



ENGAGED OR UNENGAGED – WHERE DOES YOUR CHANNEL PARTNER RELATIONSHIP STAND

“Measure what can be measured and make measurable what is not so.”— Galileo Galilei

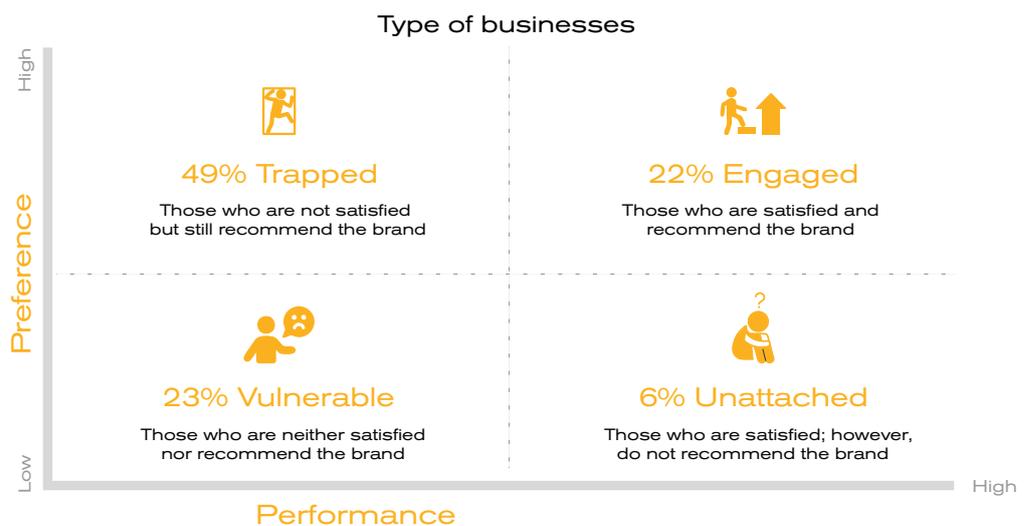
Have you ever thought how is your brand’s relationship with your channel partners? If you had to exactly measure the strength of your channel partner relationship, what would you say? Is it strong, weak, or somewhere in between? Is it even possible to measure a relationship, especially between a brand and its distributors, retailers, and influencers? Well, we firmly believe in the words of the famous scientist, Galileo Galilei – “make measurable what is not so”.

TOOL FOR MEASURING CHANNEL PARTNERSHIP STRENGTH

BI WORLDWIDE commissioned KANTAR to conduct a first-of-its-kind research to uncover what really goes behind the scenes to drive channel partners’ loyalty and engagement. From our extensive qualitative and quantitative research findings, based on in-depth interactions with 700+ channel partners in India, it was evident that we needed a highly sophisticated tool to measure the existing status of brand-channel partner association. Since such a tool didn’t exist, it became imperative to build one. Hence, the **Affection Matrix** was created.

The Affection Matrix

 Engaged  Trapped  Unattached  Vulnerable



Developed jointly, the Affection Matrix is a unique model to measure the strength of brand-channel partner relationship and understand the moments and touchpoints crucial in building stronger relationship.

The Affection Matrix measures the current relationship status, based on two factors: 'performance', defined as extreme satisfaction with the brand while meeting all the needs and expectations; and 'preference', defined as the likeliness of channel partners to continue with the brand in the following year and their confidence in recommending the brand to peers in the industry.

The 'performance' and 'preference' scores are in turn derived from their correlation with a set of 19 parameters that the research identifies as top factors influencing channel partners' relationship with a brand. These 19 parameters, though exhaustive in nature, were further clubbed under eight clusters or drivers, which in order of importance are – Operational Excellence, Rewards & Incentives, Recognition, Learning, Affinity towards Brand, Communication, Well-being, and Events.

Basis all the above correlated factors, channel partners are placed in four different quadrants of engagement of the Affection Matrix – **Engaged, Trapped, Unattached and Vulnerable.**

ARE YOUR CHANNEL PARTNERS – ENGAGED, TRAPPED, UNATTACHED, OR VULNERABLE?

Engaged channel partners are satisfied with a brand as well as recommend it. Driven by both 'performance' and 'preference', they do not face many roadblocks in their dealings with the brand and want to continue to work with it the next year. Unfortunately, **only 22% of channel partners in India feel truly 'Engaged'**. Brands should endeavour to take steps so that all of their channel partners feel Engaged.

In fact, **nearly 50% of the channel partners feel 'Trapped' with the brand they work for** i.e. they are not satisfied with it but still end up recommending it. The reasons might vary from a tendency to resist change, reputation-driven mindset, lack of other options to move to, or more. Driven only by 'preference', the brand is often replaceable for these channel partners, and it is only a matter of finding a more trusted and reliable brand. Brands should identify what is lacking in the top drivers such as Operational Excellence, Rewards & Incentives, Recognition and Learning and close the gaps to improve 'performance' for this quadrant.

Some channel partners are neither driven by 'performance' nor by 'preference'. They make up the 'Vulnerable' quadrant and are neither satisfied with the brand nor prefer it. **At 23%, these channel partners are the second highest in terms of volume and need the most work to transform into Engaged partners.**

6% of channel partners are driven only by 'performance', and **their relationship with the brand is purely transactional.** They form the 'Unattached' quadrant. Brands are dispensable to them and will be replaced at the slightest inconvenience. Brands need to build an emotional connection with these channel partners, probably through targeted communication, strategic recognition, personalised schemes and rewards, etc.

FRAMEWORK FOR STRENGTHENING CHANNEL PARTNERSHIPS

How can we enhance brand-channel partner relationship, once its existing status is identified? How can we transform Trapped, Vulnerable, and Unattached partners into Engaged partners? In an endeavour to move all the channel partners to the Engaged quadrant, we designed a **unique IBC (Invest, Build, and Consider) Solution Framework** that helps devise brand-specific solutions for maximising channel partner engagement.

Brands need to map the 8 drivers of engagement on the 4 different quadrants of the Affection Matrix – Engaged, Trapped, Unattached and Vulnerable. This way, they can leverage the IBC Solution Framework to identify which drivers to Invest in, which to Build on, and which ones to Consider. Hence, the three solution areas – **Invest**, **Build**, and **Consider**, are the three key actions brands can take in their dealings with channel partners.



Invest: Invest 'drivers' are the most critical for brands to focus on for enhancing 'preference' and 'performance' that results in a positive impact on the brand-channel partner relationship. Failing to do so leads to a greater risk of dissatisfaction amongst channel partners.



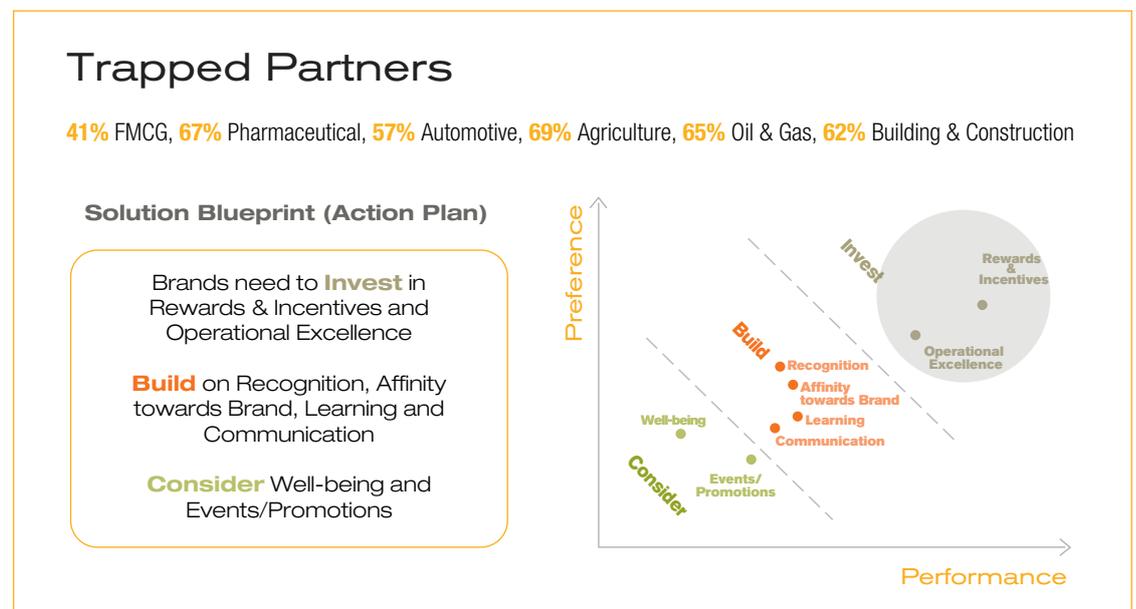
Build: Build 'drivers' are critical for brands to focus on for enhancing 'preference' and 'performance' that results in a positive impact on the brand-channel partner relationship. Failing to do so leads to a moderate risk of dissatisfaction amongst channel partners.



Consider: Consider 'drivers' are not so important for brands to focus on for enhancing 'preference' and 'performance' as they have limited or marginal impact on the overall brand-channel partner relationship. However, Consider 'drivers' can quickly move into the Build area, that's why we recommend keeping them in mind.

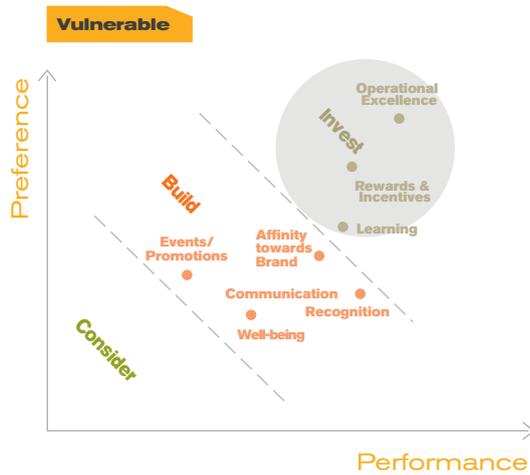
GETTING ALL PARTNERS ENGAGED

Each industry and brand has a unique Affection Matrix and an equally unique IBC Solution Framework, that enables addressing the specific issues of that brand or industry. For example, our research uncovered different percentages of Trapped channel partners across six different industries. Superimposing the drivers of engagement on the IBC Solution Framework will help brands across these industries see where they need to direct their efforts and resources to engage their Trapped channel partners.

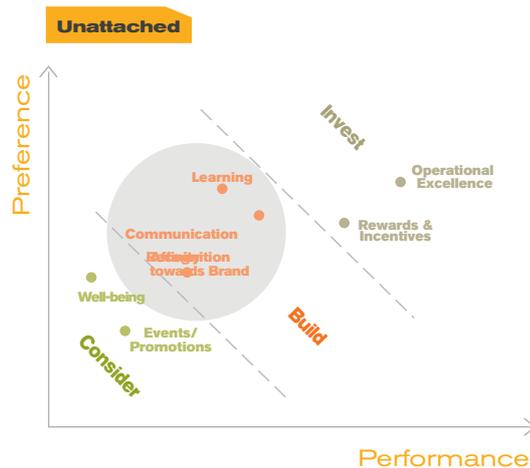


Clearly, for the **Trapped** quadrant, brands need to focus the most on the **Build** area—a high 'performance' and low 'preference' area—to convert Trapped channel partners into Engaged channel partners.

Similarly, for the **Vulnerable** channel partners, brands need to focus significantly on the **Invest** area. They need to **Invest** in Operational Excellence, Rewards & Incentives and Learning; and **Build** on Recognition, Affinity towards Brand, Well-being and Communication. There are no drivers in the **Consider** area, which is a low 'preference' and low 'performance' area.



For channel partners in the **Unattached** quadrant, brands need to **Invest** in Operational Excellence and Rewards & Incentives; **Build** on Recognition, Affinity towards Brand, Communication and Learning; and **Consider** Well-being and Events/Promotions.



The IBC Solution Framework is designed to build solutions considering the challenges and opportunities specific to a brand. Further, it provides both long-term and short-term solutions to help enhance existing channel partner loyalty programs as well as build profitable channel partnerships. "Our IBC Solution Framework is designed for brands that operate in highly complex, diverse, and layered markets in India. We want to equip these brands with the right solutions which consider their unique position and specific challenges. While the IBC Solution Framework is built using sophisticated scientific processes, the solutions it helps derive are easily implementable and highly effective for brands," said **Sukesh Jain**, CEO, BI WORLDWIDE India.

To learn more about how BI WORLDWIDE India can help engage and motivate your channel partners, visit: BIWORLDWIDE.co.in or email at: marketing.in@BIWORLDWIDE.com.