

A BIG LITTLE BOOK BY BI WORLDWIDE

HOW TO OPTIMISE YOUR CHANNEL INCENTIVE PROGRAMME





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01. IDENTIFY YOUR POINTS OF FRICTION

Organisations choose to operate indirect channel incentive programmes for a variety of reasons, but often encounter points of friction that can hinder their success.

Here are some of the most frequent points of friction we help businesses address through effective incentive and loyalty strategies.



Overcoming challenges within your channel engagement programme is crucial for sustained business growth.

By addressing points of friction and truly engaging with your channel partners, you can optimise performance, boost sales and market share, and cultivate stronger, more collaborative relationships.

IMPACTS OF A CHANNEL ENGAGEMENT STRATEGY

FINANCIAL

- Increase sales / volume / revenue
- Retain distributors / workshops, CLTV, gain wallet share
- Accelerate new product sales
- Improve product mix
- Attract, acquire and grow channel

OPERATIONAL EXCELLENCE

- Easily monitor performance and take timely action
- Enhance visibility and access to channel partner performance
- Recognise partner collaboration
- Improve feedback loops

CUSTOMER

- Improve market share and reach
- Positively influence consumers
- Recognise customer centricity
- Differentiate from competitors

MARKET READINESS

- Improve training and certification
- Foster co-marketing adoption and effectiveness
- Effectively drive lead generation / renewals

02. UNDERSTAND DRIVERS OF CHANNEL ENGAGEMENT

Whether your objective is stretching the top 20% of performers, or driving incremental performance of the middle ground, positively engaging your channel partners is the first goal that any incentive strategy must achieve.

A COMMON ASSUMPTION

Engagement is simply achieved by curating the right reward selection. After all, an attractive and attainable reward is an essential attention-grabbing currency and will create that initial spark to act where the motivation to do so might be low. However, we often hear from clients that the engagement and the physical actions taken by participants to meet the objectives set are still low even with the right reward strategy in place. From our experience, whilst rewards are a critical component in engaging your channel, they will only take you so far!

BI WORLDWIDE conducted a study in association with KANTAR to understand and analyse what engages and motivates channel partners to give their best. Through this research, we identified eight drivers of engagement.

THE DRIVERS OF ENGAGEMENT

-  **1. Operational excellence**
-  **2. Rewards and incentives**
-  **3. Recognition**
-  **4. Learning**
-  **5. Brand affinity**
-  **6. Communications**
-  **7. Wellbeing**
-  **8. Events**

Surprisingly, our research revealed that rewards were not the primary engagement driver. They came in second, after **operational excellence**.

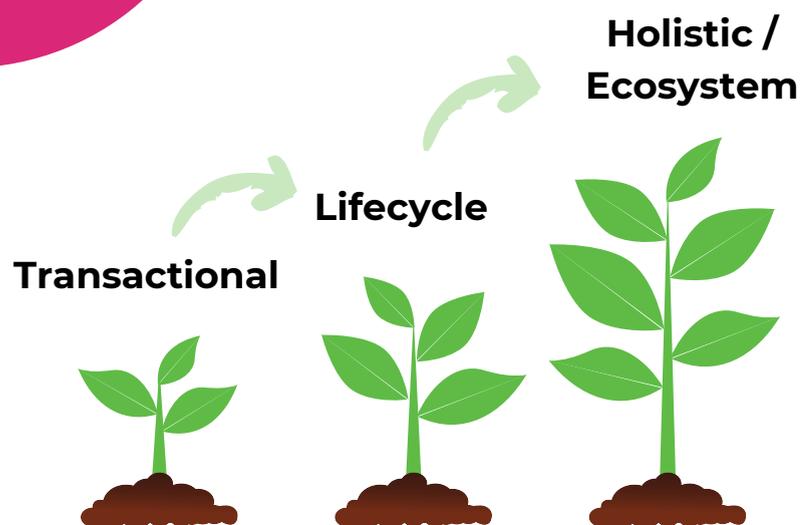
Click to find out how to improve your operational excellence in your channel incentives



03. EVALUATE YOUR CHANNEL'S MATURITY

Click to learn how to design incentives to drive loyalty at each stage of channel maturity

Channel maturity is a way to define and measure the level of development and enablement within a vendor's distribution organisation and is influenced by many operational and geographical factors, as well as strategic business objectives.



Transactional: Vendors are new to indirect reselling or have ineffective channel management tools. Partners show irregular purchase patterns, limited product engagement, or lack vendor-specific training.

Lifecycle: Vendors have a well-established channel organisation with effective partner tools and consistent data. Partners show consistent purchase behaviour, engage in two-way communication, use Marketing Development Funds (MDF) support, have active lead generation, and participate in vendor-specific sales training.

Holistic / Ecosystem: Vendors deeply understand their partners, with detailed reseller classifications and an ecosystem encouraging partner collaboration on sales.

How does channel maturity impact incentive design?

Designing a programme for the incorrect maturity level can impact its effectiveness. Here are some things to look out for to ensure your programme design and channel maturity are aligned:

✓ Understand your audience

Channel partners are looking for operational excellence, so ensure your programme complexity matches your audience's maturity to increase engagement. Varying complexity levels could be required for different audiences across the programme to ensure idiosyncratic fit.

✓ Design for sustainability

A programme design that is not sustainable long term can pull the organisation out of shape and cause participation frustration. This will become evident through the lack of visible results and progress.

✓ Establish clear goals

Ensure goals are realistic and well-communicated between vendors and partners to drive engagement and reward issuance. Understanding partner needs, aided by strong profiling, is key to alignment.

04. DESIGN WITH BEST PRACTICE IN MIND

So, before you get started, here's our top 10 best practices for optimising your channel incentive programme design.

Click to check out our full guide to channel incentives

1

GET PERSONAL

Understanding the ambitions and aspirations of channel partners is the first step towards cultivating strong and profitable channel partnerships.

6

KEEP IT SIMPLE

Whether accessing via desktop or mobile, your programme must be worthwhile and easy to use.

2

CONSIDER CHANNEL MATURITY

Different partners evolve at different rates. Consideration of the channel maturity and go-to-market strategy in each country your programme will serve is key.

7

MAKE IT MEMORABLE

We overestimate the importance of information that comes to mind easily and consider it our frame of reference. A vivid, simple brand for a loyalty programme which engages channel partners and sets the tone is important for success.

3

TARGET PARTNERS IN THE RIGHT WAY

Consider tailoring initiatives to the audience(s) that produce the best incremental results. The best partners likely share similar attributes. Leverage data and insights to create personas then recruit, onboard, and target the right partners.

8

DIFFERENTIATED REWARDS STRATEGY

If you want to motivate your channel, your incentive programme needs to stand out from the crowd and offer something the participants can aspire towards.

4

BE CAUTIOUS OF REWARDING EXISTING HABITS

The focus of channel incentives should be on rewarding behaviour change and the right behaviours. Structure your incentives to focus on incremental performance.

9

DON'T FOCUS ON THE TECH

A technology solution will be an enabler in your channel incentive programme implementation, but it's the programme design, the integration of that programme into your existing channel ecosystem, and the ongoing analysis and insight-led adaptations to your strategy that will deliver measurable results.

5

BOTH THE JOURNEY AND THE DESTINATION MATTER

Both leading and lagging metrics should be considered when formulating a channel incentive strategy. Driving short-term goals, growth, and long-term advocacy should all be considered.

10

EXECUTION MATTERS

Don't minimise the importance of execution. A sound channel strategy is where it starts, but execution brings ideas to life. Brands that employ expert design along with the necessary systems and frictionless operational efficiencies stand out in the crowded channel.



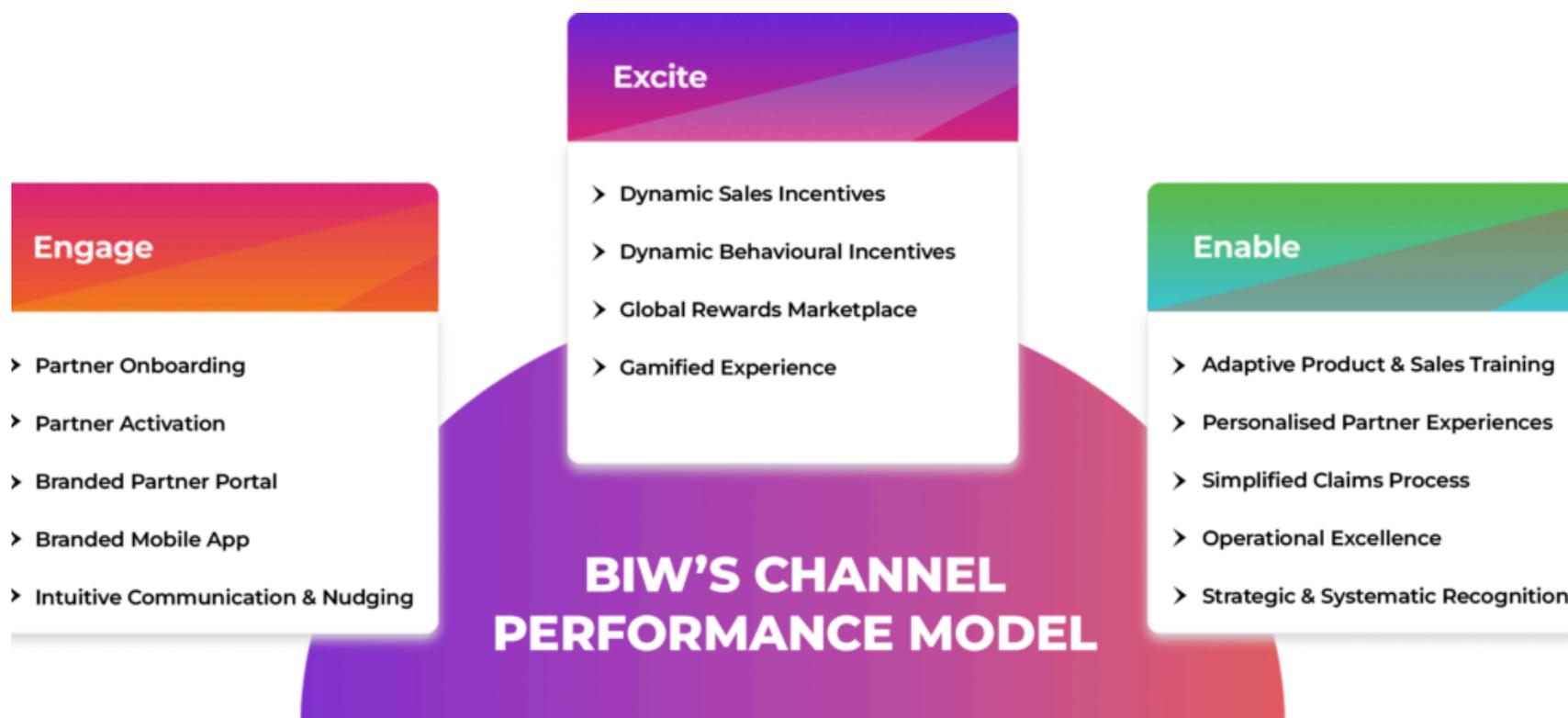
05. DISCOVER BI WORLDWIDE'S CHANNEL SOLUTIONS

BIW's global channel solutions revolutionises channel performance through inspiration and human-centric design, powered by cutting-edge channel tech, expert managed services and high-impact rewards.

Our approach to channel success

Rooted in inspiration and human-centric design, our Channel Performance Model engages, excites and enables your channel partners, across their lifecycle.

Learn more
about our
channel
solutions





Inspiring **people.** Delivering **results.**

RECOGNITION | INCENTIVES | REWARDS | LIVE EVENTS

BI WORLDWIDE helps organisations solve critical business challenges by driving positive behaviour change and engagement. By applying our talent and expertise in behavioural economics we deliver complementary recognition, rewards, incentives and live event solutions.

Our full-service portfolio offers clients a unique blend of consulting expertise and proprietary technology solutions that drive value from programme design to implementation and beyond.

Working with over 2000 organisations worldwide, across 183 countries, BI WORLDWIDE has been inspiring people, partners, and customers since 1950.



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