

Brainwave series | No.4

Partnership marketing

– “Many hands...” or “Too many cooks...”?

With more technology companies than ever working on joint communication programmes, you'd expect the results to show that, "Many hands make light work" .

But evidence of the advantages of collaboration seems hard to find, despite the partnership marketing trend continuing. The painful reality, more often than not, is that, "Too many cooks spoil the broth" ; the expected benefits of collaboration being diluted by poorly executed marketing campaigns.

So why are these joint marketing efforts prone to failure?
And how can IT companies overcome the pitfalls?

The success or failure of partnership marketing is dependent upon a range of factors, not least the corporate personalities involved and the dynamics of the resulting relationships.

Introduction

In a highly competitive environment, partnership marketing is one of several strategies that IT companies can adopt to build stronger customer relationships and, ultimately, increase profits.

Many of today's biggest players have grown, in part, by building these kinds of relationships from the early stages of their corporate development. For instance, Microsoft used its alliance with IBM to, "Make light work" of creating the MS DOS operating system in the early 1980s – and ended up becoming the world's foremost PC software firm within 20 years.

Achievements like this have encouraged other IT firms to adopt the partnership marketing approach. But simply following the trend doesn't necessarily deliver the desired results: "Many cooks [can often] spoil the broth". And it's the dynamics of the relationships that can undermine the effectiveness of the communications.

OEM relationships: leading from the back-seat

The IT sector generates a variety of co-marketing relationships. For instance, industry conventions dictate that original equipment manufacturers (OEMs) maintain a back-seat in the marketing campaigns of their partners. While some – including AMD and Intel – have ignored the tradition and exploited their relationships to achieve growth, others appear to follow convention

and fail to publicise their contribution to a product's success. Few people realise, for example, that Toshiba's hard disk drives sit inside Apple's hugely successful iPods.

If this particular example wasn't a case of the Japanese giant following tradition, then there may be other reasons for not capitalising on the phenomenal sales of the MP3 player. Perhaps it's the result of a partnership agreement that Apple has with all its OEMs? Or maybe Toshiba's silence is due to an internal decision that the drive would never be seen as a core product within its portfolio?

Either way, the differing approaches of Apple and Toshiba have affected the way the relationship has developed. And in turn, this has helped determine the tone and direction of the subsequent marketing communications.

While this example alone doesn't prove the 'light work' theory, a different dynamic would probably have produced a quite different result. What if Apple forged an agreement with a more aggressive OEM that wanted, say, to become a world-leader in the miniaturised hard drive market? Undoubtedly, this would have created tension between the two parties, leading to a 'many hands' scenario that generated fewer sales as a result.

Other industry dynamics

Elsewhere in the IT market, some of the integration companies that work with the better-known technology vendors look guilty of hiding behind the strong market position of the dominant sales partner. At the root of this problem is the unwillingness – or inability – of the integrators to develop their own brand's value proposition.

This failure means that the integrators can't stand apart from their competitors in terms of operational excellence, product leadership, or customer intimacy. So they try to compensate by aligning themselves with one or more of the leading vendors. Naturally enough, these sales organisations are happy to exploit the situation by negotiating agreements with a host of integrators, ensuring that any individual company's 'stand-out' in the integration marketplace is short-lived.

In turn, vendors themselves are treated in a similar way by the distributors; it makes sense for the latter to associate themselves with the widest possible number of vendors. Likewise, technology partners flex the marketing muscle they enjoy over resellers and position themselves as offering more to end-customers.

The relationship dilemma

So, the very structure of the IT industry – and the attitudes and working practices of the companies within it – throws up a variety of partnership marketing opportunities. These structural and cultural factors also have a dramatic effect on the dynamics of each relationship and, therefore, on the chances of success of any collaborative communication efforts.

And the problems generated by these limitations are compounded by the host of marketing issues that arise once partnerships are formed.

It's vital that any communication delivers a single message – agreed by all the partners – rather than pulling in multiple directions in response to their disparate needs as individual organisations.

Marketing without a creative proposition

To make sure that, “Many hands make light work”, the marketers involved in partnership programmes need to hone their joint communications to a single-minded proposition that has an emotional impact with their audience.

Unfortunately, when two or more organisations are involved, it's harder to find the common ground that should underscore such a proposition. By trying to satisfy each partner's agenda, the message becomes over-complicated and it's harder for the audience to understand and respond to it. This is certainly a case of ‘too many cooks spoiling the broth’.

(For more on this, see ‘Making mojo – The role of the creative proposition in technology marketing’ at www.wilsonmiller.co.uk/brain_download.cfm).

Compromising, but not compelling

Partners unable to find a suitable proposition will often settle instead for a compromise solution that's simply not very compelling. This attempt to find the middle ground can take a number of forms.

Some co-marketers will resort to ‘brand-storming’ or ‘logo-storming’, where each partner's brand images and messages (and/or logos) are used indiscriminately across the communication.

But, while brand image is important, as a stand-alone or dominating element it's unlikely to have as much emotional appeal with the intended audience as a fully-developed creative proposition.

In similar vein, partner companies that can't agree on a single-minded creative proposition sometimes end up with communications blunted by ‘feature fighting’ or ‘image pile-up’. This is where each of the partners insists on including the same number of product or service features, or else swamping the communication with an equal number of product images. So, if Partner A has five bullet points listing the features of its products plus an image, Partners B and C must each have five bullets and an image promoting their merchandise too.

While this kind of ‘solution’ might keep the different company's product managers happy, it will rarely attract the attention of the target audience. That's because lists of features and multiple images are indicative of political wrangling and grudging agreement by the partners, rather than the result of effective decision-making by a communications department with overall control. Not surprisingly, the quality (and effectiveness) of the creative treatment suffers as a result.

Mind the (communications) gap

The idea of partners working together to fill a gap in the market can also lead to problems. Companies that identify these niches (and recognise how collaboration can help address them) should be congratulated for their entrepreneurial spirit – but not, in most cases, for their communications.

More often than not, these firms analyse what messaging is needed from a sales (rather than a marketing) perspective. They focus on ‘how many units we need to sell to break even’ rather than ‘how to appeal to the people occupying this gap’.

While it’s obviously important for the maths to add up, these companies seem unable to recognise that appealing to the emotional needs and/or aspirations of the target audience will ultimately help the bottom line. The two elements (creative design and a single-minded proposition on the one hand; campaigning within budget on the other) need to be integrated, not treated separately.

Better partnerships *can* lead to higher growth

Despite these issues, partnership marketing appears as though it’s here to stay, not least because it works under certain circumstances.

When marketing partners have an effective relationship and can agree on the best single-minded proposition, they multiply their potential for increased sales to a factor that far exceeds what they could achieve individually. And with attractive financial rewards at stake, IT companies will continue looking for these partnership arrangements. Their challenge is how to stop themselves from ‘spoiling the broth’ and start ‘making light work’ of these collaborations – and ensure they do reap the exponential financial benefits.

Marketing partners must find a way to reconcile their differences before projects can move forward. Employing an experienced external agency is often the best way forward.

The joint task-force

Creating a joint task-force of key personnel from each partner company is a natural starting point for collaborations of this kind. However, partners need to recognise that the individuals involved will probably feel the pressure of working simultaneously on both the project and on their own job – with the partnership tasks most likely to be neglected if resources can't be wholly dedicated to them.

However, these individuals are often unable to see how they, or their company, will benefit from the joint campaign. And this can mean that the collaboration attempt succumbs to a self-fulfilling prophecy of failure.

To help alleviate the time-pressures and encourage 'buy-in', the partners should consider employing a skilled and experienced external marketing agency to complement the joint task-force.

The right kind of agency

Acting as ambassadors of the co-marketing effort, the agency should also manage the personalities and priorities of the marketing departments involved, as well as the pooled budget. Working in this way, the agency can cement the diverse elements into a cohesive whole that really does 'make light work' of the collaboration.

However, many agencies avoid such scenarios because of the difficulty of reconciling multiple objectives. Clearly then, this external voice must be able to create the right balance between encouraging democratic decision-making and bringing objectivity to the project. The agency must ensure that the messaging is centred on the target market's needs, rather than reflecting the partners' internal politics.

And this is the crucial point. Poor co-marketing communications aren't usually down to a lack of budget, but rather a failure by the partners to change their internal behaviours or agree upon the communication message. Finding an agency with the right expertise can help the partners circumvent their own internal processes, and offer them the quickest route to finding the right kind of compromises – those that take account of the creative proposition and don't reduce its impact in the execution of the communication.

Effective partnership marketing can make budgets work harder and increase sales – as long as you adhere to these points.

Partnership marketing can work

Hardware and software manufacturers and IT service providers must continue working together to provide solutions that meet customers' needs. This probably means co-operative product and service development and co-operative marketing, since these kinds of partnerships can deliver an impressive return on investment.

But whatever the arrangement, the parties involved must work hard to assess and address the dynamics of the relationship (making changes if there's an imbalance likely to have a negative impact). As part of this effort, the partners also have to promote their relationship internally to ensure the full co-operation of the staff assigned to the project.

This process can be facilitated by an external agency, which can also act as the final arbiter and 'voice of reason'. Moreover, the agency can champion the needs of the target audience and ensure that campaign communications are based upon a resounding creative proposition.

By delivering creative work that satisfies the needs of all parties and has the desired effect on the audience, the agency can help the partners to avoid 'spoiling the broth' and instead 'make light work' of capitalising on the potential of co-marketing instead.

**Use this simple checklist to ensure success
in your partner marketing communications:**

1. Make sure you have a solid understanding of the emotional, commercial and functional drivers of your combined prospect. Just because you've recognised a gap in the market doesn't mean you automatically appeal to the market in the gap.
2. Ensure you have adequate research into how competitors secure 'share of budget' – it's about understanding budget and technology rivals.
3. Prepare for your campaign with research into 'purchase hurdles' and objection handling. As per bullet **1**, just because you've recognised a gap in the market, doesn't mean you will automatically sell to the market in the gap.
4. Try and secure team-wide belief and recognition of the value of succinct value and creative propositions. Your agency can help you develop the most appropriate versions.
5. Don't under-estimate the task and investment required for internal communications. Make sure you engage with the combined salesforce – adequately addressing their careabouts. Also, present a clear vision of success to all operational marketing, allowing them to understand the importance of non-standard requests, i.e. billing arrangements, product marketing requests.
6. Be sure to employ the services of a technology marketing agency with consultative approach to programme development. Ensure the agency has a track record in deploying campaigns with multi-partner stakeholders.

Partner organisations who take these factors into account are more likely to make their budgets go further, succeed in their attempts to strengthen customer relationships, and generate more revenue as a result.

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For further information contact:

Wilson Miller
87-91 Springfield Road
Chelmsford
Essex
CM2 6JL

Telephone: +44 (0)1245 258700
www.wilsonmiller.co.uk