





Forward Buying, Scan-backs, Scam-backs

Distribution of promotion pass-through rates, Cross-subsidization

Limited ability to track and compute promotional costs and profit

Light bulbs, Spices, Eye glasses, Athletic accessories

Philip Morris, Cisco, Carrier, Arrow, NetApp



- Influence Channel Price (both high and low)
- Influence Channel “Effort”:
  - Shelf Space, Merchandising
  - Investment in Training, VA Services, Logistics
  - Demand Generation, Focus on Specific Customer Types and/or Product Lines
- Prevent Free-riding (other channel members and other suppliers)
- Match Supply and Demand
- Keep Smaller Dealers Competitive
- Build Economies of Scale and Scope (for both channel partners)
- Leverage Brand Equity
- Provide “Variety” to Consumers
- Match/Beat Competition
  - Work out a cooperative and sustainable agreement with channel  
(even more so in BtoB)



- Discount/Payment Amount
- Forward Buying
- Diverting
- Monitoring
- Supply Chain
- Forecasting
- Organizational Confusion (promotional cost accounting)





- RPM, MAP
- (Share of) Features, Displays, Shelf Space
- (Share of) Certified Personnel
- Evidence of sale/quote at desired price, for desired service, or to desired customer
- Purchase/Sales volume or growth
- Share of Purchases/Sales
- Bundled Purchases
- Brand Development Index





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