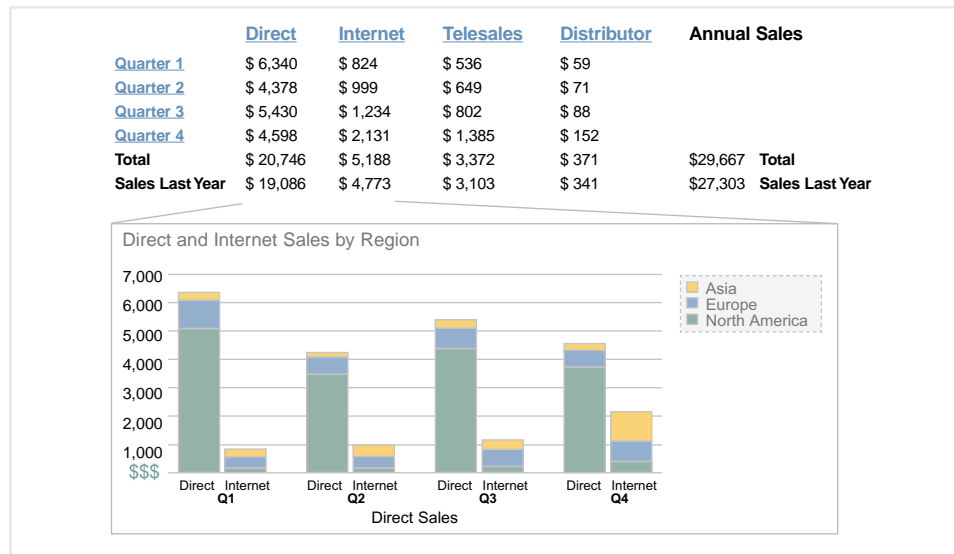


Channel Analysis

Companies use a variety of channels to promote products to customers. Retailers use stores, catalogs and Websites to merchandise their offerings. Technology companies depend on direct sales forces, OEM partners, resellers and systems integrators to deliver products to customers. Channel analysis allows organizations to understand the effectiveness of various sales channels, gauge channel growth and compare channel margins. By reviewing channel comparisons, sales, channel and marketing managers can focus resources on building and maintaining the channels that best meet their customers' sales and service needs. Basic channel analysis includes sales and margin performance by channel, trends in channel utilization over time, and comparisons of channel performance by customer segment. More advanced analysis enables users to drill to individual channel partners, optimize pricing by channel or match channel supply to channel demand.

Sample Report: Quarterly Sales Channel Analysis



This report details the total sales for each distribution channel over time and drills into the geographic sales breakdown for the direct and Internet channel. Understanding channel effectiveness helps Sales and Marketing analysts to determine the impact of promotions, ad spending, staffing, service, training and distribution. Drilling further on this graph will reveal individual product sales by channel, sub-region and month.

COMMON BUSINESS QUESTIONS

- Which channels are exceeding sales projections? Underachieving?
- Which channel(s) generates the most profit per transaction?
- Which channel has the highest growth rate year over year?
- In Region A, which channel do customers prefer?
- Through what channel are my most profitable customers buying?
- Which promotions have been the most effective in this channel?
- How does the price of Product Z vary by channel?
- Is one channel cannibalizing another?

Key Performance Indicators

- Revenue Growth Year over Year
- Profit per Transaction
- Price Variance b/n Channels
- Top Promotion by Channel
- Top 25 Products by Channel
- Margin by Channel
- % of Total Sales Sold Direct
- % Profit on Partner Sales