

# Getting the most out of marketing partnerships



IDG Research and Partnerize surveyed 50 C-level managers and marketing executives in Australian organisations to understand their use of partnership within their marketing programs, and their perceptions about its value.

## Executive Summary

IDG Research and Partnerize surveyed 50 C-level managers and marketing executives in Australian organisations to understand their use of partnership within their marketing programs, and their perceptions about its value.

The research examined their opinions about the contribution that partnership makes within their broader marketing mix, as well as experiences when operating partnership programs. It also asked them to provide feedback on their future use of partnerships, and the factors that might see them increase the role of partnership within their marketing mix.



### The key findings were:

- More than half of all respondents (**52.0%**) reported that partnership represented a significant portion of their marketing strategy.
- Respondents were most likely to invest in partnership because it was a cost-effective means of driving brand reach (**32.0%**) or because partnership offered a valuable method of acquiring new customers (**30.0%**).
- The outlook for future partnership activity was strong, with more than half of respondents (**56.0%**) reporting they would increase their use of partnership.
- However, respondents noted some hesitations in relation to partnerships, including: a limited ability to maintain brand integrity and safeguard against fraud; lack of transparency regarding the quality of audiences delivered by partners; and limited performance views arising from siloed data.
- Their appetite for partnership could be encouraged if they had greater transparency regarding the performance of partnership programs compared to their overall marketing mix.

## Introduction

Partnering with third party organisations and affiliates is an effective method for helping marketers achieve their goals. When used effectively, partnership not only connects brands with new audiences, but can also nurture audience members all the way through to conversion.

Marketers recognise these positive attributes of partnership and are engaging partners within their marketing mix, and many have plans to increase their utilisation of partnership relationships.

But despite its widespread acceptance, hesitations remain regarding the time taken to find and onboard appropriate partners, the transparency of audience quality, and the processes for determining appropriate attribution and commission structures. These questions have meant that for some brands, the true potential of partnership marketing remains unrealised.

These hesitations may relate to legacy processes that do not represent current best practice for partner program management. But whatever the reason, it is clear there is more that can be done to maximise the value of their partnership programs.

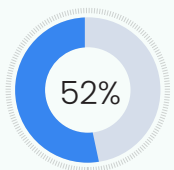


### Partnership is widespread, but underdeveloped for many brands

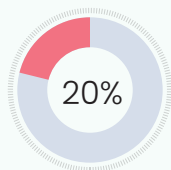
The need for marketers to reach new audiences and help achieve sales goals for their brands typically sees them investing across a wide range of above-the-line and below-the-line marketing activities. But the wide range of choices naturally limits their capacity to invest in each specific channel, and marketers will tend to use those options where their data shows them they are achieving a strong return from their investments.

#### How would you characterise your organisation's use of partnerships today in achieving desired revenue outcomes or goals?

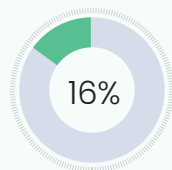
Partnerships represent a significant proportion of our marketing strategy



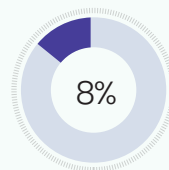
Partnerships are a minority component of our marketing strategy.



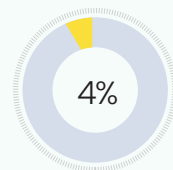
We rely extensively on partnerships, more than any other marketing activity.



We don't use partners today, but are considering doing so.



We don't utilise partnerships currently, but are considering doing so.



As the survey results showed, more than half (52%) of the respondents indicated that partnerships represented a significant proportion of their marketing strategy, with an additional 16% reporting that they relied extensively on partnerships more than any other marketing activity.

Of the rest, **12%** said they did not currently use partnership but were considering doing so, which left **20%** of respondents reporting that partnership was a minority component of their marketing strategy.

These results point to partnership as being an important component of the marketing mix, with good growth potential. But as subsequent results show, for partnerships to grow, the process of creating and managing partner relationships must become easier.



## A cost-effective way of acquiring new customers

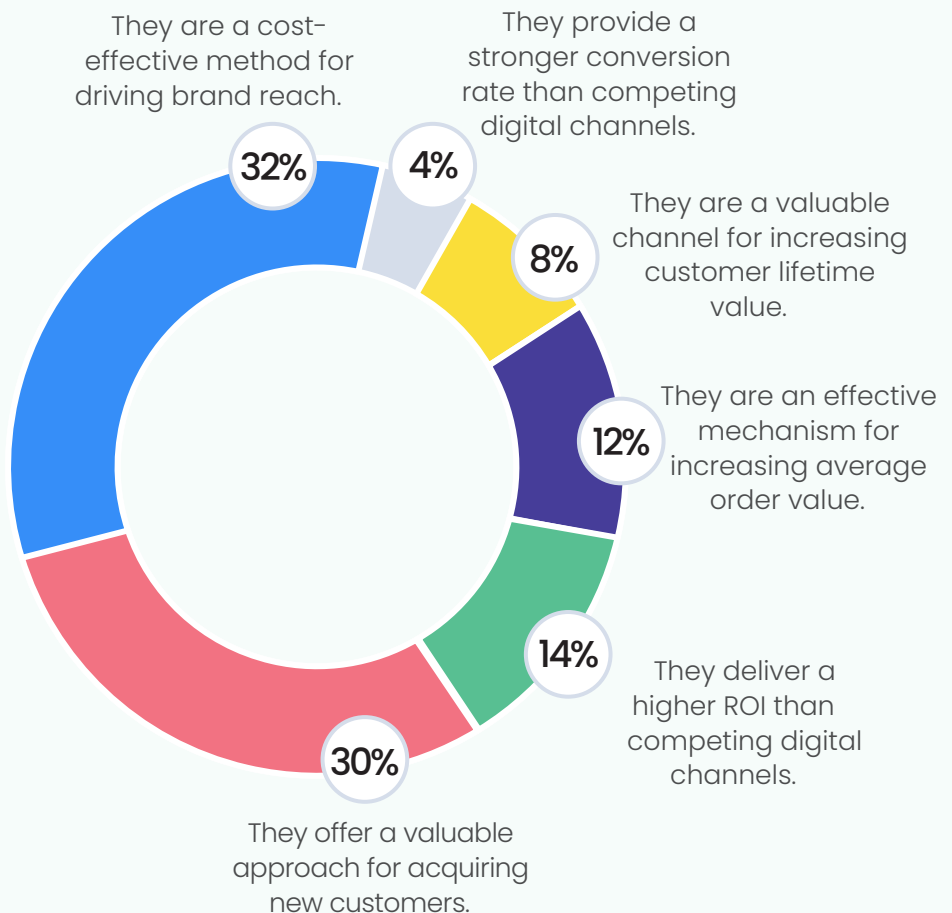
Respondents reported a broad range of primary reasons as to why they used partners. They were almost evenly split regarding the main reason, with **32%** indicating that partnership was a cost-effective method for driving brand reach, while **30%** noted that partners offered a valuable approach for acquiring new customers.

These responses align strongly with the primary requirements of marketers to drive brand reach and achieve sales conversions.

Marketers favoured the primarily for its two-fold ability to generate brand awareness and drive acquisition, but placed less emphasis on partnership as a channel to deliver higher ROI compared to other channels, or as a mechanism to increase average order value.

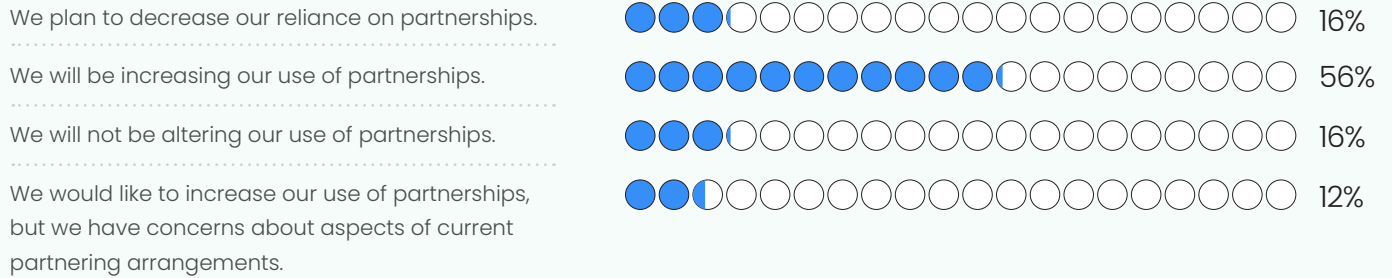
This might indicate that marketers may not be bringing on board the right partners or might not have the reporting mechanisms in place to understand the true value of their partnership relationships.

### What is your primary reason for using partnerships or goals?



## A positive outlook for partnership

### How would you describe your attitude towards future partnership activity, over the next 12 months?



The alignment between the benefits of partnership and the overall goals of marketers resulted in a generally favourable outlook for their future use of partnership.

72% of respondents plan to increase or maintain their use of partnership, and 12% are interested in increasing their use of partnerships but need more support.

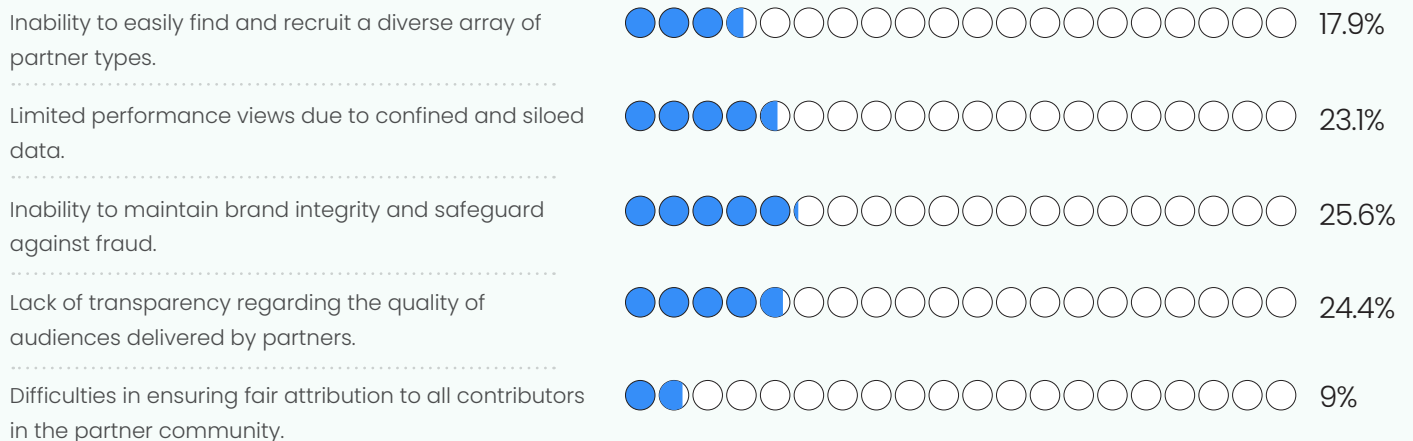
## Challenges in building partner relationships

Brand safety and fraud have been key topics for marketers in recent years, and this was reflected in the results to a question regarding the perceived drawbacks of partnership programs.

What do you see as being the drawbacks of partner relationships?



### What do you see as being the drawbacks of partner relationships



Respondents reported that the inability to maintain brand integrity and safeguard against fraud was their number one perceived drawback (25.6%) of working with partners today. This was closely followed by another key concern for marketers who cited audience quality as being their second most notable drawback. This was echoed by the 23.1% of respondents who indicated that limited performance views due to confined and siloed data was also a drawback.

These results all point to marketers needing access to more reliable reporting tools, to ensure they have a much clearer view regarding where their brands were

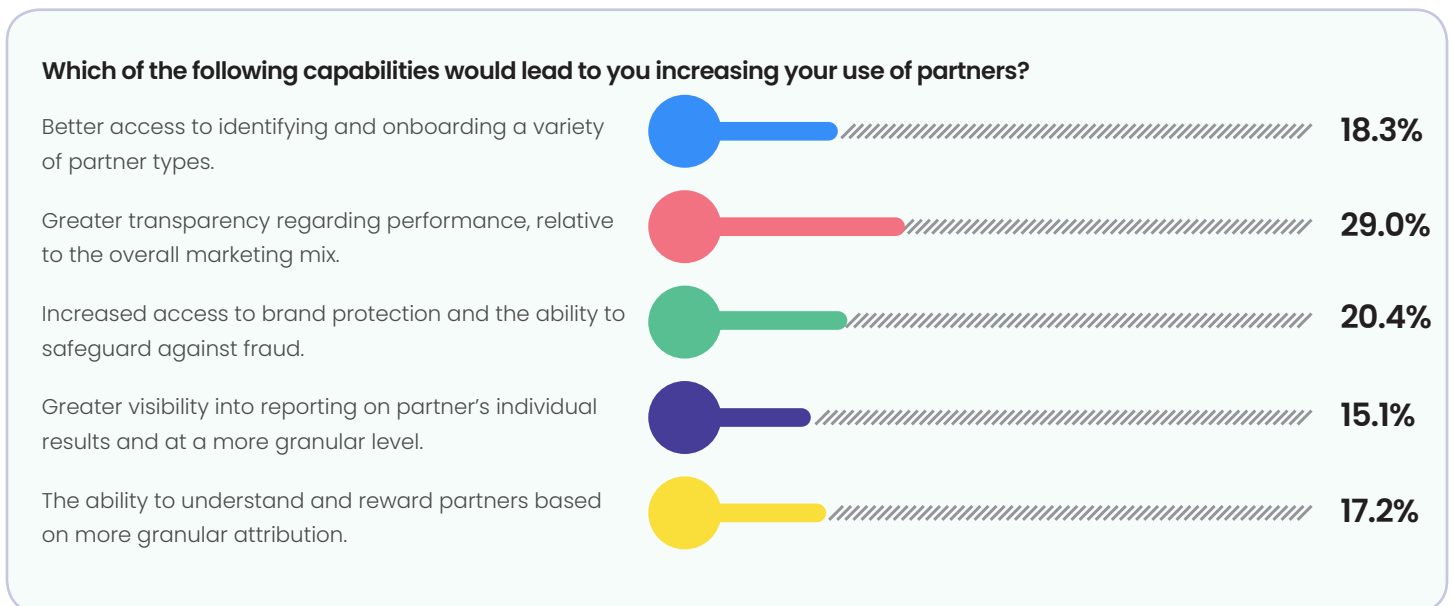
being positioned, and to gain greater insight into the performance of each partnership relationship.

A further 17.9% of respondents reported that problems at the earliest stages of creating partnership arrangements were a significant drawback. This might be the result of difficulties they faced in easily finding and recruiting a sufficiently diverse array of partner types to reach their desired audiences.

This might be due to difficulties they have encountered both in finding and onboarding partners, which traditionally has been a manual and sometimes laborious process.

## Seeking greater transparency: The keys to building partnership relationships

One of the previous concerns highlighted was that 12% of respondents wanted to invest more in partnership but needed additional support in the form of greater transparency regarding the performance of the channel relative to the overall marketing mix.



A further 20.5% expressed a desire for increased access to brand protection and the ability to safeguard against fraud. The concerns of respondents about the potential for fraud and damage to brand integrity was also reflected in their responses when asked what capabilities would lead to them increasing their use of partnership marketing.

The issues that some marketers faced in setting up partner relationships was also reflected by the 18.3% of respondents who sought better access to identifying and onboarding a variety of partner types.

All of these responses talk to a need for more robust systems at all stages of the partnership process, from more easily identifying and onboarding partners through to gaining greater insight into each partner's performance.

## Summary

As the IDG Research Services and Partnerize research shows, a majority of marketers today see partnership as being an important element of their marketing mix, and there is a clear appetite to increase partnership as a key mechanism for helping marketers achieve their goals.

For partnership to achieve its full potential, improved capabilities are needed to overcome perceived drawbacks regarding partner recruitment and management. With today's marketers being wary of any activity that might potentially lead to brand damage and needing to clearly account for each dollar of ad spending and the returns it generates, partnership programs must be built around a core foundation of data, with high visibility across all parts of the value chain.

It is likely that many respondents who are using partnerships today may be doing so with the assistance of legacy partner management tools that do not represent the state of the art. This would explain the findings relating to concerns about lack of transparency, and other difficulties reported in existing partnership activities.

When marketers are able to overcome these limitations of data accessibility and transparency, there is a high likelihood that the number who would be willing to increase their use of partnership in the future would increase. This finding is reinforced by the percentage who indicated they planned to grow their use of partnership but had concerns regarding some aspects of their current partnership arrangements.

The benefits of partnership appear to be well understood, which only means that the processes that drive partnership programs need to be made easier to manage, with greater accountability. For marketers, the key requirement is to work with organisations that can deliver the accountability and transparency they require from their partnership programs, while also ensuring that other time-consuming aspects of creating and managing partnership relationships can be streamlined.

Because as the research shows, the future for partnership as a key aspect of the marketing mix is already bright, and has strong potential to be even brighter in the future. All that is needed is the appropriate tools to ensure that marketers are able to find and onboard appropriate partners seamlessly and better track and reward their performance.

## Respondent profile

Respondents came from a wide range of industries, including retail and wholesale organisations, financial services companies, and travel and hospitality businesses. More than half were from organisations with between 200 and 5000 staff and comprised of a mix of executives in roles including head of vice president of marketing, marketing directors or leads, marketing managers or specialists, and C-level executives.

