

BY BOB SEGAL

Channel Mindshare – Add Pull to Your Push Marketing

AS A READER OF THE CLIENT COMMUNIQUÉ, YOU ARE UNDOUBTEDLY INTERESTED IN “PUSH”.

Push is half of the classic business concept of “push vs. pull marketing.” Push marketing involves any tactic a manufacturer uses to motivate its channel to contact buyers and sell the supplier’s brand. Conversely, pull marketing is any tactic a manufacturer uses that compels an end-customer to contact the channel asking for the manufacturer’s brand.

Push marketing tactics include discounts, rebates, SPIFs, channel account manager influence, partner training, co-op advertising and marketing funds, partner planning, etc. While some of these are compensation for costs incurred by the channel on the manufacturer’s behalf, they nevertheless serve as a source of channel motivation.

Pull tactics include advertising, word-of-mouth, written articles, newsletters, seminars, blogs and other “social media,” customer events, etc.

The Importance of Pull

As just noted, motivating partners primarily involves push. That is why as a reader of the Client Communiqué, and therefore someone concerned with channels, you would be interested in push techniques, especially if your focus is the business-to-business (B2B) market. B2B marketers typically spend 20 or 30 times more on their push efforts than on all their pull marketing activities.

However, channel marketers should be interested in pull marketing activities too. Why?

Companies that ignore the pull side of the equation can run into numerous problems:

- Channels are less likely to lead with brands that don’t have high end-customer awareness and preference
- Channels will exploit low-pull suppliers, demanding higher discounts, rebates or other forms of compensation
- Channels will pay less attention or participate less fully in a vendor’s push programs
- Channels are unlikely to actively sell a vendors new products if the supplier doesn’t engage in sufficient pull activities

Sometimes, too much of a good thing, e.g. push marketing, can be dangerous for business.

Embrace the Pull

Marketers might be tempted to simply round up the usual “pull” suspects—another trade show, a few more ads in an industry journal, one more e-mail blast. However, at some point traditional pull marketing campaigns reach diminishing returns. Marketers, especially B2B marketers, may want to consider other pull options.

GET A MITT, AND GET IN THE GAME

One of the most effective means of pulling customers into your resellers is a field sales effort. You may already have salespeople closing deals directly with large or “house” accounts. But, do any of your salespeople call on small or mid-sized accounts? Many manufacturers will critique this idea, “Hey, that’s what we’re paying the distributors for.”

Perhaps, but this concept is just a spin on traditional joint sales calls. The trick to holding down costs is to use a “direct” salesperson to create initial demand, or to secure a tight brand spec, and then move on to the next customer. This spec-selling model is common in the electrical products area. The salespeople may also rely on speeches, seminars, and other “mass” media to meet multiple end-customers simultaneously. A spec-selling effort will increase a distributor’s hit rate, and, ironically create greater “push” down the road. Distributors will begin to credit the supplier for creating incremental demand; causing them to be more brand loyal, and push the brand more often in the future. A virtuous cycle.

INFLUENCE THE INFLUENCERS

Especially in the B2B world, buyers often seek advice from independent experts. These experts can include consultants, designers, architects, etc. Influencing these influencers is a powerful pull strategy for shaping end-customers’ brand perceptions.

Most advisers perceive and promote themselves as *independent* experts. Therefore, the best approach is to provide detailed, up-to-date technical information, analytical tools, and a point of contact – all designed to help the influencer maintain their level of expertise

without becoming a blatant skill for your brand. Some companies pay influencers, directly or indirectly, but this may create significant ethical problems.

Beyond the realm of consultants and other paid experts, customers will often turn to their peers for advice. However, not all peers are created equal. For example, within any given county, building contractors will look at just one or two of their peers (so called “bell cow” builders), typically those with the largest, most successful operations, for advice regarding what brand of construction supplies to purchase.

In his popular book, *The Tipping Point*, published in 2000, Malcolm Gladwell, went even further, distinguishing between Mavens (information junkies, who just love their chosen area of expertise), Connectors (a rare breed of person with “a truly extraordinary knack [... for] making friends”), and Salesmen (peers with a unique ability to persuade).

Some researchers have disagreed with parts of Gladwell’s influencer theory. However, in the tight-knit world of B2B, the concept of influencing the influencer is still worth exploring.

EMBRACE THE WEB

The Internet and the World Wide Web might sound so 1990s, but new Web-based marketing techniques are emerging . . . and many B2B marketers are still just beginning to discover some of the older techniques.

Almost every company now has a web site. However, many are poorly organized, forcing customers to undertake a laborious “archeological dig” to find the information they seek. Consequently, leading companies are researching customers’ online search goals and processes and redesigning web sites to achieve greater pull. Some of these redesigned sites are following a Web 2.0 approach that mimics social media like Facebook, Flickr, and YouTube. These new company sites display more customized information based on release date, peer ratings, past customer preferences or demographic/firmographic data supplied by the user. To complement these new Web features, companies are ratcheting up their use of product videos, micro blogs, push-to-chat, and other Web features.

Many companies are simply pursuing search engine optimization (SEO) to push their information to the first page of Google results. Others are setting

up pages (or participating in targeted groups) on corporate-focused, social media sites such as LinkedIn or co-opting more consumer-focused social media sites such as Twitter, Facebook, Digg, etc.

Companies are understandably nervous about actually selling their products over the Web for fear of creating channel conflict with their traditional channel partners. However, direct Web selling is a potentially strong form of pull marketing. End-customers are frequently looking for out-of-date products, rebuilt units, hard-to-find parts, and other items rarely stocked by distributors. Manufacturers can sell these items on-line without creating much channel conflict. In the process, manufacturers can establish a direct link with end-customers, with a goal of driving customers into the traditional channel for up-selling, cross-selling, and repeat-selling.

It’s All in the Balance

Henri Matisse, the famous painter, once said, “What I dream of is an art of balance.”

The concept of balance is germane in many aspects of marketing. Too few resellers, and a supplier lacks market coverage. Too many resellers, and the result is channel conflict.

A complex channel program confuses partners. A basic channel program leaves them wanting more.

Offering too much discount means giving away profit. Too little discount, and distributors will buy from your competitor.

The same concept of balance holds true for push and pull marketing. Companies that overly rely on push cede power to the channel. If the reseller ever tires of the vendor, the channel can easily switch its customers to the vendor’s competitor.

However, companies can also rely too much on pull, leaving little wiggle room if disaster strikes the brand – a missed product cycle (e.g., Motorola in smart phones), quality problems (Toyota), or legal/regulatory problems (Goldman Sachs), to name a few.

SUMMARY

To explore the balance between push and pull, build more clout with distribution partners, and create more channel mindshare, Frank Lynn & Associates offers a channel audit program. For more information, contact Bob Segal at bobsegal@franklynn.com or 312.558.4808



Bob Segal