

Microsoft Sees Channel Generate up to \$15 Million in Marketing Execution with Centralized Ethofy Solution



Introduction

With thousands of OEM partner companies in North America alone, Microsoft needed a better way to get co-branded Web content, print collateral, and promotional items out to the channel. It found that better way in the Ethofy Inspired Marketing suite, which unifies, streamlines and simplifies marketing activities for diverse types of content and for both marketing teams and partners. One distributor saves up to \$150,000 a year thanks to the solution, and Microsoft estimates that Ethofy is responsible for \$10 million to \$15 million in additional marketing execution across the channel.

Business Needs

Whether your company is big or small, whether you have a limited distribution channel or an extensive one, it can be a challenge to fully service that channel, providing marketing materials that get used—and used properly—and providing incentives that keep the channel growing. The more extensive your channel is, tougher it can get.

So how do you do it when you're Microsoft?

The Challenge for Microsoft

That was the challenge facing Marc Pisan, Group Marketing Manager, OEM Sales for Microsoft. The company's distribution channel includes approximately 1600 distributors, system builders, and original equipment manufacturers (OEMs) in North America alone. Each one needs collateral—both in print and online—to help sell Microsoft products to its customers. The problem was how to get that material to such a large group of managed, and largely unmanaged, partners; how to help ensure it was customized professionally; and how to see that it was kept up to date.

Microsoft had several Web sites that supplied collateral to OEM partners but they were, in Pisan's estimation, "essentially like file shares." Worse, much of the tools and content was disconnected, rather than being part of a streamlined, integrated whole. Partners had to visit the sites separately. They didn't always know which sites to visit, or how to use the materials once they got there.

"We'd put collateral up on our site, but there was no way to help channel partners to use it properly," he says. "We'd put postcards up there with labels showing them where to put their logos. And some of the partners would inadvertently print the cards with the label 'Put Logo Here' still intact."

Getting the right content into partner Web sites could be equally challenging. Some partners tried to expedite the process by cutting and pasting content directly from microsoft.com, with uneven results. So Microsoft started building and supplying Web pages for partner Web sites. But the company lacked a mechanism to ensure that those Web pages, once adopted, were updated consistently.

Yet another concern was the distribution of co-branded promotional merchandise. Microsoft contracted with an outside vendor to maintain an online partner store, but it was very expensive to maintain and cumbersome for partners to use. "There had to be a better way to get information and promotional merchandise out to the channel," says Pisan.

The Challenge for the Channel

Meanwhile, the situation was just as frustrating for Microsoft's channel partners. Take Eastern Data Inc. (EDI), a Microsoft distributor operating in the greater Atlanta area. For Cami Parks, Marketing Manager at EDI, the problem was one of both time and money.

"We didn't have all the content we would have liked on our Web site because I didn't have the time to manage it all," says Parks. "It takes a lot of hours each month to add, remove, and update Web content. I would have had to hire another person to manage the site if we expanded it. In a tough economy, that wasn't an option."

The same constraints dictated EDI's use of printed sales collateral. Producing or customizing its own sales collateral could be expensive, and consume countless hours working with designers and sourcing all the required assets. The company had similar concerns about producing the high-quality branded promotional merchandise that it gave away to its reseller customers.

"Branded merchandise is a great marketing tool," says Parks. "These gifts mean a lot to our customers. But right now we can't look at doing everything we would want to."

Solution

Pisan looked at the option of hiring an outside company to manage print and Web content with Microsoft's OEM channel partners, but he balked at the \$1 million price tag.

"We needed a solution that was not only effective, but cost-effective as well," he says. "And while we needed the cost to be reasonable, we also wanted the solution to be cohesive whole, one that was super easy for us to implement and to update on a continual basis."

Those criteria brought Pisan and Microsoft to the Ethofy Inspired Marketing suite. The Ethofy suite is a set of hosted, software-as-a-service tools that provide a centralized, streamlined online hub for all of a company's marketing materials and activities. Because the solution is provided as a service over the Internet, a company saves the investment and continuing costs to deploy and maintain an in-house solution. And because it centralizes a company's Web, print, and promotional offerings for partners, it makes the partner site both more attractive for partners to visit and more productive for them to use. The solution's goal is to relieve a company of the burden of content distribution and account management, so it can focus on creating the most effective campaigns and materials—exactly what Pisan was looking for.

For its new OEM Sales Center, Microsoft's OEM marketing organization uses the full Ethofy Inspired Marketing suite: the Content Syndicator, Collateral Customizer, and Partner Store.

- **Syndicating up-to-date Web content to partners.** The Content Syndicator uses Web technology to automatically update Microsoft's marketing content on partner sites, eliminating the problem of obsolete content. The Content Syndicator simplifies the distribution and management of Web banners, microsites, product information charts, and more. EDI can insert or embed the Microsoft content into its own Web site, click on a link to authorize the syndication, and updates are provided automatically.
- **Producing complete, customized marketing materials.** The Collateral Customizer helps to ensure that partners such as EDI receive fully professional and customized print collateral, while reducing the time and the cost to Microsoft of providing such materials. EDI's Parks clicks on Web images of the print items she wants to order, uploads the EDI logo, contact information, and other requested data, and the Collateral Customizer produces completed marketing materials in the form of PDF files, ready to be downloaded and printed by EDI whenever needed.

- **Providing an online site for co-branded merchandise.**
The Partner Store functions like an online shopping site for partners such as EDI that are looking to acquire co-branded promotional merchandise from Microsoft. Beyond providing point-and-click access to such merchandise, the Partner Store integrates with Microsoft's co-op program, so EDI can use its co-op points to obtain merchandise through the store. EDI has used the store to get everything from logoed golf balls to knit shirts and jackets. Meanwhile, Microsoft can track partner use of the site, apply cost-effective just-in-time inventory principles to replenish merchandise, and identify which items are popular with partners and which are not.

"Because the Ethofy suite is provided as a service, we didn't have to make any upfront investment in infrastructure to adopt it," says Pisan. "Deployment was very flexible, very easy."

After deploying the Ethofy Inspired Marketing suite for the distribution of Web content, printed collateral, and branded promotional merchandise, Pisan is looking for other ways to take advantage of it. "We envision delivering training to our partners using the same syndication technology that drives the delivery of Web content," he says.

Benefits

Within months of adopting the Ethofy Inspired Marketing suite, Microsoft was seeing enormous benefits from it. By centralizing several previously decentralized marketing resources in the highly scalable Ethofy suite, Microsoft drove partner traffic to the site while giving partners access to broader resources with a single logon. The result: traffic on the Web site soared 300 percent from earlier levels of partner engagement with Microsoft OEM Web sites. Not only were partners using the site more frequently, but more partners were attracted to the site. Microsoft increased the breadth of partners accessing the site by 50 percent.

"The Ethofy suite enabled us to do a far better job of distributing materials, tools, and merchandise to partners, and they responded," says Pisan. "This took less effort on our part than our old system, and produced far better results."

More Effective, Easier, Lower Cost

Microsoft found the Ethofy Inspired Marketing suite to be more effective and easier—and more cost-effective, too. Pisan estimates that the OEM organization saves 30 percent on its partner marketing distribution cost thanks to Ethofy.

By switching to Ethofy, Microsoft has also benefited in a way that's just as real, despite being harder to quantify: Vendor loyalty.

"Because the Ethofy suite is provided as a service, we didn't have to make any upfront investment in infrastructure to adopt it," says Pisan. "Deployment was very flexible, very easy."

Marc Pisan
Group Marketing Manager,
OEM Sales for Microsoft

“The Ethofy suite enabled us to do a far better job of distributing materials, tools, and merchandise to partners, and they responded,” says Pisan. “This took less effort on our part than our old system, and produced far better results.”

Marc Pisan
Group Marketing Manager,
OEM Sales for Microsoft

Microsoft’s partners agree. EDI’s Parks is an example. “I feel that Microsoft is providing the resources of the OEM Sales Center as a way of saying it recognizes us and our contribution to its success,” says Parks. “The program offers us marketing materials that we can use to our benefit and doesn’t cost us out of pocket. How can we not find that rewarding? Now we can play like the big guys.”

Parks is also quick to acknowledge that recognition is just one of the benefits she and EDI derive from Microsoft’s use of the Ethofy Inspired Marketing suite solution. She estimates that the EDI website probably has twice as much Microsoft marketing content as it would have if she didn’t have the resources and automated syndication of the OEM Sales Center, because she wouldn’t have the time to manage the content manually.

While EDI is expanding its marketing efforts thanks to the Ethofy solution, it’s also saving money. Hiring a person to update her site manually would cost up to \$36,000 a year. Producing the co-branded sales collateral on her own would cost another \$50,000 a year. Arranging for the manufacture of co-branded promotional items would cost up to \$12,000 a year.

In all, Parks estimates that the OEM Sales Center saves EDI between \$100,000 and \$150,000 a year by enabling it to execute its marketing more efficiently and effectively. “The OEM Sales Center has saved me hundreds of hours of relationship, asset, and information management, and thousands of dollars in design, development, and vendor costs.”

Generates up to \$15 Million in Marketing Execution

Pisan multiplies a fraction of EDI’s savings by the number of partners who use the OEM Sales Center, and estimates that the Ethofy Inspired Marketing suite is responsible for \$10 million to \$15 million in marketing execution. To Pisan, that’s a compelling demonstration of the value of the solution. “Ethofy creates a tremendous amount of marketing execution that wouldn’t have happened otherwise,” he says.

Microsoft is so pleased with the results that it’s replicating the use of the Ethofy Inspired Marketing suite internationally. The solution is already used by Microsoft in Latin America, Australia, the United Kingdom and Ireland, and Microsoft plans to roll it out to 20 countries within a year.

