

CHANNEL PARTNER MARKETING BENCHMARK SURVEY

2023

Program Budgets, Planning Slightly More Cautious Than Projected
Gains In Partner Attributed Revenue

Channel
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REPORT



EXECUTIVE SUMMARY

Facing an economy that may or may not have dodged a recession bullet, channel ecosystem professionals are somewhat confident that significant gains in partner-attributed revenue are possible. Almost 60% of respondents to the “2023 Channel Partner Marketing Benchmark Survey” anticipated that partner-generated revenue will climb more than 10% this year, while just under a quarter predicted gains of more than 20%.

Nonetheless, the anticipated sales gains haven't kept channel leaders from being somewhat more prudent in how they budget for their channel programs. And most companies plan to be slightly less aggressive in expanding their channel ecosystems. More than 50% of those surveyed expected a slight increase in the number of partners in their program, and more than a quarter of the respondents said they would not be adding to their ecosystem, up from 13% in 2022.

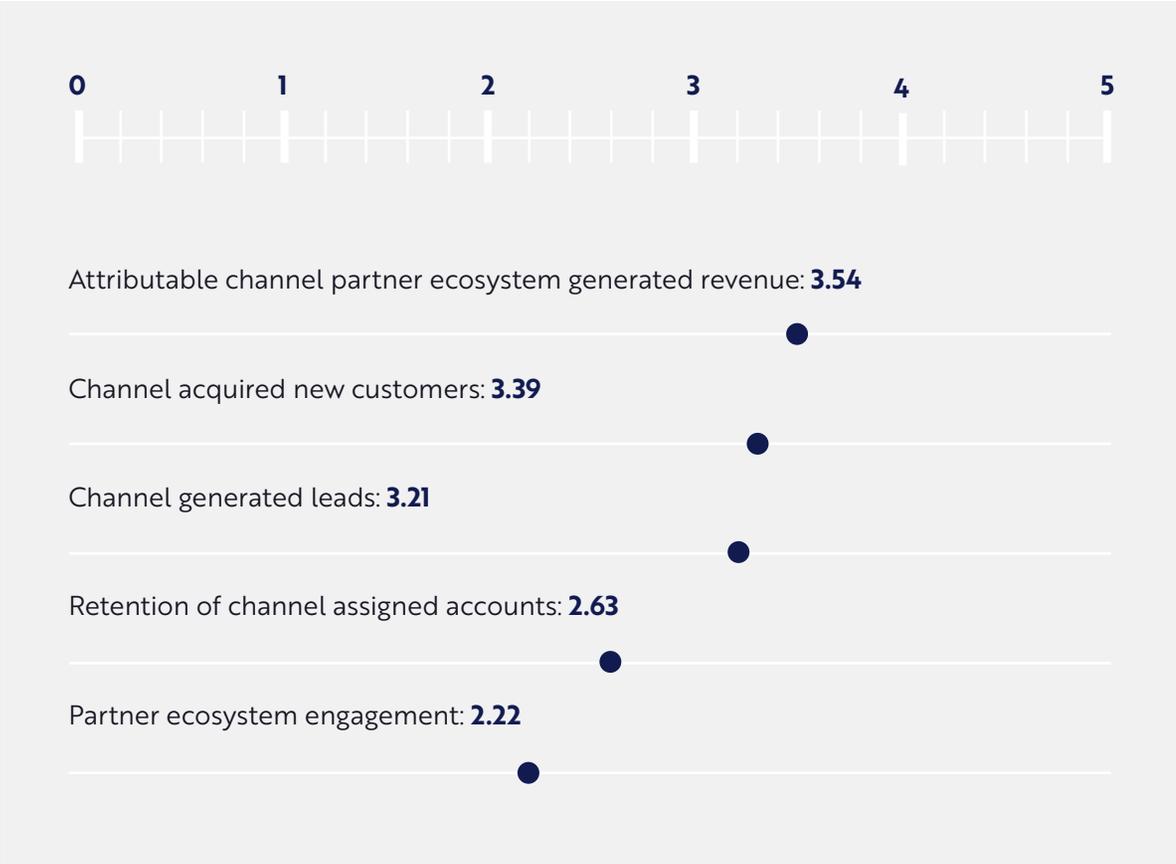
As companies strive to better engage current customers and prospects at every step of the buyer's journey, this report will review data that suggests a more disciplined approach to channel program planning and operations in 2023. This includes:

- Maintaining more manageable rosters to partners;
- Adjusting programs to include and support non-transacting partners, such as referrers and influencers; and
- Aligning channel partner marketing support activities with digital, self-service B2B buyers' journeys.

Despite lingering concern that the global economy could slip into – if it hasn't already – a recession, channel professionals are generally in agreement that their partner ecosystems will account for more attributable revenue in 2023. Specifically:

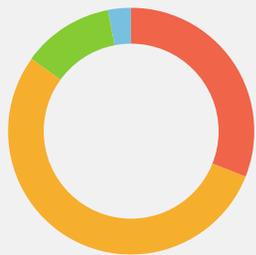


Channel leaders are more optimistic about the gains they anticipate in their primary measures of success. Scores for the top goals that companies in 2023 will prioritize are:



The respondents are mostly confident that their programs and partners will achieve desired results, with at least 85% anticipating gains to their primary measure of success.

How would describe your company's 2023 goals related to the primary measure of success of your channel partner ecosystem program?



Significant increase: **31%**

Marginal increase: **54%**

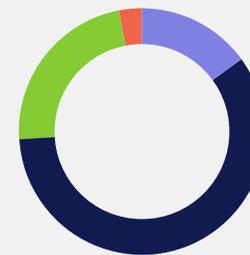
No change: **12%**

Slight decrease: **3%**

Interestingly, the confidence that many channel leaders have in their ability to meet their prioritized measure of success wasn't fully matched by their assessment of the overall effectiveness of their programs.

Only 15% of channel leaders rated their programs as very effective. Just under 60% of those surveyed described their channel programs as somewhat effective. More than a quarter of the respondents said their programs were either not very effective or not effective.

How would you describe your company's current overall program to sell and market products and services through your partner ecosystem?



15% of respondents said very effective

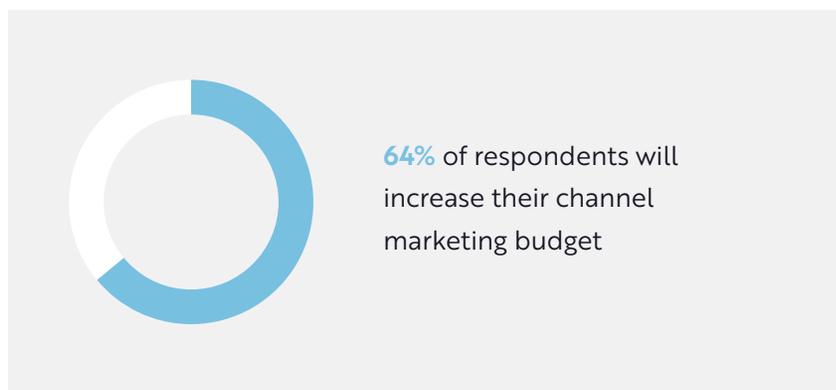
59% said somewhat effective

23% said not very effective

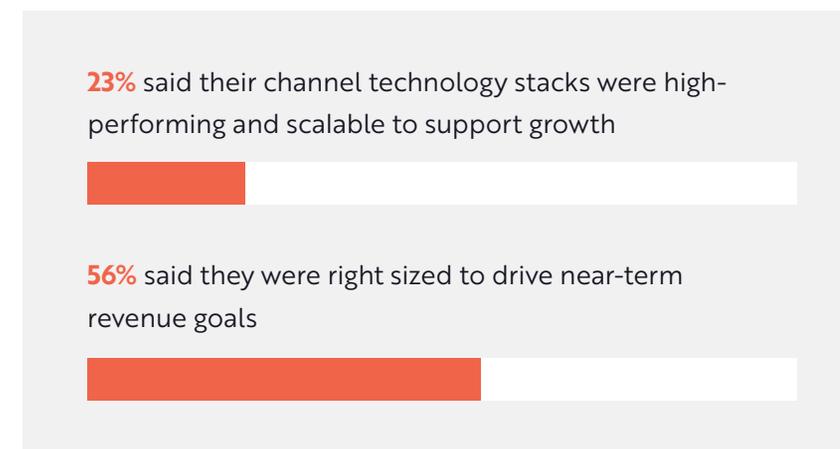
3% said not effective

CAUTIOUSLY OPTIMISTIC INVESTMENT PLANNED

Striving to achieve the goals for their primary measures of success, businesses plan to increase their investments in their channel programs. Almost two-thirds of the respondents will increase their channel marketing budgets, with 11% making significant increases. But 28% of the respondents, up from just under a quarter of them in 2022, will be holding the line on their spending. And funding will decline, according to 8% of respondents.



For the most part, partner program professionals agree that they've already made smart investments in their channel technology stacks. For example:

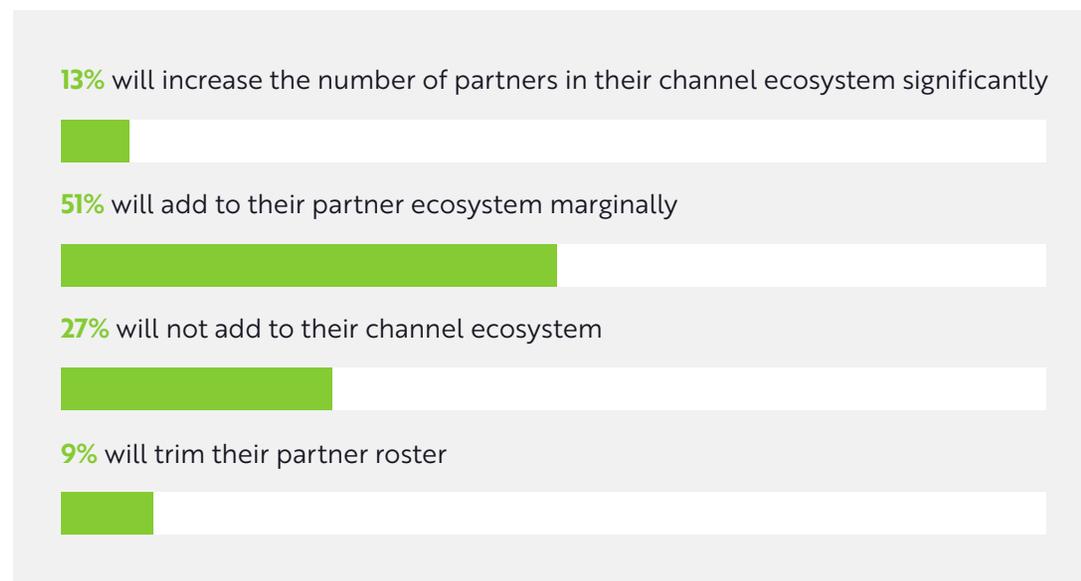


Only a fifth of those polled said their channel program tools were insufficient for current needs.

PARTNER ECOSYSTEMS EVOLVING, MORE THAN EXPANDING

Possibly out of concern that economic conditions could worsen in 2023, channel leaders do seem to be taking precautions about the size and shape of their ecosystems.

When compared to last year, the pace at which companies will expand their channel partner ecosystems will be a bit slower in 2023. In 2022, more than 80% of the respondents said they would increase the number of partners in their ecosystem – more than a quarter of them significantly. In 2023, less than two-thirds of the respondents plan to expand their partner rosters. Specifically:



Rather than expanding their overall channel rosters, many partner program leaders have been and will be engaging more non-transacting agents. Last year, *DGR's* sibling publication [Channel Marketer Report](#) reported on several new or expanded referral partner programs.

For example, a new partner program at [Blaze Information Security](#), a penetration testing provider and application security consulting company, included offers for both transacting and non-transacting partners. Referral partners can introduce Blaze to their customers in exchange for a referral fee.

Global tax software provider [Sovos](#) launched a new channel program that enhances non-transactional partners – referrers and consultants – to generate highly qualified leads. And a year into building a process to help business owners “rake in more coin” by referring potential customers, [Electric](#), an IT services company, formally announced its Referral Partners program last year.

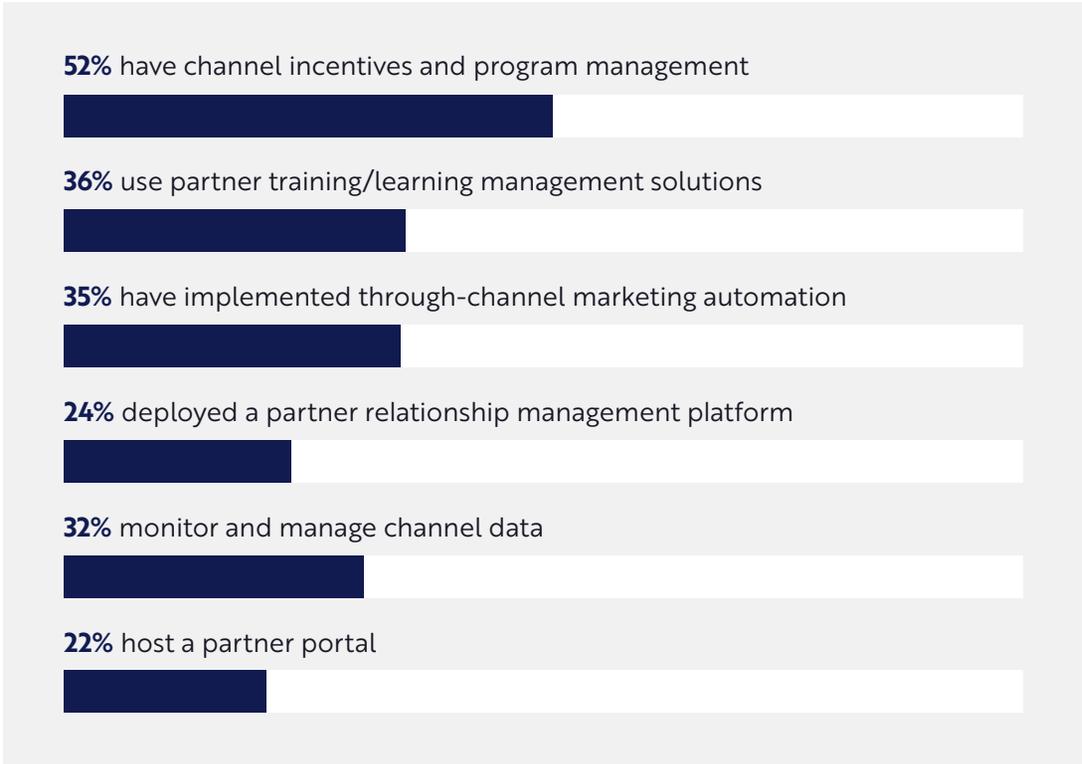
Other B2B marketers and channel program leaders have been paying attention. In 2022, 15% of the respondents said they had a structured program that compensates referral partners versus more than a quarter of the respondents to this year's survey. As the most recent survey indicated, more businesses – 19% – have programs that incentivize through-leaders and influencers – up from 13% in 2022.

Presumably, it's a strategy that's working for companies and one gaining traction with more brands. According to the most recent poll:



As previously noted, most partner program professionals are satisfied with the ability of their channel stack to support their partner ecosystem program. Indeed, responses to the 2023 survey suggest that investment in partner program tools were made in 2022. For example, the percentage of respondents using through-channel marketing automation tools jumped to 35% from 24% in 2022. Channel incentives and program management tools are being used by more than half of the respondents.

Overall, of the tools available to channel partner teams:



The ranking of which partner-program-supporting solution companies intend to upgrade this year do not suggest dramatic changes to channel technology stacks. There will be a bump in the number of companies investing in channel incentive and program management, up from 43% in 2022 to more than half of the respondents polled this year. The percentage of companies investing in partner relationship management platforms climbed significantly, too.

Which of the following partner ecosystem program solutions will you upgrade or implement in the next 12 months?

Channel incentives and program management: **52%**



Partner relationship management: **38%**



Partner training/learning management solutions: **36%**



Partner portal: **36%**



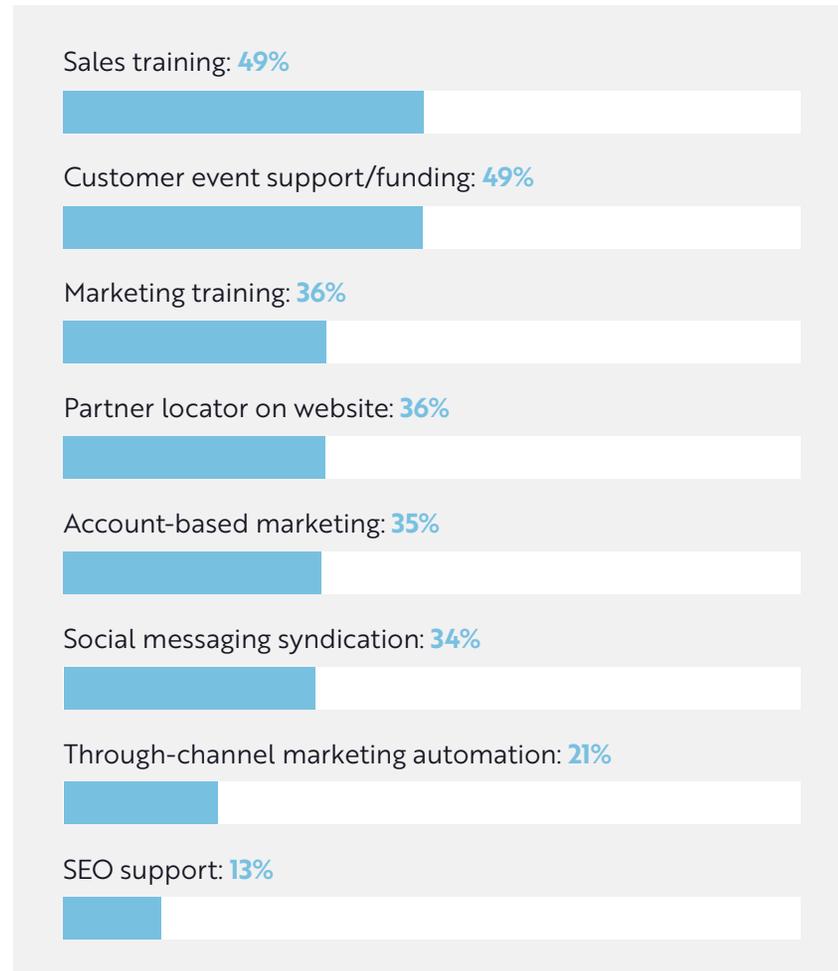
Channel data management: **31%**



Through-channel marketing automation: **17%**



Channel teams continued to prioritize familiar partner support activities such as sales training and customer event programs. They include:



And to help their partners promote their products and services to their customers, companies offered a broad mix of marketing content materials. They include:

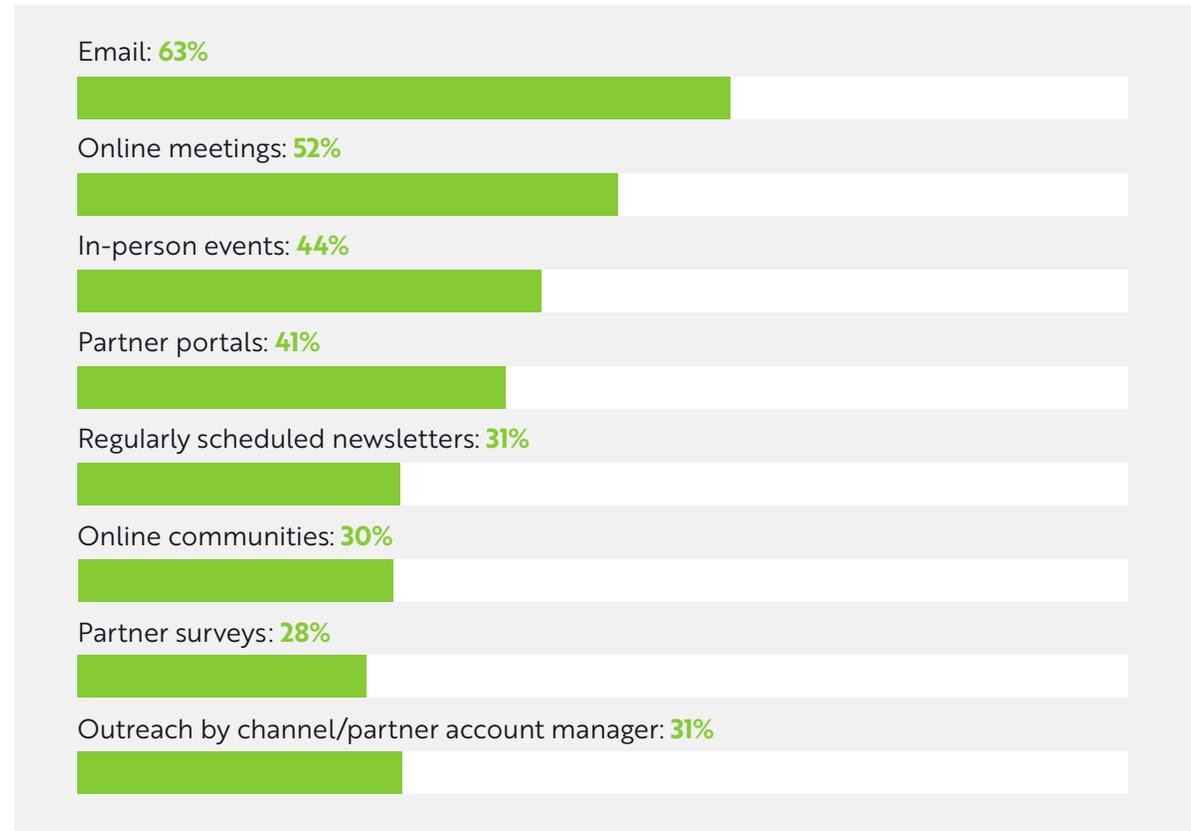


KEEPING IN TOUCH

Subtle shifts in the way channel leaders communicate with their partners suggest the lingering effects of the Covid-19 pandemic, as well as a greater appreciation for digital outreach. The share of respondents hosting in-person events declined from 52% in 2022 to 44% this year. And there was a significant gain in the number of companies maintaining online communities (30% in 2023 versus 21% last year).

Acknowledging that just about everyone's inbox is chock-full of too many messages, the share of channel leaders reaching out to partners in email (still the most popular tactic) dropped from 79% to 63%.

Here's how communication tactics ranked in order:



CONCLUSION

As so many reports have demonstrated, the “2023 Channel Partner Marketing Benchmark Survey” reaffirms the significant capabilities of partner ecosystems to generate attributable revenue for brands. The results of this year’s survey, however, indicate a more deliberate and thoughtful approach to marketing, one informed both by careful review of established practices as well as concern that the overall B2B economy could falter.

Consequently, channel leaders are taking appropriate action to build channel ecosystems that engage customers at every touchpoint on their buyer’s journey. They are communicating with their partners via more effective digital tactics. And while it seems that many companies are tapping the breaks on their overall investment channel programs, many firms continue to allocate funds for necessary channel program enabling solutions.

ABOUT THE SURVEY

The “2023 Channel Partner Marketing Benchmark Survey” collected responses from 116 B2B practitioners in January and February 2023, with most respondents based in the U.S. The C-Suite was well represented in the survey, as CEOs (19%), CMOs (22%) CROs (20%) and COOs (7%) comprised the lion’s share of responses.

The majority of the respondents (41%) work in the software/technology industry, while manufacturing (19%) and business services/consulting (18%) industries were almost equally represented. Other industries included financial services and telecom.



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