

Are you tuned into your channel?

Five steps to fine tune your channel research

By Jennifer Nolan, Research Associate, KS&R

The majority of KS&R's clients come to us for market research that directly involves or impacts their end customers. But research on their channels – the means by which the products or services reach the end customer – is not nearly as common.

We've found that channel research, or more specifically, business partner research, is becoming much more crucial as a business strategy for increasing sales and creating new revenue streams for clients. Business partners are lifelines for companies. They can make a huge impact on sales, market share, customer satisfaction and profitability. Similar to how you may choose to fly on an airline based on the rewards you receive, companies choose to work with each other because of how beneficial the relationships are.

And those channel relationships often account for significant amounts of business – in some cases, more than 90% of total revenue. IT providers, telecom agents, and original equipment manufacturers – to name a few – all rely on their channel partners to sell, market and distribute their products and services to their end customers.

Since business partners typically partner with a number of companies, keeping them satisfied is critical to avoid churn and maintain profitability. So how do we use research to strengthen that partner relationship, and help our clients capture a larger portion of their partner's mindshare?

1) Eliminate Any Static

Satisfaction can be influenced with the initial invite to participate, especially if the survey is branded. Therefore, KS&R spends a good amount of time cleaning contacts in our client's database, for example, checking for duplicate contacts (to avoid multiple invitations to participate) and removing partners who have requested 'do not survey' status.

Since some of our clients require personalized greetings in their survey invites, we also check the sample data to make sure names are in proper case, and prefix and preferred language are present.

2) Customize The Broadcast

After we've cleaned the contact lists, we employ a high level of sensitivity and customization for the next round of communications. Business partners may be skeptical about where their feedback will go, or doubtful that anyone is even listening should they give their feedback. To gain buy-in from partners so we can learn more about them, we make sure we:

- Communicate with potential respondents on a personal level, showing them that our client knows their name and values their business.
- Reference someone that they know or work with in our client's company, so our communication can be delivered within a certain

contextual frame.

- Customize communications based on local language and culture – when to use formal or informal greetings and salutations and when to use title or surname, for example.

All of these tactics help build rapport and credibility, so we're already positioned to get the best, most authentic responses possible.

3) Stay tuned

After we start our outreach, we make sure we have a plan in place to handle issues that need immediate attention. Business partners are a major source of income for our clients, and our goal is to help our clients not only keep these partners happy but leverage the survey process to help improve the partner relationship. To do this, we do several things:

- *Be culturally sensitive.* Many of our clients are international. We don't

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just translate materials, but work with in-country representatives to make sure we incorporate the most appropriate language and cultural sensitivities.

- *Be meticulous when respondents say “no.”* Sometimes, business partners don’t want to participate in survey efforts. In those cases, we’re diligent to ensure they don’t receive anything further from us, so they can maintain a positive perception of our clients’ partner programs.
- *Scan the data for major signs of malcontent.* Once we begin to gather feedback, we continuously monitor responses. If we see something that looks urgent, we turn that over to our client, who will contact the respondent personally and quickly.
- *Maintain a helpdesk environment.* During each survey process, we dedicate staff that fields questions, comments, refusals, and in some cases, complaints, with a standing response time of less than 48 hours. Not only does the helpdesk lend to the authenticity of the study, but it’s another way to show partners that our client values the relationship.

4) Watch for channel surfing

All our efforts so far have been to ensure the highest response rate possible, while helping partners feel valued. Next, we make sure we ask the right questions that not only get to the heart of what our clients need to know, but that are structured so that responses can be compared over time (i.e., annually, quarterly).

Examples include:

- *Completing competitor drilldowns.* These are one-to-one competitive analyses that compare your company directly to competitors.
- *Measuring year-over-year change.* Significant score differences can signal success (or failure) of initiatives and areas of focus.
- *Tracking longitudinal trends.* By tracking individual responses, year after year, we can get a very clear picture of changes over time.
- *Finding out the rewards that benefit partners most.* What incentives work best?

Knowing the conditions that are present when a partner chooses one vendor over the other is important to minimize shift potential.

5) Transmit Data into (Actionable) Knowledge

Measuring so many attributes on a detailed level provides us a broad view of partners’ satisfaction, but it’s the analysis that unearths areas of focus. These are the aspects of our clients’ businesses that help them direct resources to move the needle

in a more positive direction.

Scale ratings and scores are useful diagnostic measures; however, when coupled with supporting “voice of the partner” comments, we get a much stronger prescriptive analysis. As an example, for one of our clients, scores for website usability were consistently low, both year-over-year and when compared to key competitors. When we pinpointed the issue and provided areas for improvement based on feedback provided by their business partners, our client immediately redesigned the website. The results were quickly apparent in the next survey, with scores showing improvement for website usability.

In another study, we asked partners to reveal their profit margins for our client’s products. The data we uncovered opened our client’s eyes to their partners’ finances, and the fact that some product lines had much higher or lower profit margins than our client had predicted. They were able to adjust pricing that was much more in-line with their partners’ profitability, helping increase sales for everyone involved.

Business Partner Research for Your Company

We’ve found that business partner relationships tend to be fluid: enrollment in a partner program today does not guarantee that the business partner will do business with that vendor tomorrow. This is where partner program research can help. Not only does it provide a mechanism to check the pulse of your business relationships, but the survey process itself helps to strengthen those relationships.

Besides revealing insights about your partners, the survey process helps strengthen relationships because:

- Partners feel listened to
- Vendors stand out among the other companies that partners work with
- The act of getting in touch helps detect small issues before they escalate

Once the research has been gathered, you’ll be able to:

- Actively monitor specific aspects of key business partner relationships
- Develop smarter programs for partners who can grow with you
- Allocate resources to areas that will make the most impact for your business partners and your mutual profitability

The bottom line is that the more you know about these partners, the more revenue you’ll be able to generate.

If you could pinpoint that area of dissatisfaction for your business partners – or find the place where you could make a difference and outshine your competitors – what kind of difference would it make to your business?