



Putting Partnership Marketing into Play

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PARTNER-FRIENDLY BRANDS

- Partner-friendly brands in partnership marketing can be formal or informal, but formal relationships often yield better results due to higher investment and collaboration.
- The following slides are examples of partner-friendly brands.

Google Corp.

- Brands like Google distribute their search results across several platforms and they partner with brands beyond those that drive people to the Google website or to purchase a Google-powered smartphone to use with their popular search engine. Many of the smartphones from leading manufacturers come equipped with Google applications and many websites use Google Search as their default search engine. Google relies on partners to drive traffic to their popular search engine and, in fact, it's a big part of their user-acquisition strategy, and has been for years.





Travel and accommodation partners

- Expedia and Travelocity allow users to search for flights, hotels and other travel products from a whole host of partner brands like major hotel chains, independent hotel operators, airlines and car rental companies, and they offer the user an opportunity to view many options before choosing which flight, hotel or car they would like to rent while on holiday.

WHAT DOES IT TAKE TO BE PARTNER-FRIENDLY?

- Developing a successful partnership marketing relationship requires openness, transparency, and honesty about business goals and mutual support. When prospecting for partner brands, look for a partner-friendly personality and evaluate their potential to add value to your business.
- The following is checklist you can use to evaluate prospective partner brands:

Checklist for evaluate prospective partner brands

- ❑ **Facts:** Understanding a prospective partner brand's business is crucial before engaging in a marketing partnership. Gathering facts like sales, customer base, product offerings, industry trends, and growth strategies helps determine their partner-friendliness.
- ❑ **Business Strategy:** Brand alignment is crucial for successful integration. The value proposition must align with the partner's strategy, capabilities, and marketing plans.
- ❑ **Commitment:** Strong commitment from senior management and key levels of both partner brands is crucial for successful partnership marketing programs. Without this commitment, time and effort invested in exploring opportunities will be wasted.

Checklist for evaluate prospective partner brands (Cont.)

- ❑ **Branding:** Brand association is crucial when prospecting for partner brands. Aligning with a strong, well-respected brand that shares similar values and positioning is key to a successful partnership.
- ❑ **Customers:** Marketing partnerships should benefit both brands, with one providing visibility and the other generating sales. A brand unwilling to promote its partner to its customers is not a suitable partner.
- ❑ **Resources:** When prospecting partner brands, assess their resource commitment, including team alignment, available personnel, and necessary skills, to ensure a successful marketing partnership.

Checklist for evaluate prospective partner brands (Cont.)

- ❑ **Targets:** Establish clear KPIs and targets for customer acquisition and revenue generation before launching a marketing partnership program. Choose partner brands that can help meet these targets, and communicate or estimate potential customer acquisition based on response rates and conversion metrics.
- ❑ **Stability:** Marketing partnerships require stable brands for a good return on investment. Avoid brands in flux, as they may not be able to commit to the partnership.

Checklist for evaluate prospective partner brands (Cont.)

- ❑ **Openness:** Partner brands should be open about their business strategies, including potential competition, customer acquisition, and marketing tactics. This openness allows for identifying opportunities and threats, exploring full marketing potential, and increasing chances of success.
- ❑ **Technology:** Partner brand technology should be evaluated for its ability to support the partnership, including communication, order tracking, offer redemption, and revenue sharing. Investment in technology should be justified by its potential return, considering factors like development costs and partner brand agility.



**THE 4 Ps TO SUCCESSFUL
MARKETING
PARTNERSHIPS**

1. PLAN for Success

- Identify your objectives for your partnership marketing program.
- Consider the following questions:
 - What do you intend to achieve from your marketing partnerships?
 - What type of marketing partnerships will you use and why will they be attractive to prospective brands?
 - How many partner brands do you need?
 - Can you prospect brands in certain verticals or is it better to go horizontal?
 - What are your targets, assumptions, forecasts and estimates for the upcoming year?
- List the end results or goals with a finite projected timeline for when you are going to achieve them.
- List your strategies to grow market share, increase profit, build brand awareness, retain clients, cross-sell and up-sell new products and services, penetrate international markets, etc.

2. PROFILE Your Brand

- You need to find brand characterization by defining a brand's core values, unique aspects, and market positioning, emphasizing its ability to satisfy customer needs.
- You should value your brand: 3 main methods exist; cost-based, income-based (net present value), and market-based (comparing to similar brand transactions).
- Market Method Challenges that you might face: direct comparisons between brands are difficult due to their uniqueness, requiring adjustments to the royalty rate for accurate valuation.
- Target Audience Profile: develop a brand profile for the target audience, including demographic and behavioral information.

3. PRODUCE Your Partner Brand Criteria

- Partner brand criteria, including size of opportunity and growth potential, help select the right partners for a marketing program. A scorecard assigns importance to each criterion, with full scores for met criteria and negative scores for unmet ones.

Sample Prospective Partner Brand Criteria

Great prospects will have a score between 23 and 30
 Good prospects will have a score between 15 and 22
 Average prospects will have a score between 8 and 14
 Poor prospects will have a score between - 30 and 7

Rank Measurement/Criterion	Yes	No	N/A	Score
1. The brand is widely recognized withing the industry	5	-5		
2. The brand is widely recognized on a national level	5	-5		
3. The brand has a strong reach to the primary target market	4	-4		
4. The brand has a strong presence in prominent geographic areas	4	-4		
5. The brand enhances proposition to the primary target market	3	-3		
6. The brand is a clear leader in its respective category	3	-3		
7. The brand is relevant to the business	3	-3		
8. The brand has a head office in the	2	-2		
9. The brand uses the right vehicles and channels to promote our proposition	1	-1		
10. The brand has an online component to their business and it's a focus for their business	1	-1		

4. PREPARE Your Tools

- Partnership application form helps evaluate incoming requests for brand fit. Here is a sample form and some data to collect to help you evaluate the partner prospects.

A Sample Partnership Application Form

Purpose

Thank you for your interest in becoming an authorized partner. Please fill out the application form below. We will follow up with you after we review your application.

I am a:

- Publisher
- Business consultant
- Sales agent

A Sample Partnership Application Form (Cont.)

Publishers

Business magazines, e-Learning, professional journals and management publications

Business consultants

Service design, systems and processes, resource planning and practice management

Sales agents

Financial, accounting, legal, insurance and business services or products

A Sample Partnership Application Form (Cont.)

Partnership Application Form

Company Contact Information

Company Name:

Address:

City:

State/Prov:

Zip/Postal Code:

Country:

Tel:

Fax:

Email:

Years in Business:

Total Revenues for Previous Year:

Employees:

#Offices:

Salespeople:

Industry/Industries Serviced:

Customers:

Geographic Area Serviced:

Public or Privately Owned:

Average Annual Revenue: \$1-\$10 M. \$10 - \$50M >\$50M

A Sample Partnership Application Form (Cont.)

Competition

List your top four competitors, by geographic area and product line:

- 1.
- 2.
- 3.
- 4.

Familiarity with our products

How long have you been familiar with our products?

- 0-2 years
- 2-5 years
- 5+ years

A Sample Partnership Application Form (Cont.)

What other products do you currently carry?

- 1.
- 2.
- 3.
- 4.

What other qualifications do you have that will enable you to sell our products?

Answer:

How do you intend to market our products to your potential and existing customer base?

Answer:

A Sample Partnership Application Form (Cont.)

Sales Estimates

Please provide your best estimate for the number of customers you expect to sell our solution to per year:

Year 1:

Year 2:

Year 3:

Consent

I hereby consent to the verification of any or all of the information above:

Company:

Title:

Name of Applicant

Date

Partner Pitch Deck

A partner pitch deck, typically presented in PowerPoint, should include brand profiles, positioning statements, product details, and partnership opportunities. A sample pitch deck is available upon request. Your pitch deck should contain the following slides:

- An updated profile for your brand
- A positioning statement
- Facts about the partner brand and how they relate to your brand
- Why you are contacting them
- Details about your products and services
- The opportunity
- The details of which partner brand will be doing what
- Summary

Partner Snapshot

Partner snapshot tool evaluates prospective partner brand opportunity. It provides company management with details and key deal terms overview. The partner snapshot should contain:

- Key contact information for your partner brand
- Deal overview and rationale for creating the marketing partnership (include opportunities, costs, forecasted revenue, critical timelines and marketing value)
- Marketing commitments and obligations from both brands
- Rationale and expectations
- Background (partner overview)
- Key risks (in doing the deal and not doing the deal)
- Sign-offs (CEO, Operations, IT, Marketing Services, etc.)

Elements of Partnership Marketing Agreement

1. Define the marketing partnership:

- What is this marketing partnership about and what does it mean to be partners?

2. Obligations:

- What does each company have to do and what are they responsible for in the partnership? What have you negotiated? This includes everything from lead-generating activities to the products that are being promoted and the standards by which they will be promoted. This also may include the frequency with which each party performs each task.

Elements of Partnership Marketing Agreement

3. Trademarks and branding:

- Which trademarks and cross-licenses and brands have been made available for use? How should they be used and where should they be used?

4. Marketing plans:

- A detailed overview of the marketing plan to market the other parties' products and services. Everything from placements to channels being used, media, email marketing and anything else that is relevant.

Elements of Partnership Marketing Agreement

5. Term:

- How long is the term of the partnership and can the partnership be terminated if necessary? Are we talking about one year? Two years? Be sure to outline a timeline that makes sense and will allow the marketing partnership to flourish, but at the same time will not lock it in too long, should parties want to go their separate ways.

6. Payments:

- How are payments being made? Who is collecting the transactional revenue and who is paying the other partner? What currency is being used to make the payments and what form will they be in? Wire transfer? Check? You need to be specific on payments and collecting revenues. Will they be made monthly? Quarterly?

Elements of Partnership Marketing Agreement

7. Tracking and reporting:

- Which key metrics apply? What is to be tracked, and what needs to be reported to the other party and how often? Who is tracking what? We're talking about leads, conversions, sales, etc. Think of all the metrics and be sure to outline the commitments or targets. Perhaps you have an exclusive marketing partnership whereby the marketing partner must achieve certain sales targets to keep their exclusivity. Be sure that it's included in there!

Conclusion

Naturally, your partnership marketing agreements should contain all the necessary legal clauses like confidentiality, disclaimers, warranties and liabilities beyond the marketing clauses I have listed above. Be sure to speak to a lawyer about those items and ensure that you are protected. When marketing through a third party, it's important to have an agreement that you can refer back to.