



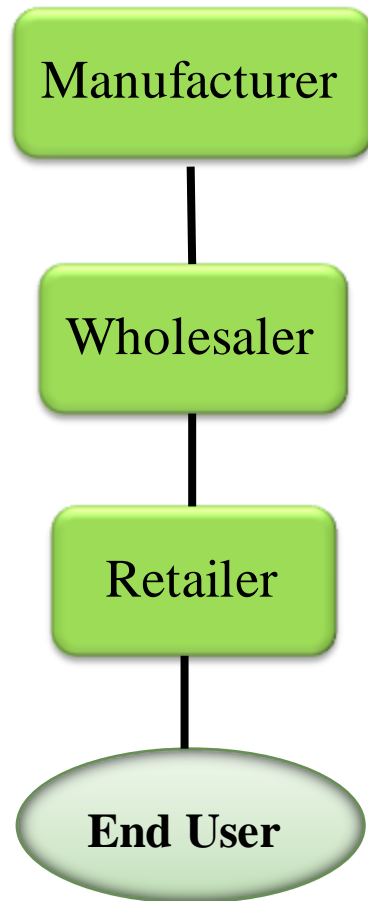
Channel Management: A Business Perspective

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First Sale & Exhaustion in IP Symposium
November 2010



Marketing Channels: Interdependent Organizations

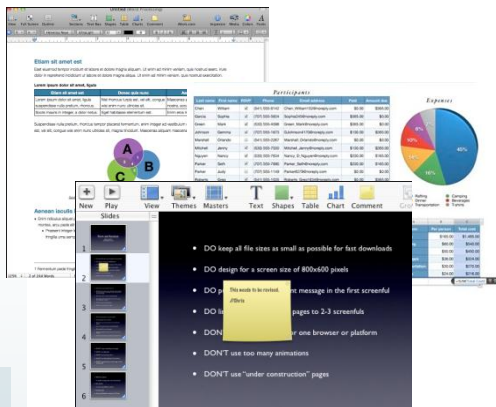


- Access to the Market
 - Consumer Segments
 - Geographic coverage
- Used to Gain / Sustain Competitive Advantage
- Information & Technical Expertise
- Product Availability & Customization
- Financing & Negotiation

- Traditionally – Independent Ownership & Decisionmaking



Product Inter-Dependency = Channel Complexity



Software



App Store



Accessories



Server



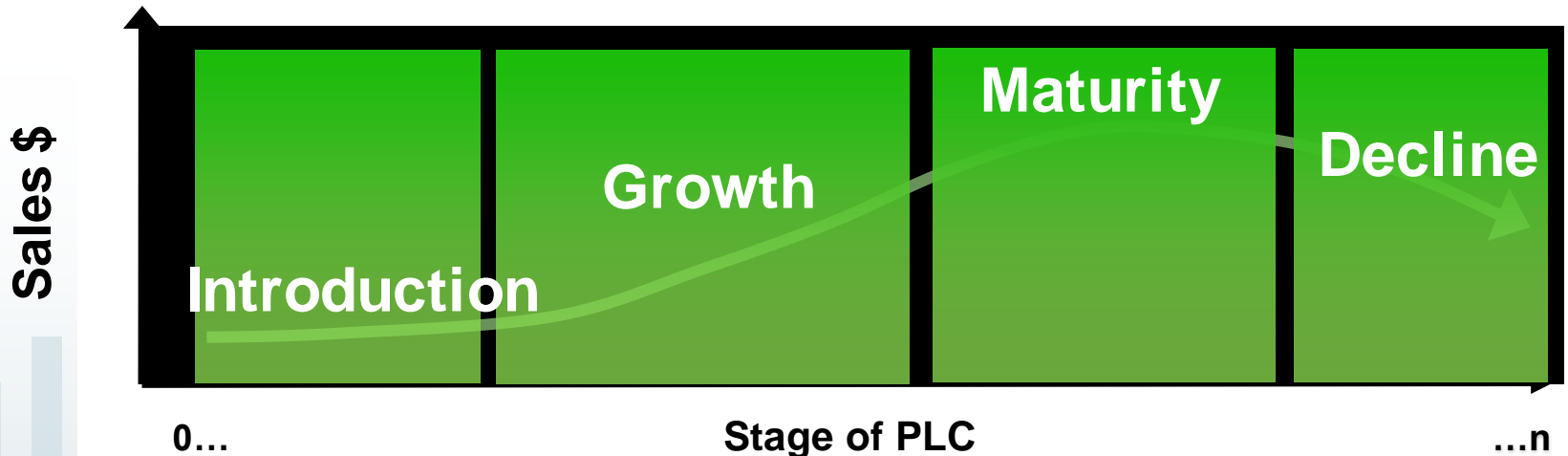
Computer



iPhone/iPad



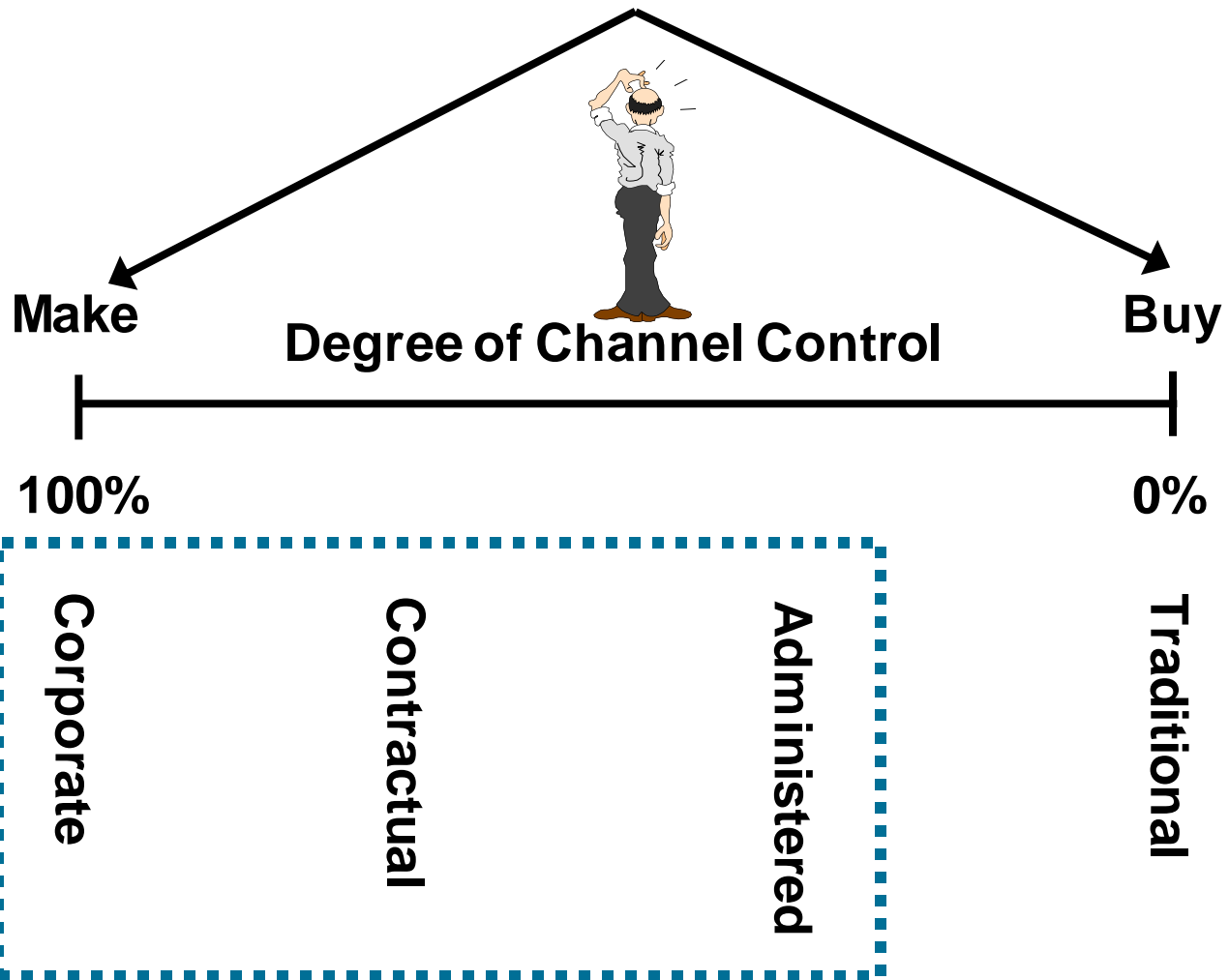
Channels are Dynamic Consumers Have Access to Tremendous Amounts of Information in a Multi-Channel World



	<u>Introduction</u>	<u>Growth</u>	<u>Maturity</u>	<u>Decline</u>
<u>Strategic Focus</u>	Market Creation	Market Expansion	Market Share	Migration of Customer
<u>Value Added</u>	Very High	High/Medium	Low	Very Low
<u>Channel Mix</u>				
Number	Few: Exclusive	Several; Selective	Many; Intensive	Few: Exclusive
Margins	High	High to Medium	Low	Very Low / High

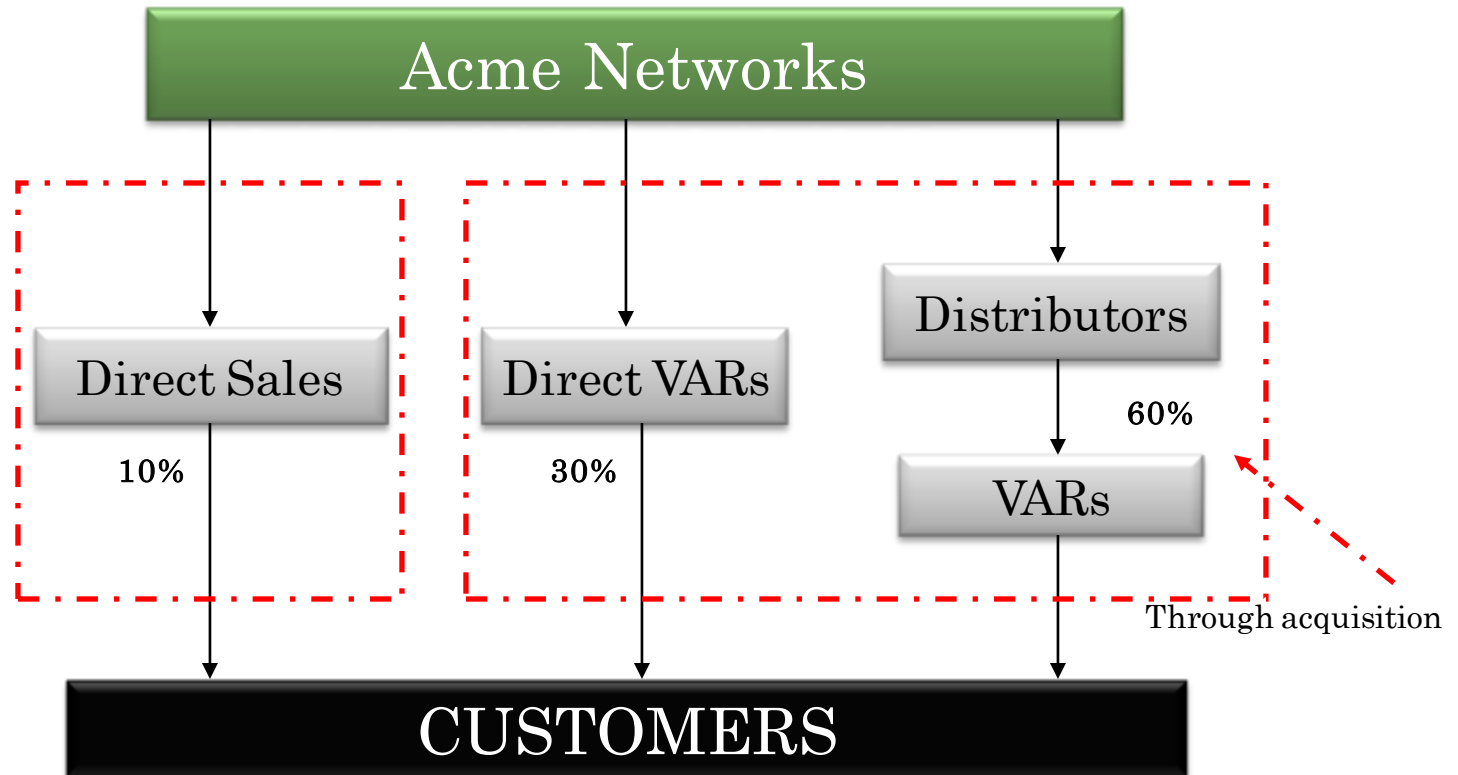


Channel Members May Focus More on Exerting Power vs. Developing Trust





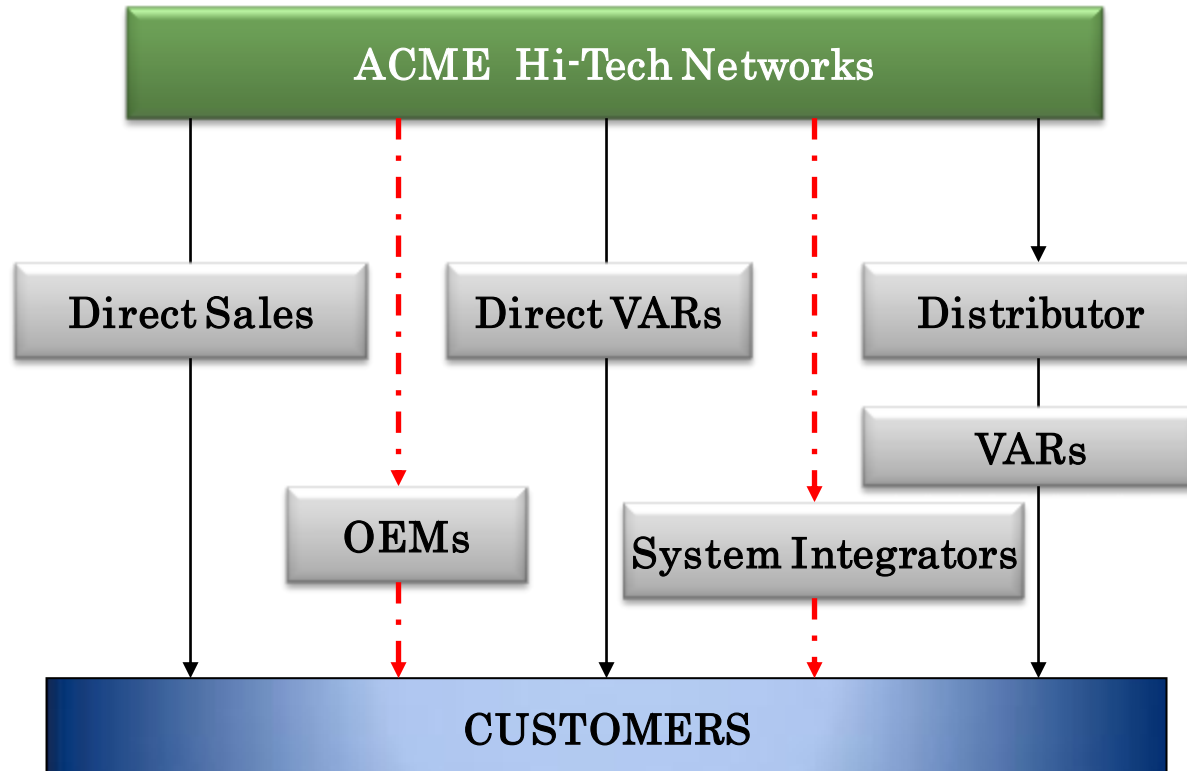
What Works Today, Won't Work Tomorrow



- Challenge in dealing with 'free riders' in the Channel



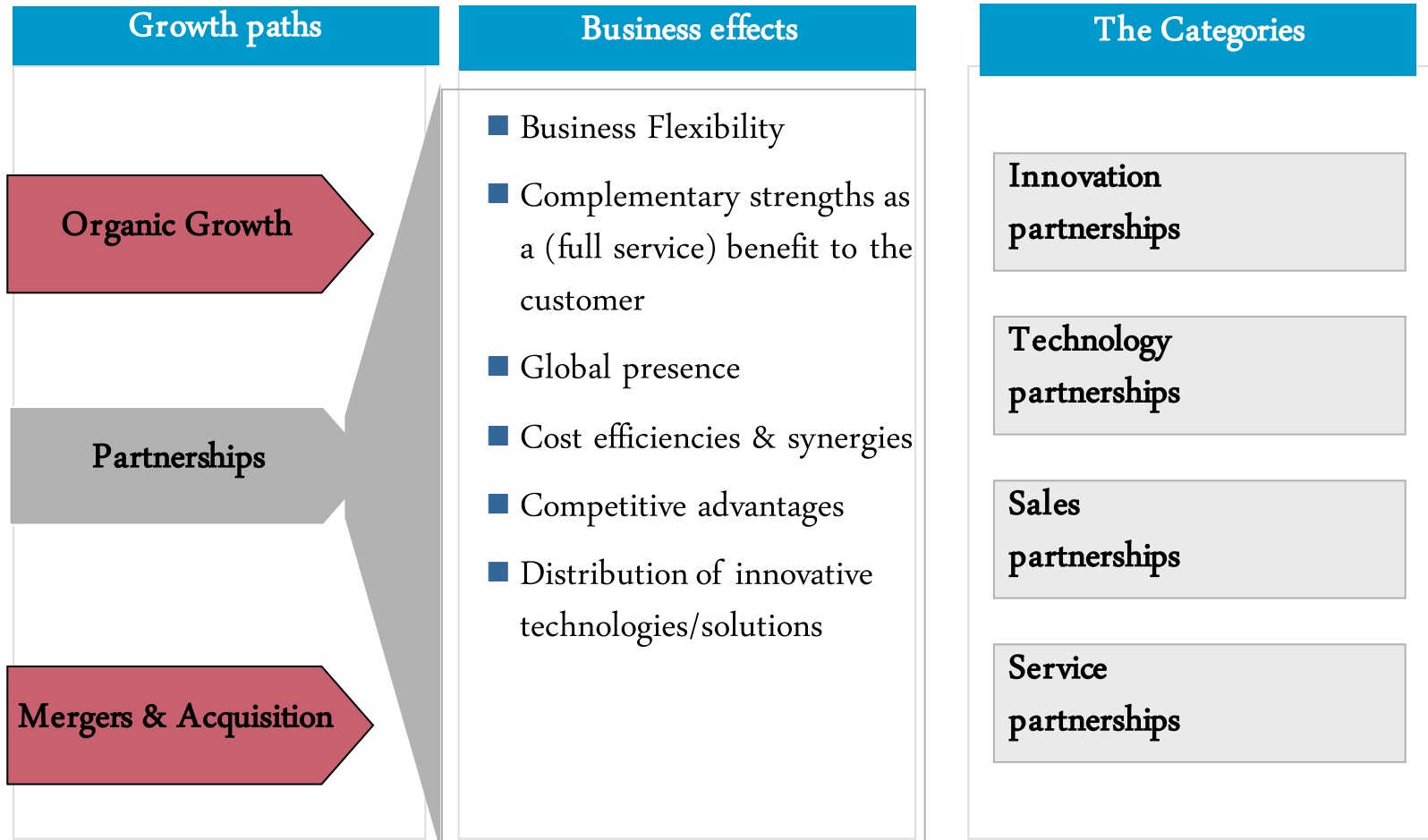
Channel Systems for Most (B-to-B) Hi-Tech Products are Very Complex



- Access to 'Used' or 'Refurbished Product' by Unauthorized Firms Creates Channel Conflict



Partnering is an Integral Part of a Company's Growth Strategy



Very few companies rely exclusively on "Organic Growth" in today's marketplace



But

Partners Come & Partners Go

Solution Partners

- Direct VARS
- Tier 2 VARS
- Vertical resellers
 - Federal
 - Healthcare

Distributors

- Value-Add Distributors, Technical
- Volume Distributors, Broadline

Technology and ISV

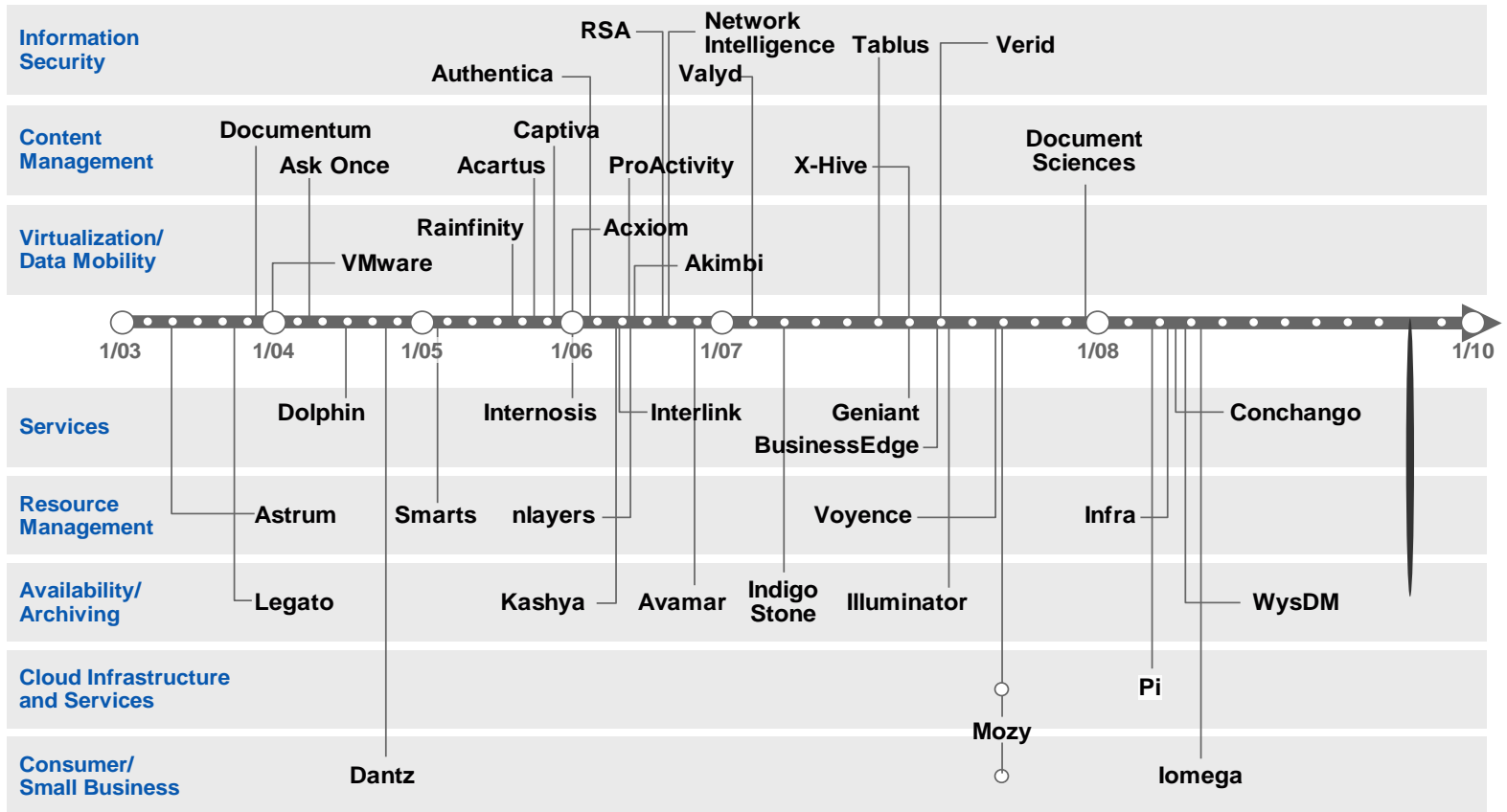
- ISVs
- OEMs
- Technology partners
- Developers
- System Integrators

ASN

- Customer Service
- Professional Services
- Solution alliances



Mergers & Acquisitions: Drivers or Destroyers of Channel Relationships?



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Key Takeaways

- Channels:
 - Complex & Dynamic
 - Need to be Designed from a Customer's Perspective
 - Growth Through Partnerships, Alliances, Mergers & Acquisitions
 - Conflict Will Always Exist; Key is How it is Managed