

## Manage Your Brand in the Channel (Or the Channel Will Manage Your Brand)

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As important as the ultimate purchaser of your product or service may be, your partners in the distribution channel are just as significant an audience. In today's increasingly consolidated marketing environment, if you're not communicating to the channel as assertively and effectively as you are to the end user, you will lose control of your brand. This is a new paradigm in B2B marketing that companies may ignore at their peril.



The simple diagram above illustrates just one example of all the influences up and down the distribution channel. Five key segments are charged with articulating the benefits and key messages of a brand – your sales force, independent reps, management at the distribution level, distributor reps, purchasing influences, and finally the end user. You can't afford to ignore any of them. The philosophy that puts forth the necessity of managing the brand throughout the entire selling cycle is what we call **business-to-channel marketing communications**.

The influence of the channel in making or breaking a marketing effort is in many cases nearly absolute, yet often overlooked. According to a 2003 study by the Aberdeen Group, “up to 70% of final customer brand image and preference is created by the sales organization.” Yet a 2004 study by Cierant Corporation revealed that most companies only spend about 20% of their marketing communications budgets on reaching the channel and, from there, helping the channel communicate the brand message to the end customer.

Remember the children's game called “Telephone”? One child whispers a secret to another, who whispers what she heard to the next child in line, and so on in a circle until the message comes back to the original sender – always dramatically altered in both form and content. Communicating through the selling channel and distribution is a grown-up game of “Telephone” – if you allow your brand strategy to be articulated differently at every stage, from the factory floor to the point-of-sale, you can be assured that the message will change drastically from its original form, and never in a way that enhances the power of your brand.

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– Aberdeen Group study

## Brand Touchpoints

In simpler times, marketing communications focused on creating a “brand umbrella” of awareness across all the segments in the channel, but with the greatest emphasis (by far) on the end user. This “umbrella” was required to position the brand, build interest, and drive inquiries. If it didn’t make the sale directly, it certainly softened up the target. Today, with distribution channels controlling much of the selling cycle, smarter marketers are realizing they can’t ignore the impact of the dozens of interactions that occur between different buyers and sellers at numerous stages in the process that could potentially build demand, drive leads, and define the brand. We call these interactions channel brand touchpoints.

Frequently, as communications through a channel become weakened and diffused, the brand message is corrupted, your grand strategy disintegrates, and all that’s left to drive the sale is who is offering the deepest price promotion, or the strongest sales incentives. In some situations, where a distributor or value-added retailer (VAR) is trying to establish a brand for its packaged solutions, your brand may be swallowed up completely. Once that happens, the sale is no longer about branding – it’s about pricing, and competition is no longer about perceived value – it’s about who is most willing to discount the deepest.

### **Who are the people who typically compose the stages of a selling cycle? Who do you need to reach?**

- Direct sales representatives – those charged with selling your products exclusively into the channel.
- Distribution management – those who are choosing whether you, or your competitors, are promoted, positioned, sold-in.
- Third-party influences – everyone from distributor reps to independent agents, wholesalers, and brokers.
- Influencers – specifiers, consultants, purchasing agents, trade media.

It’s fair for B2B marketers to say they’ve always known the importance of each of these constituencies, but could never afford to reach them all with a simple message, much less manage the way their brand was expressed.

But the validity of that position is changing rapidly. Thanks to, you guessed it, the Internet.

Using a host of new web-based tools including sales and distributor associate extranets, rapid download PDFs (now easily available thanks to the ubiquity of broadband in the workplace), print-on-demand, webcasts, online newsletters, email blasts, online sales training, reaching out to every touchpoint in your sales and distribution channel is cost-efficient, timely, and smart.

When online tactics are combined with traditional communications techniques, a model that is both cost-efficient and strategically focused can be built to execute any brand-to-channel program, making it easy to connect at every level.

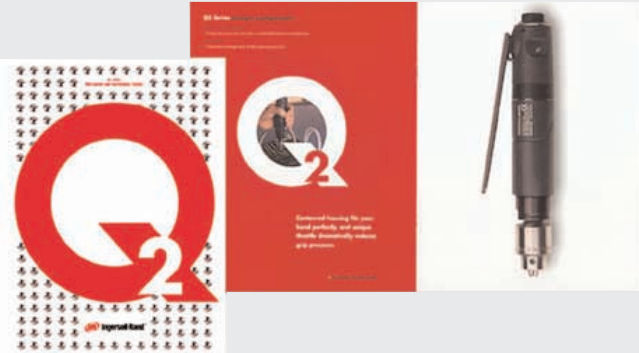
But first, you need to know how to maintain brand integrity – what elements go into keeping a brand message pure, clean, and compelling. And you need to know your audiences – what makes them different, where they come together.

**Touchpoint: Your own salespeople**

Ask yourself: Can my salespeople deliver the right sales and product messages? Do they understand the essence of my brand? Are they cross-selling? Are we motivating them to sell our brand strategy, and not just the latest promotion or price incentive? That last question is in many cases the toughest – marketers must make a major effort to ensure salespeople are thoroughly briefed and, more importantly, rationally and emotionally buy into the branding strategy. If your salespeople don't get it, and believe it, your strategy will stall at every channel partner level.

Salespeople need communications that acknowledge their role in the process, offering them the flexibility to tailor and customize the various elements to their personal selling style. Too often, brand communications strategies are thrown at the sales force in endless PowerPoint presentations at sales meetings with little or no follow-up. They are given packets of information to pass on to their customers, but because they have no ownership in the development of that message, and have not been educated on how to use communications to their best advantage, this information is frequently relegated to a bottom shelf somewhere in their offices, or as one salesman put it, “becoming trunk ballast, or a doorstep at my distributor.”

**Ingersoll-Rand – integrated launch targeting brand touchpoints up and down the sales channel.**



Brochures designed with sales team input.



New name, logo and identity launched line.



Trade print ads help support launch.



Private site featuring online product training and customizable sales tools.

## Touchpoint: Distribution management

Those who sell through distribution and “big box outlets” know that the primary selling job isn’t simply convincing one buying influence within the channel. Typically, you need to persuade an entire organization of the value and potential of your product. The buyer within a specific category has a boss (perhaps a category manager), and he or she has a boss, and they must gain the buy-in of various accountants, purchasing agents, merchandising directors, store managers, brand managers, district managers, and others who may not have approval of a purchase, but who influence its marketing. Your main contact may understand your branding strategy. But does the designer of his website catalog understand the brand, and how you want it presented to the market?



Distributor incentives program.



Trade print ad support.



Website extension introduces product line, explains market opportunity and provides selling materials.

The Wiremold Company, the nation’s leading manufacturer of wire and cable management systems, sells the vast majority of its products through third-party distribution. For more than a decade, the company’s marketing has focused on redefining its brand, positioning itself as a provider of engineered solutions. The company has made major investments in communicating with distribution, creating sales materials and collateral to educate distribution staff at every organizational layer about its brand and products, defining the brand and articulating key messages. This program is evolving every day, using new interactive tools (e.g., downloads, CDs) as well as the tried-and-true (e.g., newsletters, print collateral). As a result, Wiremold has continually reinforced its brand throughout the channel and to the end user.



Sales kit and collateral system available on/off-line.

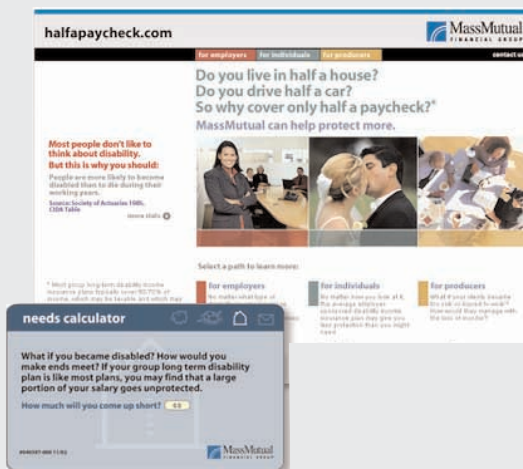
## Touchpoint: Third-party independent sales influences

Many marketers sell through independent representation or third parties, and can't be there to make the sale directly to the customer. This has been the underlying need driving communications created for use at the point-of-sale – brochures, sell sheets, package design, P-O-P advertising – for many years. But today's technology enables the owner of the brand to exert far greater influence over the brand message at the point-of-sale, even in some of the most complex transactions.

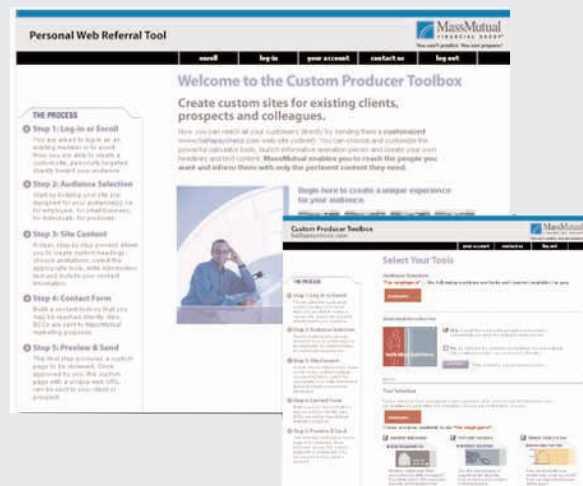
For example, supplemental disability insurance is typically sold to a company through its human resources or benefits management department. In turn, this department conveys the availability of this benefit to the company's employees. But the product is complex, as is the process involved in helping employees evaluate the extent of their need for it. HR staff is inadequately prepared for educating the end user; in the not-too-distant past, this often resulted in confusion that obstructed sales.

The complexity of this sale often served as a disincentive for agents selling supplemental disability insurance; some were concerned that the amount of time it would take to educate benefits managers, and in turn employees, would not be worth the return from the sale.

MassMutual, recognizing the amount of product education the customer needs, as well as the additional need for personalized evaluation of those needs, created an online tool that decreased the amount of time it takes to make an educated sale, and also assumed much of the education burden for the benefits manager or HR team. "HalfAPaycheck.com" includes calculators and tools that help employees visually assess their needs for supplemental disability insurance, and determine how much income they would need to replace in case of a significant disability. It also provides detailed educational information about long-term care insurance and about MassMutual's relevant products in particular.



Online tools support the sale by providing personalized education and assistance.



Sales agents use toolbox to create customizable sites for clients and prospects.

Marketers are recognizing the dramatic influence of their sales and distribution channel on the successful communication of their brand message, and are using new Internet-based technologies and enhanced creative thinking to:

- Control their brand strategy and protect its integrity throughout the channel.
- Empower people at every touchpoint in the channel to convey the brand message accurately and effectively.
- Track the impact of their investments at each point in the channel.
- Personalize communications for greater effectiveness, and create opportunities for more frequent interaction.

In 2003, the consultants at Booz Allen Hamilton said, “35% of the value of a product is added outside the factory gate.” What they don’t say is that, through dilution of the brand message, 35% of the value of a product can be diminished before it reaches the customer. The moral is simple: If you don’t define the brand for the channel, the channel will define the brand. By taking the time to integrate business-to-channel communications into your overall marketing communications program, you can transform potential stumbling blocks into multiple opportunities to reinforce the brand at every channel brand touchpoint, leading to a stronger sales environment for the long term.

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– Booz Allen Hamilton

Mintz & Hoke is a full service, marketing communications group that develops and implements integrated programs that nurture, defend, motivate and glorify brands throughout distribution channels and at every stage of the selling cycle. We call our approach business-to-channel communications – it’s all about helping clients make the complex sale happen. Mintz & Hoke Communications Group, *help clients win.*

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