

Hmm . . . what's a channel?

In B2B PR, the channel refers to the vendors/manufacturers, distributors, value-added resellers, systems integrators and even the end users/consumers.

A channel can supplement or entirely replace a company's sales force.

But, why would a company that already has an efficient sales force embrace a channel strategy?

A sales & distribution channel can help a company focus on what it does best and avoid getting its hands dirty in non-core areas (e.g. distribution, after-sales).

A channel can also help a business enter & quickly establish itself in a new market, provide training/education to end users, exploit business opportunities, and boost sales by identifying & converting leads.

Besides technology companies like Apple and Microsoft, many product-based (e.g. food and beverages) vendors/manufacturers rely on sales & distribution channels to supplement their marketing, sales & advertising activities.

A market-leading vendor/manufacturer usually appoints a channel manager or creates an entire department to recruit, streamline, manage and support a channel.

Selling via a sales & distribution channel has its own challenges, and a B2B PR strategy aimed at its lynchpins must be based on a thorough understanding of the pressures each faces.

Although synonymous with the brand name for the other players in a channel, the distributor—the biggest buyer—is accountable as much to the vendor/manufacturer as they are to the other channel players.

Margins dictate the extent of a distributor's or reseller's loyalty, and a distributor or reseller may be free to stock products of competing vendors/manufacturers.

Ensuring brand loyalty becomes all the more difficult when the vendor/manufacturer also competes for sales as a retailer.

For example, the smaller Apple reseller on London's Tottenham Court Road competes head-on with the imposing, company-owned Regent Street store just around the corner. The reseller may resent the store's presence but may be comforted by the fact that Apple remains a bestseller and the other brands more than make up for any loss of business.

Like all resellers, a value-added reseller—a reseller who adds bells and whistles to a product before selling it on—is most likely to focus on the brand/model(s) the market demands rather than what the vendor/manufacturer or distributor wants them to promote and sell.

Because the reseller controls the all-important point-of-purchase experience, many vendors/manufacturers also train their resellers in how to sell, deploy and support their products.

A systems integrator such as a provider of networked IT solutions for small businesses may be just as sensitive—if not more so—to margins as they may be to market demands and the availability of cost-effective & reliable parts/components like hard disks, routers and processors.

Every B2B PR strategy TopLine designs and delivers helps clients to tip the channel balance in their favour. We invite you to request a case study corresponding to your industry/sector, more information about our services or a quote:

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