless whether they are competitive or not, they will be less captive and less

aligned to your marketing interests. The bigger the percentage of their revenue that your products and services represent, the easier it is to get Partners to align to your interests.



## Force #3

### Your Brand is More Reliant on a Push Strategy

Two core strategies exist based on the flow of promotions from the Brand to the end-consumers: push and pull. Pull refers to a strategy of generating end-users' interest in such a compelling way that the demand for your Brand items "pulls" customers to your Channel Partners. Push refers to demand-creation by incentivizing Channel Partners, who in turn "push" the Brand product downstream to end-consumers.



Push and pull strategies often co-exist. But when brand equity is weak, distribution is highly fragmented in disparate markets, or incentives to create pull are too costly, a "push" strategy often emerges. If your consumers either don't know of or don't ask for your Brand products and services, then your Brand is more reliant on a push strategy. This is where a complimentary national marketing strategy pays off. If you have a strong consumer Brand, your Partners will know that your Brand creates consumer pull. And because of that, they will be incentivized to align with your communication plan — including your creative.



## Force #4

### Partners Service Customers Post Purchase

When Partners service customers post-purchase, they continue to play an important role in maximizing the lifetime value of customers and become your Brand's advocates to other potential customers. Therefore, in terms of customer retention and influencing the post-buy experience, Partners will be more willing to engage with your programs if there is something in it for them.

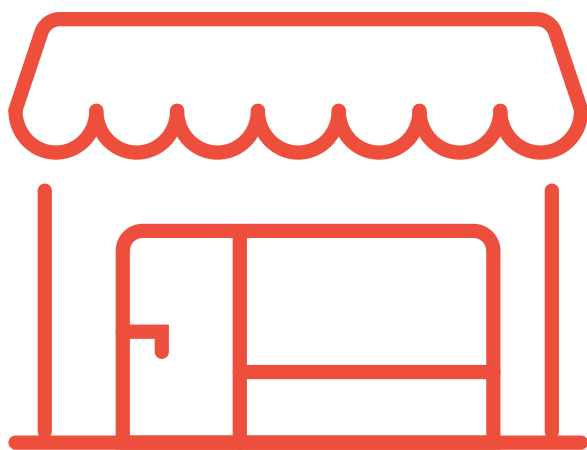


## Force #5

### Partners have their own marketing teams

Some Partners have enough resources to own their own marketing initiatives and resources, invest in their own marketing stacks and create their own marketing strategies. This investment

indicates that they have their own ideas on how to market their business and achieve their sales goals — which means they need less support from your Brand to support sell-through.



# Methods to Influence Partner Marketing

If you determine that your Partner network is “non-captive,” then there are five crucial methods that can help you influence your Partners’ local marketing decisions.

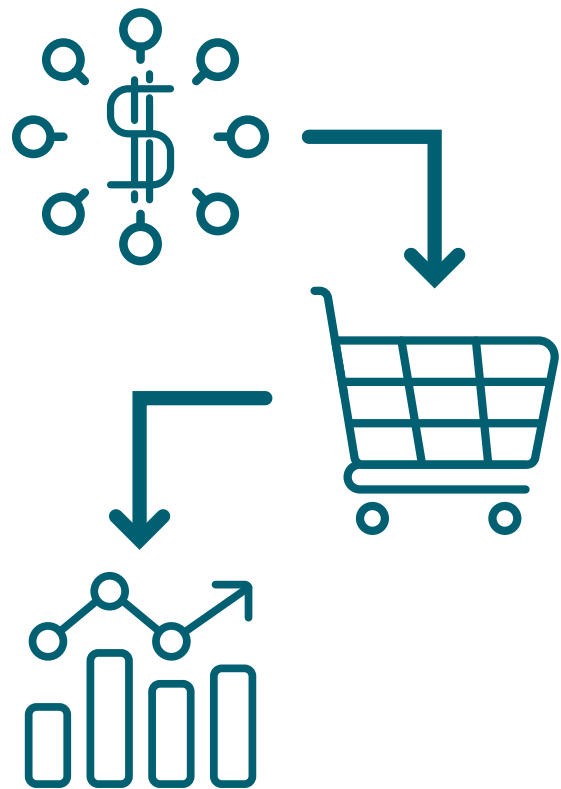


## Advertising Funds

Even if Partners seem enthusiastic about the tools and programs your Brand has created for them, the true measure of success is getting them to actually invest in brand-specific programs.

This becomes more difficult the more non-captive they are. Partners have to be incredibly careful about how they spend marketing dollars. For many Partners, the money they invest in a campaign often comes directly from their operating funds. This means every marketing investment with your Brand could be money they would otherwise use to pay themselves.

In addition, there is an opportunity cost to taking that money and investing it around your products and services. If they are non-captive, they could be spending it to build their own Brand, spending it on competitor products and services that they wish to advertise that they believe will be more successful, etc. Building a specific ad budget, to help your Partners cooperatively market with your Brand, makes that opportunity more cost effective for Partners. We understand that not every Brand has a Co-Op or local advertising budget. In some cases, they don't exist in a formal way. Fear not, these additional methods will provide ways to align better with Partners.

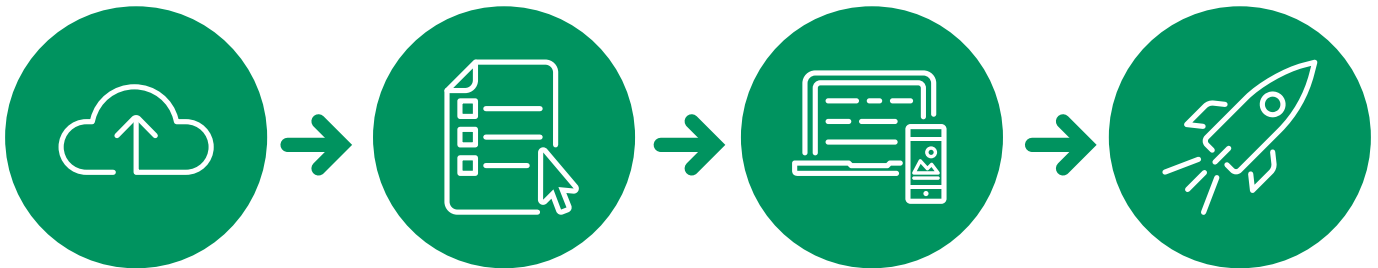




## Provide Flexibility

Partners know their local markets — which is one of the reasons your company has chosen this type of distribution channel. So it's important to provide flexibility around the products and services, content, messaging and promotions they communicate with their target audiences. But in many of the Partner programs, we have seen Partners don't receive the flexibility they are looking for when it comes to designing their advertisements.

One way to handle this is to provide options that are important to your Partners in your programs. But how do you know what options are important to them? We often suggest that Brands engage in primary research by surveying their channel prior to implementing or making any decisions around program design. This will provide the insight you need to determine what type of options you'll need to offer to get your channel engaged.



## Ease of Use

If you've ever read through brand, Co-Op, or program guidelines, you'll understand that ease of use is more elusive than it should be.

Ease of use comes in many different forms:

- How marketing is made available and communicated to the Partner network
- How easy it is for Partners to participate
- The amount of time Partners need to invest in order to participate

Solutions that Brands provide to their Partners that don't keep ease-of-use top of mind ultimately detract from what your Partner wants to be doing — which is not managing advertising. You should have a variety of programs — some of which the Partner has full control over the collateral and others where all you need to do is gain consent from the Partner to participate and then you deliver all the results.



## Creative Exclusivity

Exclusivity doesn't have to be sales thresholds your Partners commit to. It could be rewarding Partners' behavior through exclusive access to content, programs and funding. It could even be the creation of a Premier Partner program, which mandates that they have to market in a certain way in order to be included. Partners tend to love peer recognition. In fact, we have seen the creation of different Partner classes be extremely successful, because Partners want to be like other Partners they admire and to be at the "top of the class." Brands should share best practices of what their top Partners do, so others can reach the same level of success.



## Deliver the Power of Your Network

Delivering the power of our Brand's networks to Partners is one of SproutLoud's Brand promises — we call this the "Network Effect." The Network Effect is when the Partner benefits from aligning with the Brand. When Partners work with the Brand, when it comes to their marketing efforts, they receive tangibles and intangibles that they couldn't otherwise receive if they were opening a business on their own. Some of the advantages

are buying power and insights from an aggregated business intelligence tool.

Whether your Partners are "captive" or "non-captive," there are methods for you to influence their behavior. As a result you will inspire your Partners to do what is best for them and your Brand — leading to mutual success.





Learn how to accelerate  
local Channel Sales →



**Read:**  
How Timing Your Message  
Influences the Customer Journey →



→ T 888-274-3802 Toll-free

© SproutLoud. All rights reserved.