

### **Mega Touch: The Channel Mind-share Program**

The traditional partnership between manufacturers and Channel is marching steadily toward a rebirth. The market's consolidation, emergence of new channels, difficulty in differentiating products, market share battles that ultimately drive efficiency gains and lower prices to customers, and the share garnered by Channels is dramatically changing the marketplace.

These changes are forcing the Channel and manufacturers to rethink their partnership strategies. In the not-too-distant future, channel relationships will emphasize results, accountability and data over goodwill, relations and personal interactions.

To drive home the importance of reinventing Channel / Manufacturer partnerships, this paper will explore how a new evaluation strategy can change the roles, functions and responsibilities of manufacturers towards the Channel and can redefine the entire channel partnership game.

In today's context, Manufacturers face a variety of challenges while interacting with the Channel. Most of the channels being multi brand and multi-product portfolio make it further more challenging to have the channel's mind share for your own product.

#### **Why This Strategy?**

##### **Newer Channels**

1. In the rapidly evolving economy, manufacturers have a consistently reduced interface with the channel partners. The Channel Partners, now see their traditional service functions being unbundled. For example, Channel and customers can now access product information over the Internet, bypassing an important role of the Company's salesperson.

##### **Brand coordination and leverage**

2. The reputation of products is greatly affected by the channel's performance. Poor availability, delivery, installation and problem resolution reflect negatively on the manufacturer even though it's the Channel that performs many of these activities. Customers want results and aren't interested in assigning blame.

Going a giant step further, most manufacturers neglect and under develop their brand equity. Some have confused the market by acquiring complementary products with overlapping brands. Great brand challenges exist ahead for product manufacturers, and success will hinge on effective coordination with their channels. New roles will evolve and new measures of success will follow.

#### **STRATEGIES FOR SUCCESS**

When manufacturers calculate their return on investment in the distribution channel, they roll up channel investments (measured as discounts and rebates) from the product level to determine the cost of doing business with specific channel partners. People costs incurred for sales, marketing, channel management and product support are added to generate a total cost. Each partner's contribution to driving strategy is then investigated to complete the ROI.



As these new strategies are developed, manufacturers should consider new roles for those Channel that deliver excellent ROI. Thinking creatively, manufacturers have many strategy opportunities that can be improved by effectively working with their Channel.

To improve their partnerships with each other, the manufacturers should consider these strategies:

Emphasize results, visibility, accountability and data over goodwill, relations and personal interactions. For manufacturers, this means communicating exactly what is needed from partners, backed up with significant rewards and penalties for good and bad execution. Surprisingly, many manufacturers are afraid to make this commitment, worrying that they will offend their partners.

The Qualitative Issues with the Channel (Besides Sales):

1. POS installation
2. Stock Availability
3. Customer Delight
4. Service Delivery
5. Attendance / Nomination to the Training Programs
6. Enquiry Management-Mystery Shopper
7. Feedback /Participation on Company's Efforts
8. Payment Disbursal to Manufacturer

*MegaTouch* is a structured program from Evolve Brands to constantly nourish the Channel Relationships while monitoring and tracking the Business Matrix. Constant evaluation and rating would entitle the Channel Partner to Earn Precious Reward Points, which can be redeemed for:

1. Products
2. Extended Warranties on Products
3. Preferential Allotment of Sales Enquiries
4. Cash Awards
5. Exciting Merchandise

Mega Touch will be an outsourced partner Program which will stitch in a mechanism to Qualitatively evaluate the Channel Response & Progress on the above mentioned parameters (more can be added) and design & run the entire engine so as to provide sensible and quantified Ratings Input to the Brand/Manufacturer which will help them in determining the ROI per Channel Partner and plot the importance of the Partner on its success Map.

The Recommended Frequency of Evaluation for each Evaluation parameter would be as follows:

S.No.	Evaluation Head	Month 1	Month 2	Month 3
1	POS installation	1		1
2	Stock Availability	1	1	1
3	Customer Delight	1	1	1
4	Service Delivery	1	1	1

5	Attendance / Nomination to the Training Programs			1
6	Enquiry Management-Mystery Shopper	1	1	1
7	Feedback /Participation on Company's Efforts			1
8	Payment Disbursal to Manufacturer/Distributor	1	1	1
	<b>Total</b>	<b>6</b>	<b>5</b>	<b>8</b>

### The Rating System

1. Each Rating would happen on a scale of A, B, C and D - depending on the degree of performance on each Evaluation Head.
  - i. Each A would carry 10 Points
  - ii. Each B would carry 05 Points
  - iii. Each C would carry 01 Points
2. The Maximum and Minimum Points
  - i. The Maximum Level of Performance would be 19A's = 190 Points
  - ii. And the Minimum level of Performance would be 19 (C's) = 19 Points
3. The points will be redeemed thru an Online Mechanism on a www entity. The Points can be redeemed against Products, Collaterals and Exciting Merchandise as mentioned above.

### The Benefits

1. The Program is implemented in this fashion once Every Quarter and the cumulative Rating for 1 year facilitate a review of the complete channel strategy.
2. Assists in computation of ROI per channel Partner in terms of Manpower Spend v/s Results Obtained.
3. Provides a Standard Platform for determining Customer Satisfaction Per Partner which is homogenous in nature and gives a uniform code of Rating.
4. Assists in Creating and re-aligning a complete Brand Visibility Plan and spends thereof.
5. Is a sound platform for encouraging attendance to Training programs, which will in turn increase the efficacy of the communication to the channel.