

# Does Distribution Need Saving – And Can Marketing Do It?



Two big questions. Let's dive in.

## The Future of Distribution

There has been a lot written about the future of distribution. About a year ago, Jay McBain, now Chief Analyst at Canalys, published a blog "[Are Distributors the Future of Distribution?](#)" in which he said that "With millions of new partners entering the technology ecosystem over the next decade, their awareness and affinity of working with distribution will be tested."

While it's true that vendor business models are changing, particularly in everything-as-a-service, subscription, and consumption models - shifting the relationship to a direct-buy model between vendors and partners – there is much more that distributors offer that we think will keep them in business. The trick will be to focus on new areas that build new value, loyalty, and "stickiness" for the long term.

## Opportunities to Pivot

Distribution will always be an aggregator of multiple vendors' products. Leveraging that position, along with their technology expertise, distributors can offer a solution-led perspective that helps smaller partners and resellers pull the best of breed technologies together.

Distribution is a key extension of vendors for channel marketing services and training. Vendors don't often have the staff and the reach to manage thousands of small and medium sized partners effectively. Distribution has those skills and connections.

There are certainly more benefits, but even these two important functions – multivendor solutions and long-tail marketing and training are starting to be done digitally. Vendors are creating new partner programs and utilizing technology (PRMs for example) that enable them to reach more partners with less human interaction. Marketplaces are popping up everywhere where multivendor solutions are being created and accessed. Even Amazon is disrupting the traditional channel relationships. End-users and partners are buying from Amazon Business at an increasing rate. "Amazon Business gives users the autonomy to find what they need [to purchase] in a way that's familiar, easy, and intuitive. It lets us focus on the strategic purchases we make for the university. It has changed the way I think about purchasing." – This from the [Director of Procurement Services](#) at the University of Washington who is searching *and buying* online.

Distribution has the opportunity RIGHT NOW to take the digital bull by the horns and place themselves firmly in the center of this transformation and offer new value that both vendors and resellers need – *before these partners do it without them*. There's a big window of opportunity now and it won't be around forever.

## The Digital Urgency

Digital transformation has been accelerating, but not every business has made the leap. Partners and Resellers need help – especially the small and medium businesses (SMB). Digital transformation has only just begun for many of them, and yet, there's a sense of urgency – or at least there should be. A recent US B2B SMB [survey](#) done by Alibaba.com (December 2021) found that "digitized businesses are faring better, exporting more, planning to invest more and are significantly more confident about the future of their business than offline companies." In fact, the study revealed that 61% of digitized SMBs saw business increases in 2021 compared to only 34% of companies that are not present in the customer's online journey. A similar study in Canada from BDC (Business Development Bank of Canada) found similar results - that digitally advanced businesses show much higher growth than those that are lagging in their online presence. Digitally advanced businesses "grow faster, are more resilient, and are more likely to export."

**61%** of digitized business saw increases in sales in 2021, compared to just 34% of those who are not online.

- Alibaba, March 2022

**If you are a vendor or a distributor, and you have a vast SMB channel through which you go to market, it's in YOUR best interest to have digitally advanced and enabled partners and resellers.**

So why isn't every B2B SMB on board? There tends to be 3 main barriers to digital transformation – resistance to change, lack of resources, and a gap in skills. Digital Transformation (DT) is broad and covers innovation across every function in an organization. It's often hard to know where to start.

In a Boston Consulting Group (BCG) study on the Evolving State of Digital Transformation, "90% of companies list customer-facing initiatives such as digital marketing among their top business goals for transformation."

Let's start there. Let's look at how Distribution can be the catalyst for SMB partners, getting them started with customer-facing digital marketing and participating in the customers' digital path to purchase.

## How Distribution + Marketing = Digital Journey Enablement

We've established that Distribution doesn't need saving per se, but it does need to pivot in several ways. It needs to embrace digital, and perhaps even more importantly, it needs to lead and be the enabler for its SMB partners. This is where marketing, and specifically through-channel marketing (TCM) can make an immediate, material impact for vendors and resellers. When Distribution steps up as the orchestrator, it puts them in a position of strength and digital leadership.

### What is Through-Channel Marketing?

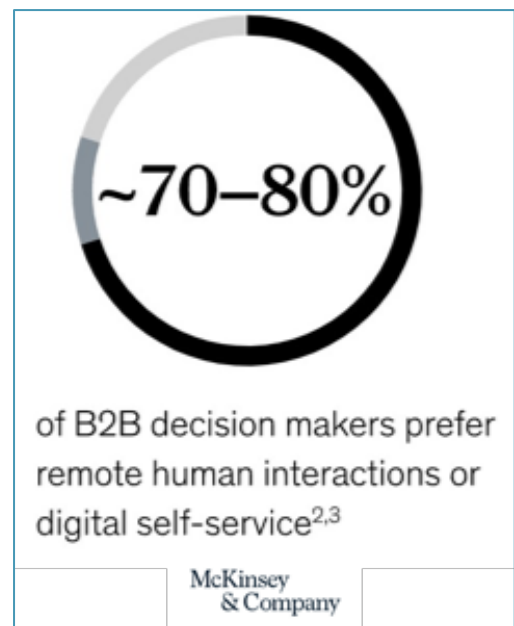
Through-channel marketing is a strategy. It leverages through-channel-marketing-automation technology platforms to deliver sophisticated, brand-compliant marketing initiatives to, through and with channel partners, at scale.

Integrated marketing campaigns are fully automated, and include dynamic web content, email, social media, and search engine marketing across hundreds or even thousands of partners, regardless of size or digital maturity, across regions, industries, and even around the world.

Let's look at how and why Distributors can use TCM to stand out, step up, and help their ecosystem transform.

1. **Customers are online. All of them.** – In "[The New B2B Growth Equation](#)", McKinsey & Co state that "*ALL* B2B customers prefer omnichannel, no matter the industry, country, size, or customer relationship stage. There are no exceptions." And more than 75% of buyers and sellers say they now prefer digital self-service and remote human engagement over face-to-face interactions – even after the pandemic lockdowns ended. ([source](#))

**Through-Channel Marketing** enables partners to immediately participate in the customer's digital journey through better online content, consistent social media engagement and active email communications.



## If your partners are not online, neither are you.

2. **Vendors need to reach more customers** – If your partners are not successfully online, neither are you. Three-quarters of world trade (WTO) goes through indirect channels. Vendors know their partners are their gateway to growth - the more channels a sales organization deploys, the bigger the market share gains. (McKinsey)

**Through-Channel Marketing** is how vendors and suppliers share their marketing content, promotions, announcements, and new product introductions through a vast ecosystem of partners to buyers and end-user customers. **Distribution** is how vendors reach their partners efficiently and effectively.

3. **Vendors want to protect their brand** – Putting your brand in the hands of others – thousands of others – is a risky thing to do.

**TCM** is a centralized marketing strategy that utilizes automation to manage and control the vendor content that is shared through partners. The content is created by and for the vendor, and fully protected and managed by the system. **Distribution** should be the orchestrator, bringing protected vendor content to the channel.

4. **Vendors want more modern digital marketing options** – Marketing through distribution has traditionally consisted of email blasts to partners, banners on internal distribution websites, on-site “floor walks”, lunch and learns, outbound calling and direct mail. Most of these are periodic, with limited reach, and expensive. Vendors want direct reach to buyers and end-user customers on a much larger scale, and at a cost more in line with modern digital marketing practices.

**Through-Channel Marketing** is modern digital marketing by its very definition. **Distributors** who leverage it can offer new, modern, affordable digital marketing options to their vendors to help them reach far more buyers and end-user customers at a much greater scale. By offering more digital options at market prices, they can attract more vendors and more MDF that is quite literally waiting on the sidelines. And they can increase their own margins while they’re at it.



5. **Vendors & Suppliers want metrics on their Market Development Fund (MDF) spend** – Vendors have been asking for metrics on MDF spend for years, sometimes even threatening to pull the funding if they can't get better results – but to no avail. Every year they spend as a “cost of doing business” and every year they are disappointed.

**TCM** is built on a centralized technology platform that reports results. **Distribution** can use this technology to report results to *vendors and partners* – participation, engagement, reach, impressions, clicks, downloads, opens, and more. Distributors can offer data-driven insights, recommendations, and much, much more value. TCM is an opportunity for Distributors to differentiate, to attract more vendors and partners, and to grow their MDF spend.

6. **SMB Partners want a single point of contact for marketing programs** – If 90% of partners are SMB and if 84% of partners do not have a dedicated marketing resource, what are the chances that they want to connect with multiple vendor marketing programs? Slim to none, we say.

**Through-Channel Marketing** done right should be a “set it and forget” solution that the partners can put on autopilot. Its purpose is to enable partners at scale, with vendor content at scale. **Distribution** is in the unique position to orchestrate this marketing ecosystem. They can pull the vendors together and partners can access it all from one centralized place.



7. **Partners want compliant vendor content** – In fact, partners require compliant vendor content to meet the terms of their partnership agreements. Some vendors audit their partners and tie payments to audit scores. Without in-house marketing resources to continually update content and stay abreast of branding guidelines, this is an impossible task for most SMB resellers.

**TCM** is built as a centralized platform and content comes directly from vendors. Partners are always compliant, and content is always new and up to date. While a partner could join a vendor marketing program, **Distribution** is the key to bringing ALL of the vendors' compliant marketing content, programs, campaigns, and promotions to partners, through an automated TCM strategy.

8. **Partners want multivendor solution content** – Vendors are awesome (they really are!) and they bring so much to the table. Not only do they bring great products and services for partners to sell, but they also bring a ton of investment in product information, case studies, marketing collateral, and multimedia content. Partners and resellers appreciate all of it, but they want more. Partners sell solutions. They combine products and services from multiple vendors, and

they provide value added services to bring it all together – and they want the marketing content to support it.

**Through-Channel Marketing** can deliver multivendor solution content for partners – and it's Distribution that can bring it together. **Distribution** is the center-point for vendor products and services. Distribution can build content, combine marketing messages, and deliver solution-level marketing for partners that don't have resources to do themselves. It's a huge opportunity.

9. **Partners need help with digital marketing** – We said it earlier... If your partners are not online, neither are you. The channel ecosystem requires that all parties be connected and online. Less than 15% of partners engage in the marketing programs their vendors deliver, and yet they're asking for help. While that may seem contradictory, it's not. They need help that doesn't require heavy lifting, and long implementation times, or ongoing management on their part.



**TCM** immediately enables partners. Once the partners set up their account and opt-in to the program, the marketing flows on autopilot. Content is syndicated onto their websites, posts are regularly syndicated on their social media accounts, and emails are automatically sent to their customers. ALL of it points back to the vendor content and to each partner's site. With a few clicks, partners are off to the races. **Distribution** is the enabler. Distributors are in the unique position to lift their partners and help them immediately participate in the digital economy.

10. **SMB resellers want a better online presence to compete with the big resellers** – Having a rich, dynamic, interactive online presence builds credibility with buyers and users who are searching and researching online. Websites and social accounts that are comprehensive, with educational content, rich media, and thought-leadership build confidence with buyers.

**Through-Channel Marketing** bridges this gap. We've already established that most partners don't have resources and/or skills to do it themselves. In addition, TCM delivers content that most partner would never be able to afford on their own, such as industry analyst reports and studies, or expensive video content. Vendors invest in this all the time, and they only get return from this investment by having buyers and customer consume it. **Distribution** brings the partners into the program and brings the vendor content to the partners.



**11. Do more with digital economies of scale for SEM** – When you bring many vendors and partners together in a marketing ecosystem, there is tremendous opportunity for economies of scale. One such area is search engine marketing (SEM).

In addition to the economies of scale, **TCM** from AscendX Digital enables distributors to build Google Ads campaigns that direct search traffic to partners. The solution is proprietary in that one campaign can be created for ALL partners with geofencing directing customers to their local reseller. Because of the integration of multiple partner data in one campaign, thousands of campaign optimization changes can be done each day for all partners. Qualified traffic is significantly increased, and costs are significantly reduced while buyers go directly to partners who are ready to fulfill their need. Because **Distribution** sits in the center of the ecosystem, they can pull the campaigns together and drive more value for more partners who likely would not be able to do it on their own.

## **Distribution is in the driver's seat**

Through-Channel Marketing isn't entirely new, but the automation, the ability to scale, the "set it and forget it" autopilot functionality, and the single-campaign Google search strategy *are* new; and Distribution is new to the driver's seat.

TCM is a unique strategy to help distribution rapidly pivot to a place of digital leadership that is so urgent. Their partners are counting on them, but they won't wait. In fact, some partners have formed their own consortiums and they are expanding their mandates from buying groups to building new sales and business development functionality. They are enabling themselves.

Their vendors have demanded more, and if distribution doesn't step up, those marketing funds will quietly go elsewhere. The warnings are over. Some vendors have spun up their own through-channel marketing programs and are actively recruiting their partners directly. While this doesn't satisfy the real needs of the vast SMB partner community, some of them are signing up because there are no other options.

Distribution, this is your time. It's your time to lead, to be the orchestrator of more than products and logistics, to be a digital leader. Your vendors and your partners are counting on you.

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AscendX Digital Inc. is the first and only TCM-as-a-Service marketing provider, and the only company with a revenue-generating model for distributors. Our team has many decades of technology marketing expertise, and we work with vendors and SMB partners every day. Whether you have a TCMA investment that needs some strategic and/or operational support, or if you are looking for a fully managed as-a-service solution, AscendX Digital can help. Contact us at [sherry@ascendxdigital.com](mailto:sherry@ascendxdigital.com) and visit us online at [ascendxdigital.com](http://ascendxdigital.com).

