

The art of maintaining productive sales channel partnerships

October 26 2015

As manufacturers well know, the nuances of interpersonal relationships are writ large in the context of sales channel partner programs, and knowing how to manage them is a surprisingly delicate business. A paper forthcoming in the December 2015 issue of the *Journal of Retailing* describes just how nuanced the back and forth can be as companies seek to incentivize but not alienate their partners.

In "B2B Channel Partner Programs: Disentangling Indebtedness from Gratitude," Jan Pelser, Ko de Ruyter, and Martin Wetzels of Maastricht University's School of Business and Economics, along with Dhruv Grewal of Babson College, David Cox of Motivforce Marketing & Incentives in London, and Jacqueline van Beuningen of Statistics Netherlands/Centraal Bureau Voor de Statistiek explored the dynamics of various incentive and partner programs - a channel that produces roughly two thirds of the total sales of the largest manufacturers in the IT sector.

The authors conducted a series of surveys of nearly 300 reseller salespeople for a Fortune 100 tech company. They sought to explore the interplay of feelings of entitlement, inflated expectations, indebtedness, and gratitude on the part of channel partners and how that mix of complex emotions worked or didn't work for suppliers. Participants in the surveys ranked their satisfaction with partner programs and rewards and their perceptions of the supplier's motives, as well as how grateful or indebted they felt and how that affected their commitment to the supplier.

A key finding was that firms that expect to increase their channel partner's productivity through partner programs may fail to achieve their expected returns, largely because feeling indebted diminishes feelings of gratitude and causes suppliers to avoid their benefactor and instead promote other suppliers' products. "To enhance performance," the authors write, "supplier firms should aim to prevent their channel partners' from feeling indebted" and should provide benefits that create feelings of gratitude, which can overcome the negative aspects of indebtedness.

Provided by New York University

Citation: The art of maintaining productive sales channel partnerships (2015, October 26)
retrieved 18 April 2024 from
<https://phys.org/news/2015-10-art-productive-sales-channel-partnerships.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.