White paper

Partner Marketing Study 2022

Partner marketing goes mainstream and budget dollars follow

FOUNDRY
an IDG, Inc. company

Business-to-business marketing has never been more diverse—or more challenging. Amid an unprecedented boom in startup activity and changes in buying behavior brought on by COVID-19, marketers have scrambled to cover every possible avenue to reach customers.

This includes traditional tactics as well as new approaches such as account-based marketing, behavioral analytics, and mobile and omnichannel marketing. Even as the landscape has shifted, however, the value partnerships offer has remained steadfast.

Foundry's third Partner Marketing Study (previously conducted in 2014 and 2019) set out to document the perceived value of partner marketing programs as well as how companies are implementing them. The survey of 379 professionals who give and/or receive partner marketing funds found that the value of such programs has grown over time and an uncertain economy has not influenced investment plans.

For most key metrics—including perceived value, spending plans,and return on investment—the trend continues to be up and to the right, with 56% of partner marketing programs judged to have yielded successful results in the past 12 months, with high satisfaction ratings across the board.

Some frustrations remain, including difficulties communicating with partners, mixed levels of partner commitment, and the lack of documented strategies. But one trend has been clear across all three studies: the 85% of organizations that have documented partner marketing strategies report better results and greater satisfaction with the return on their investment across the board.

The study leaves no question that the value of partner marketing is well understood as evidenced by the 88% of respondents who said it provides great or some value, up from 83% in 2019. Nearly 70% of marketers at companies that have a documented strategy described the value

How do your programs compare?

Partner marketers report that 56% of their partner marketing programs have yielded successful results in the past 12 months.

as great, compared to 38% at those with no documented strategy. Strategy-driven marketers also reported success over the past 12 months by a 58%-to-45% margin over those without a documented strategy.

The perceived value is particularly high at enterprises (1,000+ company size), with 59% of respondents at large firms giving their programs the highest marks for success compared to 36% of those at small and midsized businesses (SMBs, companies with less than 1,000 employees). Executive-level respondents assigned greater value to their programs than middle managers by a 64%-to-47% ratio. And overall, only 9% said their partner marketing efforts have had little value or created a negative impact on their organization.

88%

of marketers view partner marketing as a necessary marketing tactic that provides great/some value

Of that 9%, the top two reasons for sub-par performance are poor communication with partners and the perception that the programs create a burden to execute. Interestingly, the number one negative in the 2019 study—lack of clarity on how to get funds—dropped to 12th place this year, perhaps reflecting the growing maturity of existing programs. However, the small respondent base for this question—just 35 people—may have also influenced the results.

Budget outlook

The funding figures show how programs have grown in value over time: Organizations with partner-focused efforts invest 40% of their overall marketing budget in that area, up from 37% in 2019 and significantly higher than the 28% they invested in 2014. The results were almost identical among companies that receive funds and those that distribute them, indicating that partner marketing is broadly appreciated by parties on both sides of the transaction. Companies that receive funds reported that partner contributions make up 44% of their overall marketing budget. Funding organizations averaged 9,665 employees while organizations receiving funds were nearly as large, averaging 8,054 employees. These figures challenge the commonly held assumption that big

40%

Marketers will allocate 40% of their overall marketing budget to partner marketing efforts over the next 12 months

companies give, and small companies receive partner marketing dollars when, in fact, the balance is nearly even.

What's more, 72% expect to increase spending on partners over the next 24 months, up from 68% in 2019 and just 50% in 2014. Only 6% expect to reduce spending. Funding will go in nearly equal measure to partners, agencies, and in-house resources, a split nearly unchanged from 2019. Executive-level respondents were more likely to plan budget increases than those lower in the organization.

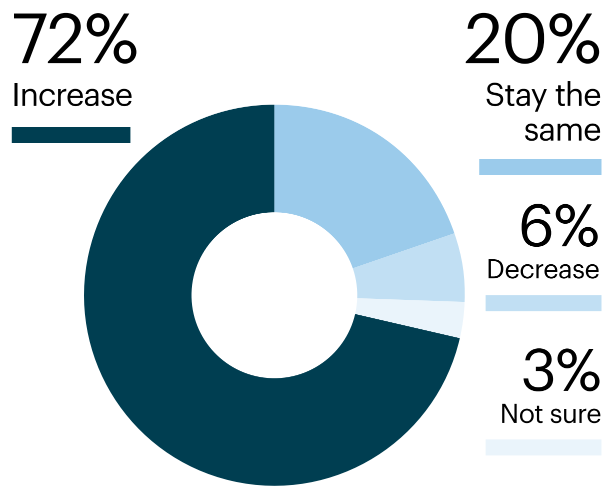
Budgets are being directed at a diverse set of marketing programs, led by:

- improved social media presence (cited as a top-three priority by **42%** of respondents)
- branding (**40%**)
- content development (**37%**)
- demand generation (**34%**)
- events (**33%**)

Goals and challenges

It's no great surprise that revenue generation is the number one objective of both organizations that give funds and those that receive them. What was a bit surprising was how much higher the revenue goal ranked among companies without a documented strategy—48% compared to 32% for those with a firm

Budget growth expectations reflect value placed on partner marketing



plan. This probably reflects the relative lack of maturity at those companies, since marketers who work to a plan reported a broader range of positive results. Other top objectives of all respondents include attracting new customer segments, increasing sales engagement, generating brand awareness, and growing the level of partner engagement. All four of those factors were cited by more than one-quarter of respondents.

However, the appeal of these programs is much broader than dollars and cents. Other goals noted by more than 20% of marketers include building credibility, generating demand, building loyalty with existing customers, supporting new product launches, and developing joint products. The fact that partner marketing is seen as paying off in so many areas no doubt contributes to its high overall perceived value.

The five partner programs yielding the best results over the past 12 months were thought to be leadership, branding, telemarketing, social media presence, and content development. But at least 60% of respondents also cited success with events, lead nurturing appointment setting, and demand generation.

One theme that permeated the results was the importance of having a documented plan. More than two-thirds of marketers with a written strategy expect their partner marketing budgets to increase over the next 12 months compared to just 45% of those without a plan. That's not surprising given that a documented strategy is likely to include the metrics needed to justify budget increases.

Programs backed by a strategy are more likely to be tied to "soft" benefits such as building credibility and loyalty, gaining access to marketing expertise, and creating share-of-voice in social media. This indicates that, as programs mature, companies are inclined to see more potential areas of upside. Those that provide partner marketing funds are also somewhat more apt to focus on demand generation and joint development of new products/offerings than those who receive funds.

There's still room for improvement, however. Seventy percent of marketers said getting partners to engage with programs and use market development funds is a challenge while 80% agreed that planning and executing within partner funding timelines is difficult. This indicates that communication and accountability issues need more attention at many companies, both on the giving and receiving ends.

Other obstacles worth noting are too many competing priorities (cited by 31%), lack of strategy (25%), lack of partner commitment (24%), lack of resources (24%), and management/alignment with partner expectations for success measurement (22%).

The thread that runs through all these responses is that the devil is in the details. Getting both parties in a partnership or alliance on the same page is challenging, particularly when the number of

Top objectives within a partner marketing strategy:

1. Revenue generation
2. Attract new customers
3. Increase sales engagement/joint selling
4. Generate brand awareness
5. Increase partner engagement

80%

of partner marketers agree that planning and executing within partner funding timelines is a challenge

partners runs into the hundreds at some companies. Marketers have mastered the task of obtaining and distributing funds but still need to do a better job ensuring they are spent wisely.

When looking at the results by company size, SMBs are more likely to state that they have too many competing priorities (38% vs. 28% with enterprise organizations), likely because of the resources and bandwidth available. SMBs are also more likely to have lack of strategy interfere with their success (30% vs. 22% with enterprises). Enterprises, on the other hand, are getting more pressure from the business to concentrate all efforts on one area of the funnel (23% vs. 14% with SMBs), and they find it more difficult to focus resources/the overall program complexity (20% vs. 11% with SMBs).

Success metrics

The top metrics partner marketers rely upon to measure the success of their programs have changed little since 2019. The top two are increased customer count and total revenue generated, both of which were cited by 55% of respondents. Many other measurements are deemed significant, though, including strong partner relationships, growth in market share, number of qualified leads generated, and number of new partners recruited, all of which were cited as forms of measurement by more than 40% of respondents.

There were a few interesting contrasts between companies of different sizes on this question. SMBs indicated a lower overall interest in growing market share and recruiting new partners than did their enterprise counterparts. They also appeared to be less concerned with shortening the sales cycle. Companies with a documented strategy use significantly more metrics to measure success than those without a strategy, a finding that is not surprising given their presumably greater maturity levels.

Enterprise respondents view new partner recruitment as more important than SMBs by a 45%-to-32% margin, and executive respondents view partner recruitment as an important metric by a four-to-three margin compared to middle managers (48% vs. 36%). Executives are also somewhat more interested in strengthening partner relationships, which most likely reflects top management's strategic interest in cultivating ecosystems.

Despite the metrics used to calculate success, aligning achievements to individual programs and partners is challenging. Although 78% of partner marketers say programs with their network of channel partners are very effective, three-quarters also say it is challenging to establish the Point of Inquiry to tie pipeline opportunities to specific partners.

Partner profile

There are a great many moving parts to orchestrate in partner marketing programs, particularly in larger firms. The average survey respondent has 129 technology partners and seven in ten expect that number to grow, up from 63% in 2019. Unsurprisingly, the number of supported technology partners varies by company size, with enterprises working with 159 organizations on average and SMBs only 68. Only 3% of SMBs work with more than 500 technology partners while 42% of SMBs work with fewer than 10, compared to only 17% of enterprises.

78%

of partner marketers say programs with their network of channel partners are very effective

Overall, a commanding 71% expect to increase their pool of technology partners in the coming year. That figure is even higher among those with a documented strategy, with 76% of that group planning to expand (compared to 36% of those without a clear plan). Technology firms are seen as the most important partners (mentioned by 75%) followed by strategic alliance sales partners (50%), service providers (45%), consultants/system integrators (41%), and channel/resellers/VARs (38%).

How are partner marketers measuring their success?

- Total revenue generated from programs **55%**
- Increase in number of actual customers **55%**
- Strong partner relationship **51%**
- Growth of market share **42%**
- Overall number of qualified leads generated **42%**
- Number of new partners/ partner recruitment **41%**

Respondent organizations work with an average of 108 system integrators. Although that figure is down from 118 in 2019, half of the respondents expect to add more system integrators to their partner ranks over the next year while just 13% expect to cut back. Once again, size matters in this area as the average number of integrator partners ranges from 135 for enterprises to 52 for SMBs. On this question as well, companies with large partner pools show somewhat lower satisfaction with the results than those with a smaller number of relationships.

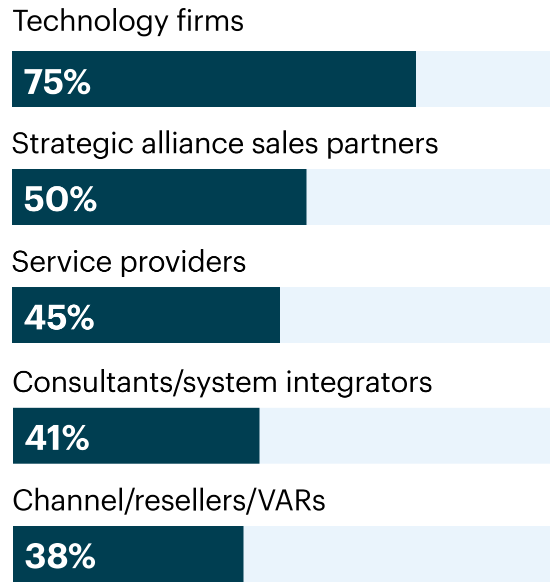
The average partner marketer works with 130 channel partner/reseller organizations with enterprises supporting 148 and SMBs 92.

The distinction between documented and undocumented strategies is glaringly apparent in the size of their system integrator and channel partner networks. Companies with a documented strategy maintain an average of 137 channel partner relationships compared to just 60 without. They also support nearly twice as many systems integrator partners, on average (114 compared to 58). Strategy and scalability thus clearly go hand-in-hand.

Altogether, 56% of respondents expect to increase the number of systems integrator partners they work with over the next year, up from 40% in 2019 and providing yet another indication that the perceived value of these programs is high.

The top areas that will benefit most from partner marketing investment over the next 12 months are social media presence (42%), branding (40%), content development (37%), demand generation (34%), events (33%) and thought leadership (25%). There are some slight differences by company size—SMBs plan to spend more partner marketing budget on social media (48%) compared to 40% for enterprises. Additionally, enterprises are more geared towards branding (41% vs. 38% for SMBs) and demand generation (37% vs. 26% for SMBs).

Marketers with a clear plan know that it matters what company you keep.



Organizations work with a large number of partners

Technology partners	129
71% expect an increase in the next 12 months	
Systems integrators	108
50% expect an increase in the next 12 months	
Channel partner/reseller	130
56% expect an increase in the next 12 months	

Where will marketers spend their partner marketing budget in the next 12 months?

1. Social media presence
2. Branding
3. Content development

Intentions to spend on social media presence and branding have grown significantly since the 2019 survey. The smallest companies favor events and appointments somewhat more than the largest ones while big enterprises show a marked preference for telemarketing and thought leadership.

Agency relations

The growing scope of partner marketing programs means fewer companies can carry them off without help. That's evident in the 96% of respondents who expect to outsource at least some of the work to agencies over the next 12 months. More than three-quarters agree that programs done in cooperation with agencies yield better results than those run entirely in-house.

Partner marketers with global responsibilities are even more bullish on the value of agencies, with 81% saying those firms yield great results compared with 69% of those whose scope is limited to one region. Agency value is seen as highest in social media services, events (planning and execution), marketing support operations, campaign/program strategy, and video production, with the first two tactics showing significant gains over 2019 results. Companies with a documented strategy are more inclined to outsource tactics than those without one.

Conclusion

Perhaps nothing about this year's survey epitomizes the degree to which partner marketing has gone mainstream than the responses to a question about what solutions companies use to support their channel partner sales and marketing programs. At least 93% of respondents said they currently use or plan to implement through-channel marketing automation, channel incentives and program

77%

of partner marketers agree that partner marketing programs worked on with agencies yield greater results than those run in-house

management, partner portals, channel data management, partner training/learning management solutions, and partner relationship management programs.

This level of commitment indicates that partner marketing is no longer in the evaluation or trial phase. Companies are committing significant resources to their programs and planning to increase their investments in the future.

This thinking is in line with the evolution of technology markets. It is often said that success is now measured as much by the size of a company's partner ecosystem as by revenues and customer base. The results are clear: The leaders in nearly every category of enterprise technology are those with the largest networks of third parties that build on top of their platforms.

Companies that are tentative about committing to partner marketing programs would do well to consider the figures presented here. Those that have programs in place but no formal strategy should pay particular attention to how the size and success of an ecosystem correlate with planning and metrics.

Bottom line: A partner program should now be considered one of the pillars of any well-rounded marketing organization.

About the survey

This research is based on the responses of 379 technology-focused marketers based in North America, EMEA and APAC, and was conducted to better understand partner marketing efforts within the tech industry, associated benefits and challenges, and budgetary trends with the goal of providing actionable advice for partner marketers regarding those marketing efforts.

Regional key takeaways

Is your marketing scope region specific? Explore the key research findings from North America, Europe, and Asia-Pacific below. Contact us to dive deeper into the regional results.

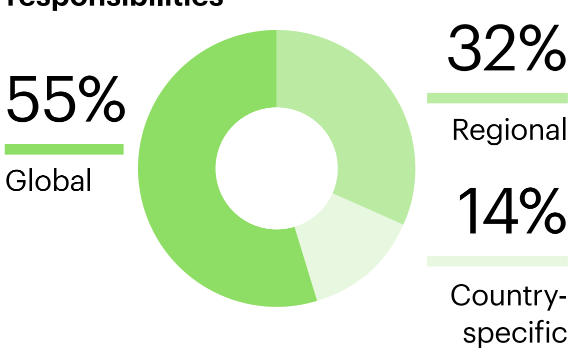
North America

89% of tech marketers in North America view partner marketing as a necessary marketing tactic that provides great or some value.

87% of tech marketers in North America state that their company has a documented partner marketing strategy.

57% of partner marketing programs completed in the past 12 months have yielded successful results.

Scope of partner marketing responsibilities



Top three partner marketing objectives

- Revenue generation
- Attract new customer segments
- Increase sales engagement/joint selling

73% expect their organization's partner marketing budget to increase over the next 24 months.

75% of North America tech marketers anticipate that the number of technology partners their organization works with will increase over the next 12 months.

Success metrics for North America partner marketing programs

- Strong partner relationship (**60%**)
- Total revenue generated from programs (**58%**)
- Increase in number of actual customers (**55%**)

78% of tech marketers in North America agree that partner marketing programs where they work with agencies yield greater results than those run in-house.

Planning to work with an agency on the following partner marketing tactics

- Social media services (**43%**)
- Marketing support/operations (**42%**)
- Events – planning/execution (**40%**)

Too many competing priorities is the #1 challenge to partner marketing success in North America, followed by lack of strategy.

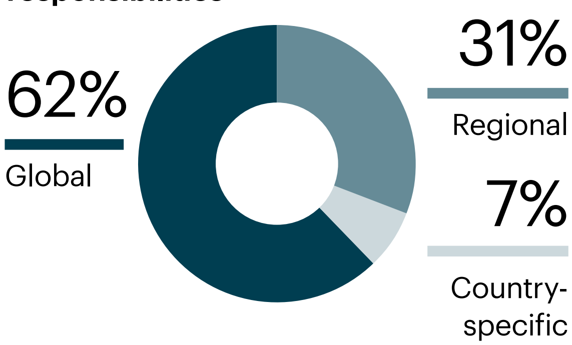
EMEA

78% of tech marketers in EMEA view partner marketing as a necessary marketing tactic that provides great or some value.

89% of tech marketers in EMEA state that their company has a documented partner marketing strategy.

60% of partner marketing programs completed in the past 12 months have yielded successful results.

Scope of partner marketing responsibilities



Top three partner marketing objectives

- Increase partner engagement
- Revenue generation
- Increase sales engagement/joint selling

60% expect their organization's partner marketing budget to increase over the next 24 months.

65% of EMEA tech marketers anticipate that the number of technology partners their organization works with will increase over the next 12 months.

Success metrics for EMEA partner marketing programs

- Increase in number of actual customers (**64%**)
- Total revenue generated from programs (**44%**)
- Feedback from partner sales team (**44%**)

76% of tech marketers in EMEA agree that partner marketing programs where they work with agencies yield greater results than those run in-house.

Planning to work with an agency on the following partner marketing tactics

- Social media services (**47%**)
- Events – planning/execution (**40%**)
- Campaign & program strategy (**33%**)

Lack of partner commitment is the #1 challenge to partner marketing success in EMEA, followed by too many competing priorities.

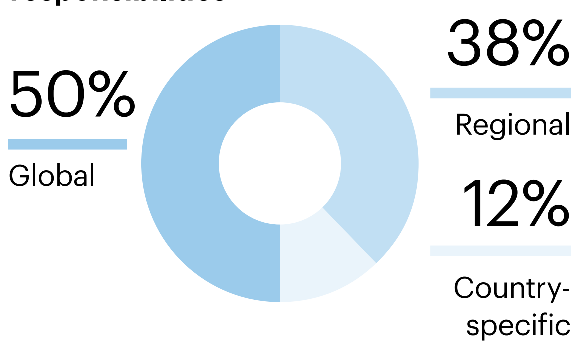
APAC

92% of tech marketers in APAC view partner marketing as a necessary marketing tactic that provides great or some value.

80% of tech marketers in EMEA state that their company has a documented partner marketing strategy.

52% of partner marketing programs completed in the past 12 months have yielded successful results.

Scope of partner marketing responsibilities



Top three partner marketing objectives

- Revenue generation
- Attract new customer segments
- Generate brand awareness

74% expect their organization's partner marketing budget to increase over the next 24 months

68% of APAC tech marketers anticipate that the number of technology partners their organization works with will increase over the next 12 months.

Success metrics for APAC partner marketing programs

- Total revenue generated from programs (**55%**)
- Increase in number of actual customers (**50%**)
- Number of new partners/partner recruitment (**47%**)

73% of tech marketers in APAC agree that partner marketing programs where they work with agencies yield greater results than those run in-house.

Planning to work with an agency on the following partner marketing tactics

- Social media services (**37%**)
- Events – planning/execution (**37%**)
- Demand generation (**36%**)

Too many competing priorities and lack of resources are tied for the #1 challenge to partner marketing success in APAC.

Examining the marketplace

Research is an invaluable way for marketers to better understand customers and prospects, with the goal of building quality connections. At Foundry this is one way we are focused on building bridges between tech buyers and sellers. Our first-party relationships with the most important tech buyers and influencers around the world, allows us to apply value across our customers marketing stack. Our research portfolio explores our audiences' perspectives and challenges around specific technologies—from analytics and cloud, to IoT and security—and examines the changing roles within the IT purchase process, arming tech marketers with the information they need to identify opportunities.

To see what research is available, visit FoundryCo.com/tools-for-marketers. For a presentation of full results from any of these studies, contact your Foundry sales executive or go to FoundryCo.com/contact-us.

Buying process

Each year we take a deep dive into the enterprise IT purchase process to learn more about who is involved and who influences decision-making, what sources purchasers rely on to keep up to date with technology—and throughout the purchase process—and how they want to engage with the vendors they are working with. Visit FoundryCo.com/customerjourney for more information.

Buying process studies

- Role and Influence of the Technology Decision-Maker
- Customer Engagement

Technology insights

Each year we explore the technologies that are top of mind among our audiences to understand the business challenges, drivers, and adoption within the enterprise. These research studies are designed to help IT marketers understand what their customers are focused on and where the market is moving.

Role and priority studies

- CIO Tech Poll: Tech Priorities
- State of the CIO

Technology-specific studies

- Data & Analytics
- Cloud Computing
- Digital Business
- Security Priorities

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About Foundry

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Our trusted brands inform our global data intelligence platform to identify and activate purchasing intent, powering our clients' success. Our marketing services create custom content with marketing impact across video, mobile, social and digital. We simplify complex campaigns that fulfill marketers' global ambitions seamlessly, with consistency that delivers quality results and wins awards. Additional information about Foundry is available at FoundryCo.com.