

Instructor's Companion Guide to

"Full of a-ha moments for anyone who has been paying attention."

—Neil Patel, author of *Hustle*

DAVID A. YOVANNO



THE
**PARTNERSHIP
ECONOMY**

HOW MODERN BUSINESSES
FIND NEW CUSTOMERS, **GROW REVENUE,**
AND DELIVER EXCEPTIONAL EXPERIENCES

WILEY

Use this guide to spark conversations and engage your students as you explore the new partnership economy and the possibilities it offers.

Instructor's Companion Guide to

The Partnership Economy

How modern businesses find new customers, grow revenue, and deliver exceptional experiences

Welcome to the Instructor's Companion Guide to *The Partnership Economy: How modern businesses find new customers, grow revenue, and deliver exceptional experiences* by David A. Yovanno.

You'll find discussion questions that illustrate key concepts contained within The Partnership Economy. Questions are derived from the material presented in one or more chapters and ask your students to apply what they have learned across various scenarios.

This resource is divided into three sections:

- **Section I: Contents, The Partnership Economy**
- **Section II: Discussion Questions**
- **Section III: Discussion Questions and Suggested Answers**

Use this guide to spark conversations and engage your students as you explore the new partnership economy and the possibilities it offers.

Section I

The Partnership Economy Contents

Instructor's Companion Guide to

THE PARTNERSHIP ECONOMY

How modern businesses find new customers,
grow revenue, and deliver exceptional experiences

by David A. Yovanno

Part I: Welcome to the Partnership Economy

Chapter 1: Unlock Unexpected, Lasting Growth with Modern Partnerships

Featuring Sunbasket and Rastelli's, Ticketmaster and Spotify

Chapter 2: Trust Is the New Black and Other Reasons Why Referral Partnerships Work

Featuring Booktopia

Chapter 3: How Partnerships Can Help You Meet Critical Business Goals

Featuring Autodesk, Revolut, Richer Sounds, and Uber Eats

Chapter 4: Engage Customers Wherever They Are on Their Customer Journeys

Featuring Walmart and Multiple Partners

Chapter 5: Six Building Blocks of Today's Partnerships

Featuring Harry's

Part II: What Are Modern Partners?

Chapter 6: Coupon, Cashback and Rewards, and Loyalty Partners: Reach New Audiences, Drive More Sales

Featuring Ibotta and Kohl's, and Prodege

Chapter 7: Creators, Influencers, and Brand Ambassadors: The Powerful New Word-of-Mouth Play

Featuring Marla Catherine and Fabletics, LightInTheBox, Ivory Ella, Savage X Fenty, and Patagonia

Chapter 8: Mass Media Publishers: When Old-School Advertising Doesn't Work Anymore

Featuring Ziff Media Group and Better Homes and Gardens

Chapter 9: Mobile Partnerships: Be Where Your Customers Are All the Time

Featuring Uber, Patagonia, Target, and Samsung

Part II: What Are Modern Partners? (Continued)

Chapter 10: Strategic Business Partnerships: When Two Work as One

Featuring Qantas and Airbnb, Disney+ and Lyft, HyreCar and Doordash, Tasty and Walmart, Spotify and Ticketmaster, Robinhood and TurboTax, Chase Sapphire Ultimate Rewards, and Hollister and Xbox

Chapter 11: Community Groups, Associations, and Cause-Based Partnerships:

When the Higher Good Is Good Business

Featuring Giving Assistant, KidStart and Banks and Retailers, Crocs and AAA, and Microsoft and Local Chambers of Commerce

Part III: Get Started in Partnerships

Chapter 12: How to Get Your Partnerships Program Started

Featuring Trust & Will and PartnerCentric

Chapter 13: How Does It Feel? Creating a Beneficial Partner Experience

Featuring Walmart, Blue Nile, eBay, Sur La Table, and Shopify

Chapter 14: What About Agencies? Your Partners in Partnerships

Featuring DMi Partners, Perform[cb] Agency, Gen3, Acceleration Partners, LT Partners, and JEB Commerce

Part IV: Unleash Your Partnerships Potential

Chapter 15: What Is Partnerships Program Maturity and How Do I Get It?

Featuring Fanatics

Chapter 16: Next Steps: Envision and Plan a Durable Partnerships Program

Featuring Lenovo and Blue Nile

Chapter 17: What's Next? Prepare for Future Partnerships

Featuring HubSpot

Section II

Discussion Questions

Instructor's Companion Guide to

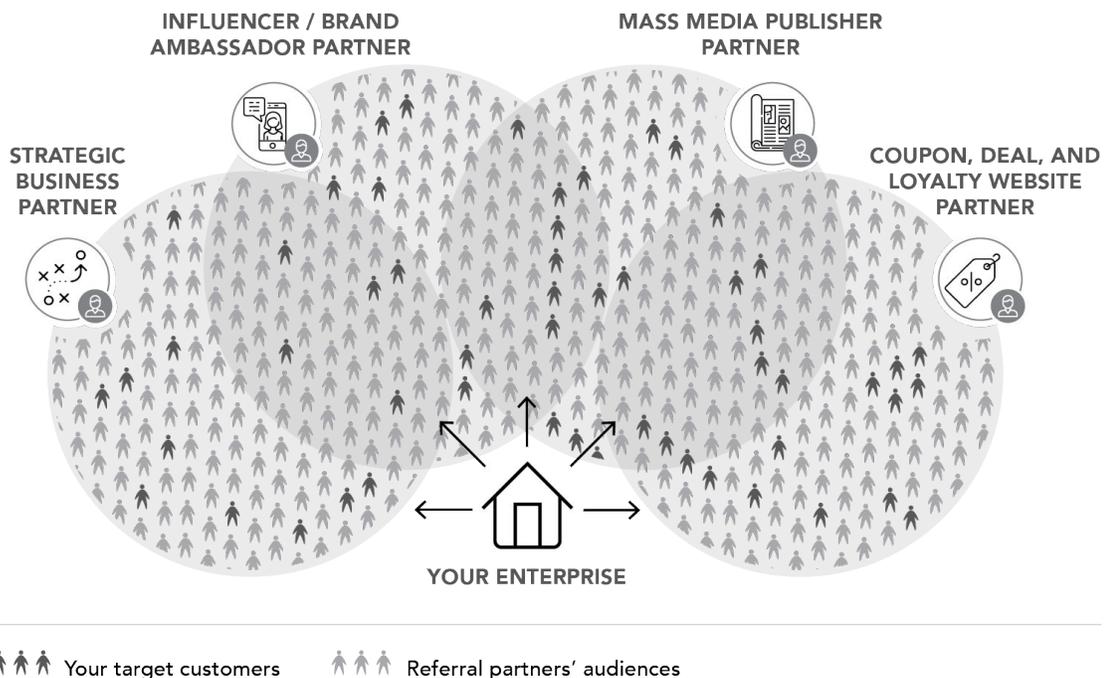
THE PARTNERSHIP ECONOMY

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Part I: Welcome to the Partnership Economy

1. Why are partnerships such a powerful growth strategy for enterprises?
2. What is a modern partnership?
3. What is the role of shared or similar customers in modern partnerships?



Enterprise target customers are referral partners' existing audiences (or followers or customers, depending on the type of partner). (Source: Chapter 2, Figure 2.3)

4. How does the referral partnership model differ from that of a traditional reseller partnership? Why are these differences important? What do they enable?

Partnerships are not a new business concept or practice. For some time, enterprises have built complex webs of partnerships to effectively develop, distribute, market, sell, and service their products. These transactional partnerships have included retailers, value-added resellers, exclusive dealers or agents, and managed service providers. Think grocery stores and car dealerships. Today, enterprises are increasingly moving toward a new partnership model, the referral partnership.

To see the differences between the referral and reseller partnership models, it’s helpful to think in terms of who owns inventory, who enjoys first-hand relationships with the end customers, and the underlying compensation structure.

- Please answer each part of question 4 by filling in the table below.
- Next, reflect on why the differences between referral and reseller partnerships are important. What benefits does the referral partnership model have for both the enterprise and its partner?

Reseller and Referral Partnerships Compared

		Who owns the product?	Who has the relationship with the ultimate end customers?	What is the underlying compensation structure?
Type of partnership	Reseller			
	Referral			

5. What are some of the key reasons for modern partnerships' success?

Why do modern partnerships (including referral partnerships) work? Provide three reasons and illustrate each with an example either from the book or from your own observations.

6. Why is it important to design partnerships to be mutually beneficial, a balance of effort and resources between partners?

7. What are some of the critical factors to consider when determining whether a potential partner is a good brand fit for an enterprise?

Why do modern partnerships (including referral partnerships) work? Provide three reasons and illustrate each with an example either from the book or from your own observations.

- What are some of the key factors to consider when determining brand fit?
- Pick a favorite brand of yours. Briefly describe the brand, the customers it serves, and then select two potential referral partners. One partner should be a good fit and the other a miss. Be clever about selecting the miss; don't choose an obvious dud. Provide a rationale for why your choices are hits or misses using the factors you described above.

8. What customer behaviors may enterprises want their partners to catalyze? How may the partners catalyze these behaviors?

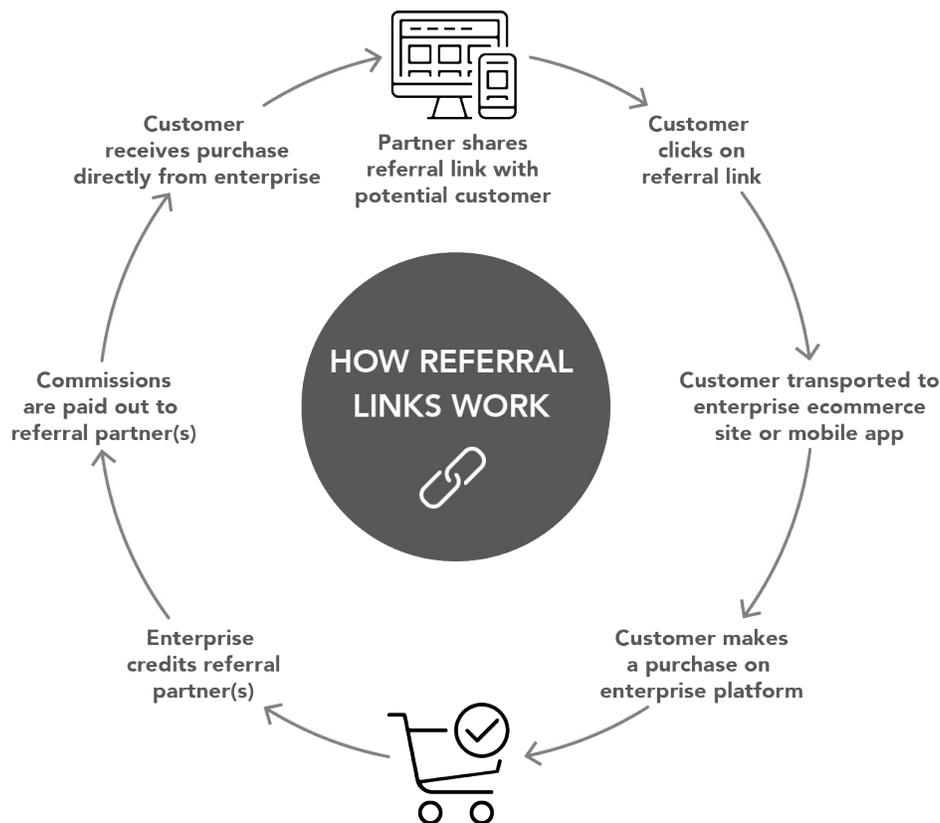
Enterprises collaborate with partners in order to achieve their business goals. For each of the following enterprise business goals, consider what behaviors an enterprise may want its potential partners to catalyze from its target customers. How can a partner catalyze this behavior? What type of content or experiences can it create and offer its audiences in support of the goal? Record your suggestions in the table below.

Catalyzing Customer Behaviors to Meet Business Goals

Enterprise Business Goal	How can an enterprise partner catalyze this behavior(s)? What type of content or experiences can it create and offer its audiences in support of this goal?
<p>Build awareness of enterprise brand</p> <p>The enterprise wants its target customers to find out about its brand during their search for information so those customers may consider the brand as a potential solution to their need or desire.</p>	
<p>Secure new customers for the enterprise</p> <p>In addition to finding out about the brand and its solutions, the enterprise would like its partners to drive consideration and eventually lead interested consumers to a place where they can make a purchase.</p>	
<p>Increase customer lifetime value</p> <p>The enterprise wants its partners to catalyze more shopping journeys or product usage, or higher average purchase amounts from its existing customers, thereby increasing customer lifetime value.</p>	

9. What is the referral link experience like for potential customers?

Referral links are one of the ways that enterprises are able to monitor the customer traffic each partner sends their way. Referral links are an aspect of an accurate tracking and measurement system, one of the six building blocks of partnerships. The diagram below captures the underlying mechanism of how referral links work, but what is the consumer experience of a link like?



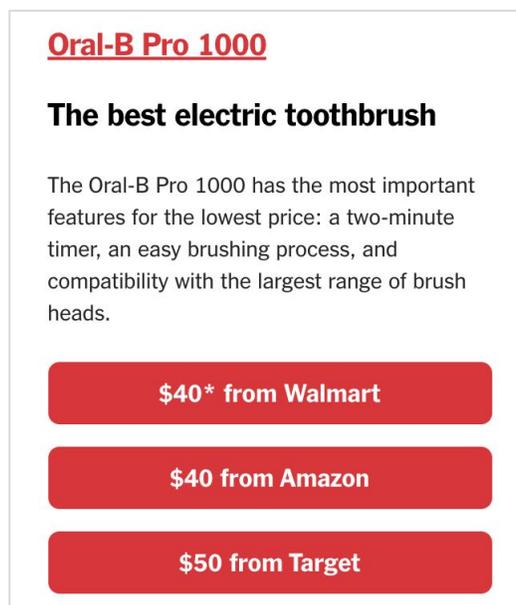
How referral links work. (Source: Chapter 2, Figure 2.4)

What is the consumer experience like for consumers? Take a few minutes to explore the referral links used by the mass media publisher, [Wirecutter](#). Wirecutter is known for its reliable, thorough, and unbiased product recommendations. To get first-hand experience with its referral links, look up: “the best electric toothbrush.” When results appear, take a moment to peruse Wirecutter’s recommendations.

(Question 9 continued)

Why do modern partnerships (including referral partnerships) work? Provide three reasons and illustrate each with an example either from the book or from your own observations.

- Which information is available to a potential customer on the initial landing page? In your opinion, is there enough information available to make a purchase right then and there? Why or why not?
- When a potential customer clicks on one of the referral links for ORAL-B Pro 1000 (see red boxes in diagram), where are they directed and what do they find?



Oral-B Pro 1000

The best electric toothbrush

The Oral-B Pro 1000 has the most important features for the lowest price: a two-minute timer, an easy brushing process, and compatibility with the largest range of brush heads.

\$40* from Walmart

\$40 from Amazon

\$50 from Target

- In the absence of these links, what steps would a customer need to take to complete a purchase? What are the risks associated with relying on potential consumers to take these extra steps on their own?

10. How can the Partnership Design Canvas (PDC) described in Chapter 5 be used to design and/or evaluate a potential partnership?

The PDC is a simple visual tool designed to help enterprises and their partners proactively explore the six building blocks of potential partnerships (see diagram below).

The Six Building Blocks of Partnerships



The six building blocks of partnerships. (Source: Chapter 5, Figure 5.1)

(Question 10 continued)

With this in mind, imagine that you work for a company that sells a dark, rich, and roasty coffee alternative. To be successful, your company needs to both attract new customers and retain them. Your chief marketing officer (CMO) is interested in how partnerships may be able to help your company both find and recruit new customers and encourage them to make regular monthly purchases of your product.

Toward this end, your CMO has also asked you to research how the shaving products company, Harry's, is employing partnerships to attract and retain new customers. She believes that Harry's is a good potential model for your company because like your company, Harry's sells a consumer product that needs to be purchased regularly in order for its pricing model to be successful.

More specifically, your CMO is interested in how Harry's has structured its partnership with the ACME financial services company's loyalty program. She is curious about whether their partnership would be a good model for your company to adopt. Your CMO has asked you to research the Harry's and ACME partnership and report back to her with your findings. She would like you to use the PDC to do so.

- Your job is to fill out the PDC to the best of your ability; use the details provided about the partnership in Chapter 5 as a basis for your report. The CMO has instructed you to make educated inferences where possible. **If not enough information exists, indicate your awareness of the need for more details by writing in "TBD" (to be determined).** Use the questions from the PDC that follow to guide your exploration.
- Next she would like to hear a summary of your key takeaways.

(Question 10 continued)

Harry’s Partnership Design Canvas	
Potential Partner:	
Compatible Partners	
<p>Complementary Business Objectives:</p> <p>What are our complementary objectives? Do we understand each other’s goals? What does each of us bring to the table? What do they have that we need? What do we have that they need?</p>	
<p>Brand Fit:</p> <p>Does this partner meet our ideal partner criteria? Is there any brand risk? Would an endorsement from this partner about our product sound credible to our target customers? Why?</p>	
<p>Competitor Status:</p> <p>Does this partner already work with one of our competitors? What does that partnership look like, and can we be competitive against them?</p>	
<p>Ability to Collaborate:</p> <p>Does this partner have a history of collaboration? Are they prepared to contribute the necessary resources and effort for this partnership to succeed? What concerns do we need to address?</p>	

(Question 10 continued)

Harry’s Partnership Design Canvas (cont.)	
Compatible Partners (cont.)	
Desire to Work Together: Do we want to work with this partner? Is this a good use of our resources? Are we a priority for them?	
Relevant Customers and Audiences	
Who will this partnership target? Are they one of our target audiences?	
Does this partner have access to, and a trustworthy relationship with, this audience?	
What is the size of the accessible target audience for this partnership?	
Desirable Customer Experience	
What is our customer value proposition? What is the customer experience we will create? Who is doing what, when, where, and with whom, and with what outcome or result?	

(Question 10 continued)

Harry’s Partnership Design Canvas (cont.)	
Desirable Customer Experience (cont.)	
Do we think this will be a desirable experience for our target customers? Is this experience what they are looking for? How do we know?	
Accurate Tracking and Measurement System	
Which set of customer behaviors do we want to catalyze? How will we track these actions?	
Which consumer behaviors do we want to reward our partner for catalyzing?	
Which metrics will we use to evaluate our success?	

What are your key takeaways after completing the PDC?

Motivating Value Exchange

- How will we compensate this partner? Will the partnership reward our partner for catalyzing our desired customer behaviors? Is the commission structure we are proposing fair and motivating?
- What are the benefits that this partnership will create for us and for our partner—financial and nonfinancial? What resources and effort does each partner contribute? What risk does each partner assume? Are the benefits/effort/risk equivalent for each partner?
- Are there special terms we want in our contract?

(Question 10 continued)

Shared Partner Success Plan

- What are the key activities that need to take place for this partnership to get to productivity?
- Who is responsible for what and in what time frame?
- What does our calendar contain for upcoming promotions, campaigns, and content around which our partner can plan?
- What are key milestones?
- How and when will we review our partnership's performance?

Part II: What Are Modern Partners?

There are several types of modern partners. Major categories include:



COUPON, CASHBACK, AND LOYALTY PARTNERSHIPS

offer discounts, cash back, and reward points to consumers for undertaking various activities including making a purchase. Examples include iBotta, RetailMeNot, Giving Assistant, and Chase Sapphire Rewards.



INFLUENCERS AND BRAND AMBASSADORS

are creators, writers, editors, podcasters, photographers, bloggers, community managers, experts, celebrities, and people just like us that have something to say and connect with others to talk about their shared interests. Examples include Oprah Winfrey and Richard Branson.



MASS MEDIA PUBLISHERS

are online and offline publishers and media companies that produce content covering a wide range of industries and formats (i.e., videos, podcasts, articles, infographics). Several of these partners have expertise in commerce content, employing storytelling as a conversion-driving strategy. Examples include Sports Illustrated, CNN.com, and BuzzFeed.



STRATEGIC BUSINESS PARTNERSHIPS

are brand-to-brand collaborations focused on creating joint value for two or more organizations (B2B, B2C, and B2B2C) and their shared customers and audiences made possible by leveraging both brands' strengths and credibility. Examples include Ticketmaster and Spotify and Sunbasket and Rastelli's.



COMMUNITY GROUPS, ASSOCIATIONS, AND CAUSE-BASED

ORGANIZATIONS comprise a subset of strategic business partnerships that are focused on a particular membership group of interest. Examples include GEICO offering special savings to alumni association members, faculty, and staff of selected colleges and universities.



ONLINE MARKETPLACES

are a type of ecommerce platform where multiple merchants' products, services, or experiences are offered by the marketplace operator, providing consumers with a wide array of options in one place. Sales conversions take place on the ecommerce platform and are fulfilled by the merchants directly. Some marketplaces provide a wide variety of goods, while others are customer or customer need focused. Examples include Amazon, Tencent, Taobao, and eBay.

1. Who are the partners you might consult with on a potential purchase?

Referral partnerships are built on trust. Each of us has our own trusted circle of sources with whom we consult when exploring and fulfilling our various needs and desires.

- Imagine that you are in the market for one of the following items:
 - An engagement ring
 - A credit card offering no fees and great benefits
 - A “smart home” starter kit

Undertake a hypothetical shopping journey. Which steps would you take to identify, investigate, and ultimately purchase the product you chose? Where would you look? Which questions would you ask? Which sources would you consult? Which sources would you decline? Why?

Since this is a hypothetical shopping journey, please ensure that your shopping journey is complete within 15 steps. Stated differently, if you get to step 12 and have not made a purchase, make it happen.

- Record each of the steps you take in the table, “Your Hypothetical Shopping Journey,” which can be found after question #2, below. Be sure to include all the links you explored. The example directly below identifies the first four steps we took when undertaking a search for the perfect mountain bike.

**EXAMPLE: First Four Steps of Hypothetical Shopping Journey
for a Mountain Bike**

	What do you want to know at the beginning of this step?	What did you do to find that knowledge?	Which resources did you consult with AND which sources did you decline? Why?	Was a partner (or potential partner) involved? If so, what role did they play?
#1				
#2				
#3				
#4				

2. What role did partners play in your hypothetical shopping journey?

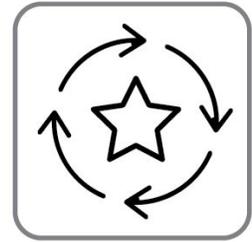
Shopping journeys reveal the different types of partners that influence a shopping journey and the roles each partner plays. Recall that partners can play three different roles: introduce and influence, close, and re-engage and retain.



**INTRODUCE
AND INFLUENCE**



CLOSE



**RE-ENGAGE
AND RETAIN**

- For each step of the hypothetical shopping journey you just undertook, explore whether a partner was involved (distinct from those steps catalyzed by an ad or content directly provided by the enterprise selling the product). If a partner was involved, indicate the type of partner and the role they played in row 7 in the table below.
- What are your key takeaways?

Your Hypothetical Shopping Journey

	What do you want to know at the beginning of this step?	What did you do to find that knowledge?	Which resources did you consult with and which sources did you decline? Why?	Was a partner (or potential partner) involved? If so, what role did they play?
#1				
#2				
#3				
#4				
#5				
#6				
#7				
#8				
#9				
#10				
#11				
#12				
#13				
#14				
#15				

3. What are strategic brand-to-brand partnerships?

Strategic brand-to-brand (SB2B) partnerships are some of the most powerful forms of partnerships. What's different is the parties to SB2B partnerships are both enterprise brands—they are not influencers, brand ambassadors, mass media publishers, or traditional affiliates. They are like-minded businesses choosing to work together to create compelling customer experiences that are greater than the sum of their parts. Successful SB2B partnerships range from joint promotions all the way to complex product integrations.

- Recall some of the complex product integration partnerships discussed throughout *The Partnership Economy*. Consider how the Ticketmaster integration in the Spotify app, the Airbnb integration into the Qantas reservation site, and the Tasty and Walmart app integration created new and enhanced customer experiences for both parties.
- Consider one of your favorite brands. Which potential partner do you think could significantly increase the value of your favorite brand through some type of product integration? Provide your rationale.

(Source: Chapters 1 and 10)

Part III: Get Started in Partnerships

1. Can you make the business case for partnerships?

Imagine you're asked to make the case for the use of partnerships to catalyze growth for your company to key company stakeholders—among them your chief marketing officer (CMO) and chief financial officer (CFO).

One of the ways to effectively do this is to create a short pitch that makes the initial case for building a partnerships program. The pitch describes the potential opportunity as clearly and succinctly as possible. The goal of the pitch is to persuade key stakeholders to give a preliminary “yes” to the partnerships opportunity that will allow you to build a more in-depth plan.

Devise a pitch for a partnerships program for your company. Your pitch should take no longer than two minutes and address the following:

- How are current partnerships helping companies achieve growth and competitive advantage in today's fast-changing, highly competitive, and consumer-led marketplace?
- How will a partnership effort enable stakeholders such as a CMO and a CFO to better meet their goals?

(Source: Chapter 12)

2. What is this thing called “partnerships experience?”

Suppose your colleagues are familiar with the phrase “customer experience” but are not familiar with the concept of partnerships experience.

- How would you explain the concept of “partnerships experience” to your colleagues and why is it important for enterprises to understand?
- What are some of the factors that contribute to exceptional partnerships experience?

(Source: Chapter 12)

3. Why would a company choose to work with a partnerships agency?

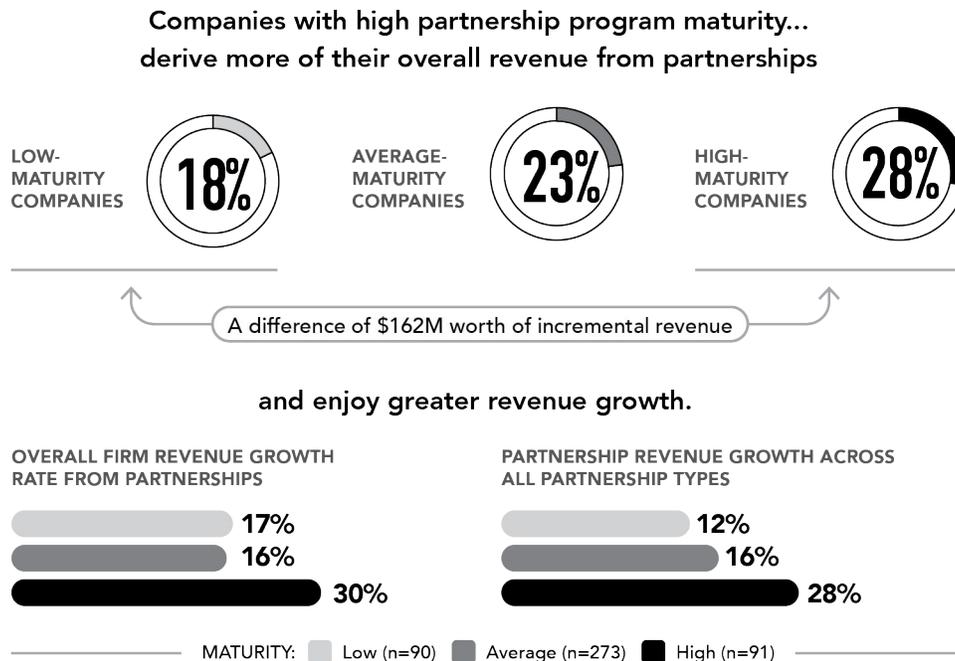
Your company has experienced considerable success with partnerships. After much consideration, your team decides that it will work with a partnerships agency to build your partnerships presence in a new market. What are some of the reasons you would choose to do so?

(Source: Chapter 14)

Part IV: Unleash Your Partnerships Potential

1. What difference does “maturity” make to partnerships program financial results?

(Source: Chapter 1)



Source: Adapted from a commissioned study conducted by Forrester Consulting on behalf of Impact, April 2020. © 2020 Forrester. Reproduction prohibited.

(Source: Chapter 1, Figure 1.6)

2. How can you diversify a partnerships program?

One proven partnerships program maturity strategy is to diversify the number and types of partnerships in your program. While the universe of potential partnerships is huge, the challenge is to find them. Using the discovery capabilities of partnerships platforms can go a long way toward identifying potential partners; however, you can manually identify great candidates as well. Let's explore the possibilities.

- For this exercise, bring a favorite brand to mind. Briefly describe what the brand does, its target audience, and why the brand works for you. (See an example using the Outdoor Voices brand, below.)
- Next, imagine that the brand wants to acquire new customers. Which potential partners and partnership types might make sense for them? Consider each of the partnership types listed below. Do they make sense for this brand to consider? Why or why not? Record your answers in the chart below.
- Consider the customer experience that could be generated for each partnership type you recommend. Provide an example of how the enterprise brand and a specific partner might work together, plus the customer experience they could offer their shared or similar customers. Record your answers in the chart below.

EXAMPLE: Diversifying a Partnerships Program

- **Brand:** Outdoor Voices (OV)
- **What they do:** OV is an American clothing company focused on the design and sale of athletic apparel. Their mission is to “get the world moving.” Their hashtag: #DoingThings.
- **Target customers:** Adults interested in fitness that is not necessarily related to performance; focus is on recreation as a way to feel strong, happy, and confident.
- **Why this brand works for me:** I am all about fitness, health, and feeling strong and confident.
- Potential partnership types that might work for this brand for customer acquisition:

EXAMPLE: Diversifying a Partnerships Program

Partnership Type	Employ? Why or why not?	Potential Partners	Potential Customer Experience
Coupon, cashback, or loyalty partnerships			
Influencers or brand ambassadors			
Mass media partnerships			
Strategic brand-to-brand			
Community groups, associations, and caused-based organizations			

(Source: Chapters 11 and 15)

3. How can you diversify a partnerships program?

How can enterprises work with their partners to optimize their results?

(Source: Chapters 13 and 15)

4. Partnerships ecosystems are the next evolution in partnerships program maturity.

- What is intriguing to you about a partnerships ecosystem?
- What more would you like to know about partnerships ecosystems? What questions do you have?

(Source: Chapter 17)

Section III

Discussion Questions and Suggested Answers

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THE PARTNERSHIP ECONOMY

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Part I: Welcome to the Partnership Economy

1. Why are partnerships such a powerful growth strategy for enterprises?

Modern partnerships are making it possible for many of today's fastest growing businesses to meet—and exceed—their revenue goals. Indeed, a recent study conducted by Forrester, a leading research and advisory firm, found that companies with mature partnerships programs generate an average 28 percent of their companies' total revenue through their partnerships efforts. This is significant; it represents over a quarter of their total revenue. Why is this the case?

Modern partnerships enable businesses to achieve solid and sustainable revenue growth. This growth comes from successfully reaching and converting new prospects into customers, expanding into new markets, increasing the lifetime value of customers, enhancing current value propositions and creating entirely new ones, and being able to quickly make strategic pivots that keep them afloat during periods of market disruption. These are tried and true ways of making money; partnerships simply enable enterprises to achieve these business goals by drawing on a much broader palette of resources. This palette potentially includes the resources, and market presence of hundreds, if not thousands, of partners. (Source: Chapter 1)

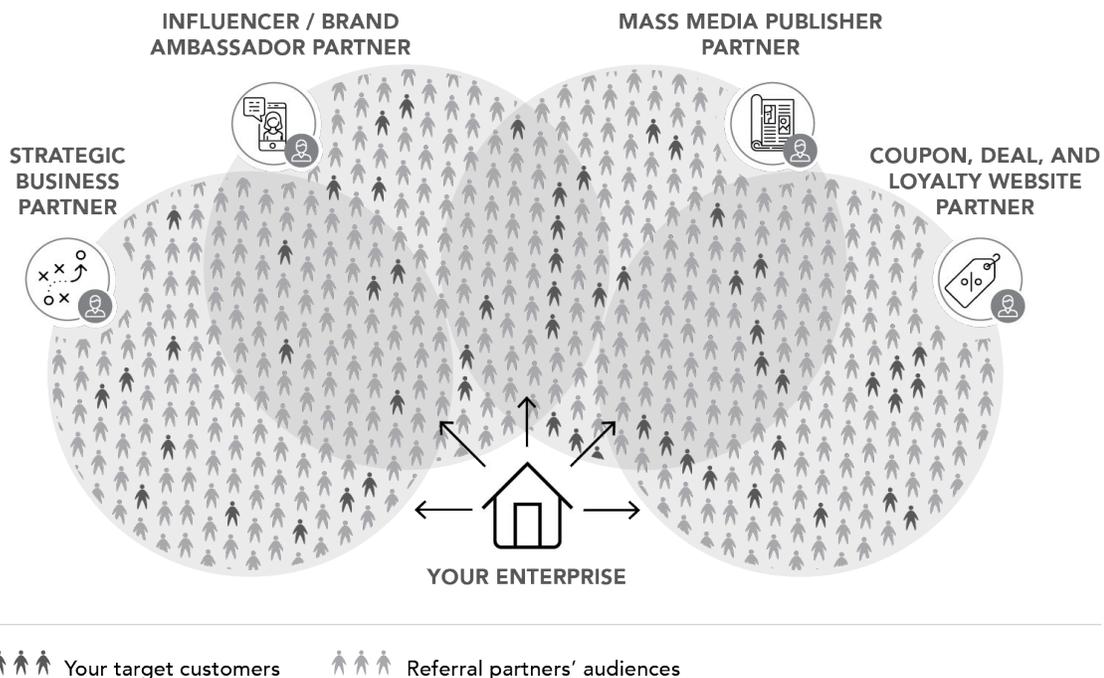
2. What is a modern partnership?

A modern partnership is a formal collaboration between two or more entities that come together to create value for their shared or similar customers and they do so in a collaborative, transparent, and mutually rewarding way. (Source: Chapter 1)

3. What is the role of shared or similar customers in modern partnerships?

Shared or similar customers are what brings partners together and enables them to generate revenue and meet their respective business objectives. In a modern partnership, an enterprise and its potential partner come together to ask themselves: How might we create experiences that will delight our mutual target customers? What can we create together that we couldn't do on our own?

There are different types of modern partnerships. In the referral partnership model, the enterprise's target customers are the referral partner's existing audiences, followers, viewers, readers, or customers (depending upon the type of partner). (See illustration below from Chapter 2.) If the partnership is successful, members of the referral partner's audiences will become customers of the enterprise. (Source: Chapters 1 and 2)



Enterprise target customers are referral partners' existing audiences (or followers or customers, depending on the type of partner). (Source: Chapter 2, Figure 2.3)

4. How does the referral partnership model differ from that of a traditional reseller partnership? Why are these differences important? What do they enable?

Partnerships are not a new business concept or practice. For some time, enterprises have built complex webs of partnerships to effectively develop, distribute, market, sell, and service their products. These transactional partnerships have included retailers, value-added resellers, exclusive dealers or agents, and managed service providers. Think grocery stores and car dealerships. Today, enterprises are increasingly moving toward a new partnership model, the referral partnership.

To see the differences between the referral and reseller partnership models, it’s helpful to think in terms of who owns inventory, who enjoys first-hand relationships with the end customers, and the underlying compensation structure.

- Please answer each part of question 4 by filling in the table below.
- Next, reflect on why the differences between referral and reseller partnerships are important. What benefits does the referral partnership model have for both the enterprise and its partner?

Reseller and Referral Partnerships Compared

		Who owns the product?	Who has the relationship with the ultimate end customers?	What is the underlying compensation structure?
Type of partnership	Reseller	<i>Reseller purchases products from the enterprise.</i>	<i>Reseller typically transacts directly with the end customer or with a downstream partner, acting as the enterprise’s indirect sales force. The enterprise does not directly connect with the end customer.</i>	<i>Reseller purchases products at a wholesale rate from the enterprise and resells to the end customer at retail price.</i>
	Referral	<i>Enterprise owns the products; referral partner does not purchase inventory, it simply recommends.</i>	<i>Referral partner initially enjoys a first-hand relationship with the enterprise’s target customer. If the partnership is successful, it will enable the enterprise to form a direct relationship with the referral partner’s audience, which is the enterprise’s target customer.</i>	<i>Enterprise compensates the referral partner for agreed-upon customer actions that the partner catalyzes (i.e., purchases, installs, repurchases). Enterprise pays only when the partner has successfully catalyzed agreed-upon customer behaviors.</i>

(Question 4 continued)

The referral partnership model has several benefits for both the enterprise and its partners.

Potential benefits for the enterprise:

- 1. The referral partnership enables the enterprise to work with an infinite number of potential partners to achieve their most critical business goals, not just partners that are able to purchase inventory and then sell downstream. As a result, the enterprise can optimize its efforts toward partners that have the most trusted relationships with its target customers.*
- 2. They enable enterprises to develop relationships and engage directly with their end users, a key source of advantage in today's customer-driven economy.*
- 3. Enterprises only pay for their partners' success in achieving their goals.*

Potential benefits for referral partners:

- 1. Partners can better meet the needs and desires of their audiences, customers, or viewers by bringing them a broad range of relevant products, services, and experiences from a variety of merchants.*
- 2. They can collaborate with any number of brands that are a good and authentic fit for their audiences, viewers, or customers, without having to purchase and carry any inventory. This economic arrangement helps facilitate honest, authentic, and trustworthy recommendations.*
- 3. Partners are compensated by enterprises when they have successfully met the needs of their audiences, customers, or viewers. (Source: Chapter 1)*

5. What are some of the key reasons for modern partnerships' success?

Why do modern partnerships (including referral partnerships) work? Provide three reasons and illustrate each with an example either from the book or from your own observations.

- 1. **Trust.** Referral partnerships success is rooted in the trust that a referral partner has established with its audience, viewers, readers, and customers. In today's marketplace, which is characterized by consumer skepticism, trust is key. It enables the referral partner to make recommendations to its people—and be heard. As long as these recommendations are relevant, authentic, and made with integrity, a referral partner*

(Question 5 continued)

has the power to generate demand for enterprise products, services, and experiences—over and over again. In the absence of referral partnerships, enterprises may not have the chance to be part of these conversations. Indeed, their target customers may never know they exist, much less interact with them.

An example of this trust is Sunbasket, the meal provider, being able to introduce Rastelli's, the premium proteins source, to its client base. Because Sunbasket already enjoyed established positive relationships with its customers, it was able to offer them a recommendation for another potential way to meet their food needs during the COVID-19 pandemic.

- 2. Enhance customer experience.** *Referral partnerships enhance an enterprise's customer experience. Customer experience is a target customer's overall experience with a brand, which is created through direct and indirect engagements with or about the enterprise. Exceptional customer experience is today's primary source of competitive advantage.*

Referral partnerships enhance enterprise customer experience by creating relevant conversations in which a brand can be positively introduced to its target customers. In the absence of these conversations, an enterprise may never get on its target customers' radar screen. Stated differently, in the absence of these conversations, a customer journey would not be started between the enterprise and its target customers. There would be no customer experience.

Referral partnerships begin customer journeys, and because these journeys are initiated by a trusted third party in a relevant and authentic way, they are likely to provide potential customers with a positive initial brand experience. As we have seen, in many cases referral partners continue to interact with potential customers across their entire customer journeys with the enterprise. As they do so, these partners are able to provide the enterprise's target customers with exactly what they are looking for: ready access to verified information with which they can quickly and confidently make decisions. When executed well, each of these interactions creates a positive brand impression, enhancing overall customer experience. Note that once a target customer has connected directly with the enterprise, it is up to the enterprise to continue to build positive interactions, and therefore, positive customer experience, with this newly acquired or returning customer. Think of how a glowing review in Consumer Reports can tee up a positive brand experience for potential customers.

(Question 5 continued)

Modern partners can also positively impact an enterprise's customer experience by continually enhancing the relevance and value of enterprise products, services, and experiences. They are able to help the enterprise meet this need for constant innovation by bringing additional features, functions, and resources to the table to broaden and strengthen customer value propositions. When done well—note that more features and functions do not automatically mean a better customer experience—this continual strengthening of the enterprise's value proposition enhances the enterprise's overall customer experience. Think of what the ability to purchase tickets in-app brings to the Spotify experience.

- 2. **Build business competitiveness.** Partnerships work effectively for companies across all business models— B2B, B2C, D2C, B2B2C, subscription, etc. As enterprises scale their partnerships, they build powerful skills and collaborative relationships that prove to be powerful barriers to entry for competitors. Scalability also enables enterprises to compete at a systems level by harnessing the knowledge, resources, and market presence of each of its partners. These partnerships are highly cost-effective, often operating on a pay-for-performance basis where enterprises only pay for results achieved. Referral partner content often creates synergies with enterprise marketing efforts, magnifying their impact and even reducing overall marketing spend.*

(Source: Chapters 1 and 2)

6. Why is it important to design partnerships to be mutually beneficial, a balance of effort and resources between partners?

The more fruitful partnerships an enterprise enjoys, the higher its potential returns. If partners are not treated well they will not be partners for long. Not only will the enterprise lose existing partners—and all the upfront investment it has made in them—but ill treatment will adversely impact recruitment efforts with other prospective partners. Word gets around. (Source: Chapter 5)

7. What are some of the critical factors to consider when determining whether a potential partner is a good brand fit for an enterprise?

Why do modern partnerships (including referral partnerships) work? Provide three reasons and illustrate each with an example either from the book or from your own observations.

- What are some of the key factors to consider when determining brand fit?

Questions to consider when determining brand fit include: *Do you have similar brand purposes and values? Are your brands similar in quality and distinctiveness? Do you engage with your customers in similar ways? Does the connection between your two brands make sense to your shared prospects and customers? Are they a credible advocate for your company? Is there any brand risk that may result from working with this potential partner? Is your potential partner's user experience what it needs to be?*

Assessing brand fit also involves examining a potential partner's user experience. In today's partnerships, the customer experiences your partner creates with or for you become an extension of your brand experience. This is true even if the touchpoints you create together don't take place on your own branded properties. As a result, the quality and effectiveness of your partner-based customer experiences matter. They must be on par with the quality of your overall user experience or the net effect will be negative. A poor customer experience, whether it takes place on an enterprise's own properties or that of one of its partners, is a poor customer experience. And when it comes to customer experience, one bad apple can spoil the whole bunch. A recent study by NewVoiceMedia found that 67 percent of customers are "serial switchers," i.e., they are more than willing to switch brands because of a poor customer experience. (Source: Chapter 5)

- Pick a favorite brand of yours. Briefly describe the brand, the customers it serves, and then select two potential referral partners. One partner should be a good fit and the other a miss. Be clever about selecting the miss; don't choose an obvious dud. Provide a rationale for why your choices are hits or misses using the factors you described above.

Students to provide examples of brand hits and misses and their rationale. One example of a hit could be Clif Bar & Company, which makes energy bars, partnering with the National Park Service to introduce park campers to Clif Bar's products. Clif Bar's energy bars could be an easy food for many campers to bring along.

8. What customer behaviors may enterprises want their partners to catalyze? How may the partners catalyze these behaviors?

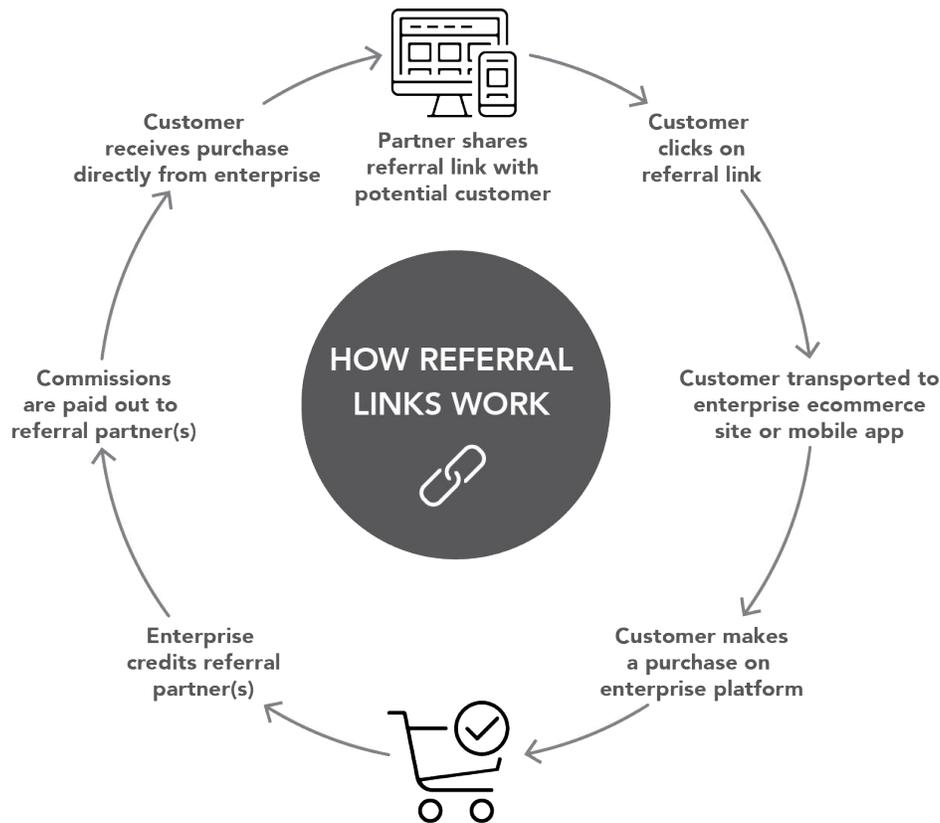
Enterprises collaborate with partners in order to achieve their business goals. For each of the following enterprise business goals, consider what behaviors an enterprise may want its potential partners to catalyze from its target customers. How can a partner catalyze this behavior? What type of content or experiences can it create and offer its audiences in support of the goal? Record your suggestions in the table below.

Catalyzing Customer Behaviors to Meet Business Goals

Enterprise Business Goal	How can an enterprise partner catalyze this behavior(s)? What type of content or experiences can it create and offer its audiences in support of this goal?
<p>Build awareness of enterprise brand</p> <p>The enterprise wants its target customers to find out about its brand during their search for information so those customers may consider the brand as a potential solution to their need or desire.</p>	<p><i>This is an early-in-the-shopping-cycle play. The partner’s role is simply to introduce the enterprise to its target customers. If the partner is an influencer, they may post content about the enterprise and its products, services, or experiences on their social media site. If it’s a mass media publisher, it may publish a more general article about a need or product category (e.g., essential back-to-school items) that highlights the enterprise and its offerings.</i></p>
<p>Secure new customers for the enterprise</p> <p>In addition to finding out about the brand and its solutions, the enterprise would like its partners to drive consideration and eventually lead interested consumers to a place where they can make a purchase.</p>	<p><i>This is an entire shopping journey play. In this case, the partner would want to drive consideration so it would provide more detailed product content—perhaps product comparisons. A referral link would take the reader to the enterprise’s ecommerce site(s) where a purchase could be completed.</i></p>
<p>Increase customer lifetime value</p> <p>The enterprise wants its partners to catalyze more shopping journeys or product usage, or higher average purchase amounts from its existing customers, thereby increasing customer lifetime value.</p>	<p><i>The goal here is to catalyze additional shopping journeys for existing enterprise customers and/or to increase the dollar amount of their purchase. In this case, the partner would share content and offers with existing clients, hoping to tee up additional sales. It may also offer add-on recommendations and deals: “People who bought this often buy that, and here’s a discount for you!”</i></p>

9. What is the referral link experience like for potential customers?

Referral links are one of the ways that enterprises are able to monitor the customer traffic each partner sends their way. Referral links are an aspect of an accurate tracking and measurement system, one of the six building blocks of partnerships. The diagram below captures the underlying mechanism of how referral links work, but what is the consumer experience of a link like?



How referral links work. (Source: Chapter 2, Figure 2.4)

What is the consumer experience like for consumers? Take a few minutes to explore the referral links used by the mass media publisher, [Wirecutter](#). Wirecutter is known for its reliable, thorough, and unbiased product recommendations. To get first-hand experience with its referral links, look up: “the best electric toothbrush.” When results appear, take a moment to peruse Wirecutter’s recommendations.

(Question 9 continued)

Why do modern partnerships (including referral partnerships) work? Provide three reasons and illustrate each with an example either from the book or from your own observations.

- Which information is available to a potential customer on the initial landing page? In your opinion, is there enough information available to make a purchase right then and there? Why or why not?

The initial link takes you to an [article](#) that describes and rates various electric toothbrushes. These recommendations are based on “more than 100 total hours of research, interviewing experts, evaluating nearly every model available, and testing 36 toothbrushes ourselves in hundreds of trials at the bathroom sink.”

The winner, as of the date of this writing, is the Oral-B Pro 1000, which “has the fewest fancy features of the models we tested, but it does have the most important things experts recommend—a built-in two-minute timer and access to one of the most extensive and affordable lines of replaceable toothbrush heads available—for the lowest price.” The article also offers a runner-up option.

As for whether there is enough information, that’s a personal choice. (Maybe someone wants to also talk with their mom?) That being said, there’s plenty of information available about who conducted the research, how it was conducted, why customers should trust them, features potential purchasers may or may not need, competitive products, and more.

- When a potential customer clicks on one of the referral links for ORAL-B Pro 1000 (see red boxes in diagram), where are they directed and what do they find?

When I clicked on this referral link, I was transported to the enterprise’s own website where I could find out more about the product, including the different colors available and other related items I might like. I could also read consumer reviews, find out about delivery dates and return policies, and make a purchase.

Oral-B Pro 1000

The best electric toothbrush

The Oral-B Pro 1000 has the most important features for the lowest price: a two-minute timer, an easy brushing process, and compatibility with the largest range of brush heads.

\$40* from Walmart

\$40 from Amazon

\$50 from Target

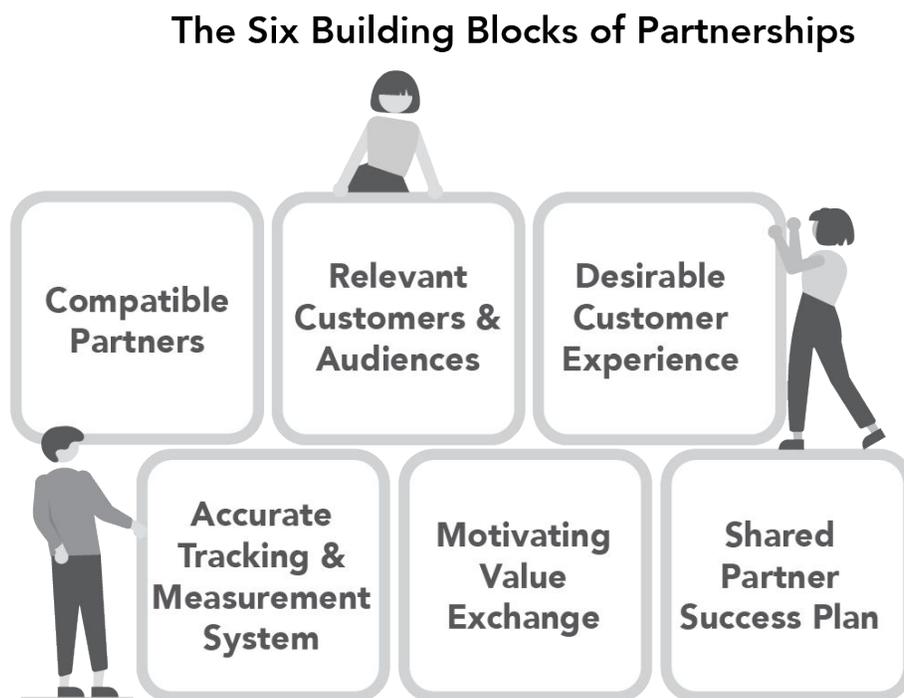
(Question 9 continued)

- In the absence of these links, what steps would a customer need to take to complete a purchase? What are the risks associated with relying on potential consumers to take these extra steps on their own?

I would need to conduct my own search for the product, find out who sold it, where I could find the best deal, when I might be able to get it delivered, etc. It wouldn't be a seamless purchase journey. It would take significantly more steps and I would probably get distracted before making a purchase. Walmart would lose out on a sale. Neither Walmart nor Wirecutter would have an effective way to track the effectiveness of Wirecutter's recommendation, and Wirecutter would not be compensated for the sale it teed up.

10. How can the Partnership Design Canvas (PDC) described in Chapter 5 be used to design and/or evaluate a potential partnership?

The PDC is a simple visual tool designed to help enterprises and their partners proactively explore the six building blocks of potential partnerships (see diagram below).



The six building blocks of partnerships. (Source: Chapter 5, Figure 5.1)

(Question 10 continued)

With this in mind, imagine that you work for a company that sells a dark, rich, and roasty coffee alternative. To be successful, your company needs to both attract new customers and retain them. Your chief marketing officer (CMO) is interested in how partnerships may be able to help your company both find and recruit new customers and encourage them to make regular monthly purchases of your product.

Toward this end, your CMO has also asked you to research how the shaving products company, Harry's, is employing partnerships to attract and retain new customers. She believes that Harry's is a good potential model for your company because like your company, Harry's sells a consumer product that needs to be purchased regularly in order for its pricing model to be successful.

More specifically, your CMO is interested in how Harry's has structured its partnership with the ACME financial services company's loyalty program. She is curious about whether their partnership would be a good model for your company to adopt. Your CMO has asked you to research the Harry's and ACME partnership and report back to her with your findings. She would like you to use the PDC to do so.

- Your job is to fill out the PDC to the best of your ability; use the details provided about the partnership in Chapter 5 as a basis for your report. The CMO has instructed you to make educated inferences where possible. If not enough information exists, indicate your awareness of the need for more details by writing in "TBD" (to be determined). Use the questions from the PDC that follow to guide your exploration.
- Next she would like to hear a summary of your key takeaways.

(Question 10 continued)

Harry’s Partnership Design Canvas	
Potential Partner:	<i>ACME, a financial services company that has several popular credit card brands</i>
Compatible Partners	
<p>Complementary Business Objectives:</p> <p>What are our complementary objectives? Do we understand each other’s goals? What does each of us bring to the table? What do they have that we need? What do we have that they need?</p>	<i>In this case, Harry’s is looking for a referral partner that will introduce the Harry’s brand and introductory gift package to new customers. The loyalty programs are looking for great brands and products to offer their members as part of their loyalty rewards programs. Harry’s brings the brand and the products; the loyalty program brings the customers. Yes, it appears as if each has what the other wants—assuming the loyalty program’s members are Harry’s target customers and not existing Harry’s customers.</i>
<p>Brand Fit:</p> <p>Does this partner meet our ideal partner criteria? Is there any brand risk? Would an endorsement from this partner about our product sound credible to our target customers? Why?</p>	<i>ACME is a well-known financial services company with several credit card brands. The popularity of its brands is due in large part to the company’s generous rewards programs that reward ACME cardholders for purchases made with their card. ACME cardholders are able to see their accrued rewards and use them to “purchase” merchandise via ACME’s rewards program platform. In this highly competitive marketplace, we assume that members are pleased with ACME and its rewards program. From what we can tell, there is limited brand risk. An endorsement from ACME would be a feather in Harry’s cap.</i>
<p>Competitor Status:</p> <p>Does this partner already work with one of our competitors? What does that partnership look like, and can we be competitive against them?</p>	<i>Please note, there is not enough information in the text for students to answer this question. If their fictitious CMO had asked them to do additional research beyond the text, this is where students would need to collect more information. In this case, an appropriate response for students is TBD.: to be determined. Our primary goal here is to have students become familiar with the PDC and the questions it asks, rather than to answer all of the questions.</i>
<p>Ability to Collaborate:</p> <p>Does this partner have a history of collaboration? Are they prepared to contribute the necessary resources and effort for this partnership to succeed? What concerns do we need to address?</p>	<i>Same response as in Competitor Status: TBD.</i>

(Question 10 continued)

Harry’s Partnership Design Canvas (cont.)	
Compatible Partners (cont.)	
<p>Desire to Work Together: Do we want to work with this partner? Is this a good use of our resources? Are we a priority for them?</p>	<p><i>Same response as in Competitor Status: TBD.</i></p>
Relevant Customers and Audiences	
<p>Who will this partnership target? Are they one of our target audiences?</p>	<p><i>The partnership will focus on Harry’s target customers. Harry’s will compensate ACME for recruiting new customers, not existing Harry’s customers.</i></p>
<p>Does this partner have access to, and a trustworthy relationship with, this audience?</p>	<p><i>Yes, ACME has a great reputation with its members.</i></p>
<p>What is the size of the accessible target audience for this partnership?</p>	<p><i>There is not enough information in the text for students to answer this question, thus: TBD.</i></p>
Desirable Customer Experience	
<p>What is our customer value proposition? What is the customer experience we will create? Who is doing what, when, where, and with whom, and with what outcome or result?</p>	<p><i>In this case, the customer experience will initially take place on the loyalty program’s membership website. It will create a product page for Harry’s that describes the introductory gift package, provides visual images, and perhaps even customer reviews that are on par with its other recommendations. It may also highlight Harry’s as a new offering to its members to expand potential reach.</i></p> <p><i>A referral link will take interested ACME members to Harry’s website to make a “purchase.” As soon as that “purchase” is made, ACME will credit its cardmember’s card for the purchase amount and deduct that amount from the cardholder’s rewards account. (This is how members will use their rewards to purchase Harry’s introductory gift package.) Within a few days, the Harry’s gift box will arrive at their doorstep. In the future, when ACME cardholders need additional cartridges or shaving gel, they can “purchase” them in the same way.</i></p>

(Question 10 continued)

Harry’s Partnership Design Canvas (cont.)	
Desirable Customer Experience (cont.)	
Do we think this will be a desirable experience for our target customers? Is this experience what they are looking for? How do we know?	<i>Yes, we think it is as it is comparable to that of other brands appearing on the site. Harry’s makes the product arrival and opening experience quite memorable.</i>
Accurate Tracking and Measurement System	
Which set of customer behaviors do we want to catalyze? How will we track these actions?	<i>ACME is acting as a referral partner, introducing the Harry’s brand and introductory gift package to its members. The goal is for interested members to click on a referral link that will take them to the Harry’s site where they can learn more about Harry’s and its products and complete a purchase.</i>
Which consumer behaviors do we want to reward our partner for catalyzing?	<i>Harry’s only wants to compensate ACME for new customer sales.</i>
Which metrics will we use to evaluate our success?	<i>New customers, purchases, subsequent purchases.</i>

What are your key takeaways after completing the PDC?

Partnerships can be custom designed to meet the goals of both parties in any number of ways. The sky’s the limit when it comes to creativity in designing partnerships. The key is that they are structured to be a “win, win, win” for the customer, the enterprise, and the referral partner.

Motivating Value Exchange

- How will we compensate this partner? Will the partnership reward our partner for catalyzing our desired customer behaviors? Is the commission structure we are proposing fair and motivating?

Harry’s compensates ACME for bringing in new customers in several ways. First, it provides them with the introductory gift package free of charge. That means ACME doesn’t pay

(Question 10 continued)

anything for the gift package it sends to its members. Second, Harry's uses a chained compensation structure to pay ACME referral fees for new customers it brings in. Here's how the chained compensation model works: Harry's pays ACME a small upfront referral commission fee for any new customers ACME brings to Harry's. Harry's pays ACME a higher commission rate on any subsequent purchases those customers make via the ACME member website.

- What are the benefits that this partnership will create for us and for our partner—financial and nonfinancial? What resources and effort does each partner contribute? What risk does each partner assume? Are the benefits/effort/risk equivalent for each partner?

Benefits for ACME: financial compensation, brand association with Harry's, new merchant brought into its program. Benefits for Harry's: new customers brought in with lower cost than other customer acquisition methods, repurchase mechanism available via ACME website to support future purchases and growing customer loyalty, brand association with ACME.

- Are there special terms we want in our contract?

While no special terms are outlined in the chapter, a common "special term" could involve a return period in which Harry's would wait to pay ACME commission for new customer purchases until the return period is over. In this case, if a consumer returns the gift package within seven days of purchase, ACME would not receive its upfront commission. This protection encourages referral partners to ensure that offers are sticky enough to ensure satisfied customers.

Shared Partner Success Plan

- What are the key activities that need to take place for this partnership to get to productivity?

There is not enough information in the text for students to answer this question, thus: TBD.

- Who is responsible for what and in what time frame?

There is not enough information in the text for students to answer this question, thus: TBD.

(Question 10 continued)

- What does our calendar contain for upcoming promotions, campaigns, and content around which our partner can plan?

There is not enough information in the text for students to answer this question, thus: TBD.

- What are key milestones?

Signing agreement, creating web presence and links, launching product offering on loyalty website, first sales, sales over time.

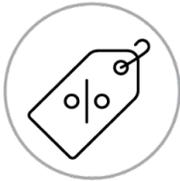
- How and when will we review our partnership's performance?

There is not enough information in the text for students to answer this question, thus: TBD.

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Part II: What Are Modern Partners?

There are several types of modern partners. Major categories include:



COUPON, CASHBACK, AND LOYALTY PARTNERSHIPS

offer discounts, cash back, and reward points to consumers for undertaking various activities including making a purchase. Examples include iBotta, RetailMeNot, Giving Assistant, and Chase Sapphire Rewards.



INFLUENCERS AND BRAND AMBASSADORS

are creators, writers, editors, podcasters, photographers, bloggers, community managers, experts, celebrities, and people just like us that have something to say and connect with others to talk about their shared interests. Examples include Oprah Winfrey and Richard Branson.



MASS MEDIA PUBLISHERS

are online and offline publishers and media companies that produce content covering a wide range of industries and formats (i.e., videos, podcasts, articles, infographics). Several of these partners have expertise in commerce content, employing storytelling as a conversion-driving strategy. Examples include Sports Illustrated, CNN.com, and BuzzFeed.



STRATEGIC BUSINESS PARTNERSHIPS

are brand-to-brand collaborations focused on creating joint value for two or more organizations (B2B, B2C, and B2B2C) and their shared customers and audiences made possible by leveraging both brands' strengths and credibility. Examples include Ticketmaster and Spotify and Sunbasket and Rastelli's.



COMMUNITY GROUPS, ASSOCIATIONS, AND CAUSE-BASED

ORGANIZATIONS comprise a subset of strategic business partnerships that are focused on a particular membership group of interest. Examples include GEICO offering special savings to alumni association members, faculty, and staff of selected colleges and universities.



ONLINE MARKETPLACES

are a type of ecommerce platform where multiple merchants' products, services, or experiences are offered by the marketplace operator, providing consumers with a wide array of options in one place. Sales conversions take place on the ecommerce platform and are fulfilled by the merchants directly. Some marketplaces provide a wide variety of goods, while others are customer or customer need focused. Examples include Amazon, Tencent, Taobao, and eBay.

1. Who are the partners you might consult with on a potential purchase?

Referral partnerships are built on trust. Each of us has our own trusted circle of sources with whom we consult when exploring and fulfilling our various needs and desires.

- Imagine that you are in the market for one of the following items:
 - An engagement ring
 - A credit card offering no fees and great benefits
 - A “smart home” starter kit

Undertake a hypothetical shopping journey. Which steps would you take to identify, investigate, and ultimately purchase the product you chose? Where would you look? Which questions would you ask? Which sources would you consult? Which sources would you decline? Why?

Since this is a hypothetical shopping journey, please ensure that your shopping journey is complete within 15 steps. Stated differently, if you get to step 12 and have not made a purchase, make it happen.

- Record each of the steps you take in the table, “Your Hypothetical Shopping Journey,” which can be found after question #2, below. Be sure to include all the links you explored. The example directly below identifies the first four steps we took when undertaking a search for the perfect mountain bike.

EXAMPLE: First Four Steps of Hypothetical Shopping Journey for a Mountain Bike

	What do you want to know at the beginning of this step?	What did you do to find that knowledge?	Which resources did you consult with AND which sources did you decline? Why?	Was a partner (or potential partner) involved? If so, what role did they play?
#1	<i>What is a mountain bike and how does it differ from other kinds of bikes?</i>	<i>Internet search with the question: What is a mountain bike?</i>	<i>Clicked on an article published by Livestrong.com on the differences between a mountain bike and a road bike. Looked for a third-party source in the results that I thought might be reliable, unbiased, and not just advocating for one manufacturer's bicycles.</i>	<i>Livestrong.com could be a potential partner. This was a very general article, however, it did not introduce me to any brands or bike models.</i>
#2	<i>What do other third-party sources say?</i>	<i>Internet search with the question: What are the best mountain bikes of 2021?</i>	<i>Clicked on an article entitled "10 best mountain bikes for 2021" by outdoorgearlab.com, which publishes reviews about outdoor equipment.</i>	<i>Outdoorgearlab is a likely partner with several brands. In this article it introduced me to potential brands and their models—played an introductory role.</i>
#3	<i>Saw how expensive bikes are and decided to start by investigating the best budget bikes.</i>	<i>Clicked through a referral link in the Outdoorgearlab article about the best mountain bikes to see what it recommended for the best budget bike out there.</i>	<i>Read Outdoorgearlab review of best budget bikes.</i>	<i>Outdoorgearlab played an introductory and influential role.</i>
#4	<i>What do other third-party sources recommend for budget mountain bikes?</i>	<i>Internet search with the question: What are the best budget mountain bikes?</i>	<i>Clicked on an article by a biking review site, Pedallers, on best budget mountain bikes.</i>	<i>Pedallers could absolutely be a partner to several brands. It played an introductory and influential role.</i>

2. What role did partners play in your hypothetical shopping journey?

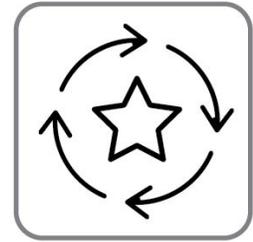
Shopping journeys reveal the different types of partners that influence a shopping journey and the roles each partner plays. Recall that partners can play three different roles: introduce and influence, close, and re-engage and retain.



**INTRODUCE
AND INFLUENCE**



CLOSE



**RE-ENGAGE
AND RETAIN**

- For each step of the hypothetical shopping journey you just undertook, explore whether a partner was involved (distinct from those steps catalyzed by an ad or content directly provided by the enterprise selling the product). If a partner was involved, indicate the type of partner and the role they played in row 7 in the table below.
- What are your key takeaways?

Partners can work on their own or in tandem with other marketing efforts. Partnerships inject trusted advice into a shopping journey, which often builds more credibility into the process. Sometimes this presence shortens the shopping journey as it enables potential customers to get the answers they need, easily and from reliable sources. Often this presence leads to higher customer satisfaction with a purchase.

Your Hypothetical Shopping Journey

	What do you want to know at the beginning of this step?	What did you do to find that knowledge?	Which resources did you consult with and which sources did you decline? Why?	Was a partner (or potential partner) involved? If so, what role did they play?
#1				
#2				
#3				
#4				
#5				
#6				
#7				
#8				
#9				
#10				
#11				
#12				
#13				
#14				
#15				

3. What are strategic brand-to-brand partnerships?

Strategic brand-to-brand (SB2B) partnerships are some of the most powerful forms of partnerships. What's different is the parties to SB2B partnerships are both enterprise brands—they are not influencers, brand ambassadors, mass media publishers, or traditional affiliates. They are like-minded businesses choosing to work together to create compelling customer experiences that are greater than the sum of their parts. Successful SB2B partnerships range from joint promotions all the way to complex product integrations.

- Recall some of the complex product integration partnerships discussed throughout *The Partnership Economy*. Consider how the Ticketmaster integration in the Spotify app, the Airbnb integration into the Qantas reservation site, and the Tasty and Walmart app integration created new and enhanced customer experiences for both parties.
- Consider one of your favorite brands. Which potential partner do you think could significantly increase the value of your favorite brand through some type of product integration? Provide your rationale.

Students to provide suggestions. An example might be the fitness app Peloton integrating with Zoom to provide Zoom users with online health and wellness classes. Classes could include a five-minute meditation or lower back relief—classes that might address the very issues that arise from working on Zoom.

(Source: Chapters 1 and 10)

Part III: Get Started in Partnerships

1. Can you make the business case for partnerships?

Imagine you're asked to make the case for the use of partnerships to catalyze growth for your company to key company stakeholders—among them your chief marketing officer (CMO) and chief financial officer (CFO).

One of the ways to effectively do this is to create a short pitch that makes the initial case for building a partnerships program. The pitch describes the potential opportunity as clearly and succinctly as possible. The goal of the pitch is to persuade key stakeholders to give a preliminary “yes” to the partnerships opportunity that will allow you to build a more in-depth plan.

Devise a pitch for a partnerships program for your company. Your pitch should take no longer than two minutes and address the following:

- How are current partnerships helping companies achieve growth and competitive advantage in today's fast-changing, highly competitive, and consumer-led marketplace?

Partnerships are allowing enterprises to grow at solid, significant, and steady rates. Partnerships are able to do so even in the midst of consumer distrust of enterprises and their advertising and proprietary content since the partners are trusted third-party voices. Partnerships can cut through the noise, and generate and capture demand.

Today's partnerships are flexible and creative, and can be designed to realize any number of business goals. Partnerships enable enterprises to make money in traditional ways (acquiring new customers, entering new markets, increasing customer lifetime value) and also by enabling strategic pivots. They keep enterprises close to the market and consumer preferences because the partners themselves are very much a part of this world—they are trusted sources for their followers.

Many of today's partnerships are performance-based, which makes them highly cost-effective. They can also increase the efficiency of enterprise marketing spend by shortening customer journeys, increasing consumer confidence in purchase decisions, and creating great content that can be repackaged for other marketing efforts.

(Question 1 continued)

- How will a partnership effort enable stakeholders such as a CMO and a CFO to better meet their goals?

CMO: Helps enterprises to be found by target customers; can be more cost-effective than other customer acquisition efforts; can enhance marketing spend; can keep enterprises close to the market and changing customer preferences; and can generate great content that can be repackaged into marketing efforts.

CFO: Automation can decrease time, effort, and cost of partnerships activity; has a very high return, especially when designed to be performance-based; can enable innovation and quick strategic pivots that can protect revenue during market disruptions.

(Source: Chapter 12)

2. What is this thing called “partnerships experience?”

Suppose your colleagues are familiar with the phrase “customer experience” but are not familiar with the concept of partnerships experience.

- How would you explain the concept of “partnerships experience” to your colleagues and why is it important for enterprises to understand?

Customer experience (CX) is the totality of cognitive, affective, sensory, and behavioral consumer responses to a company throughout their extended customer journeys. In today's highly competitive and customer-driven marketplace, the ability to create an excellent and positive customer experience is a key source of competitive advantage. It impacts which prospects will actually convert to customers and remain satisfied customers over time.

Partnerships experience is similar to customer experience although it takes the perspective of the partner rather than the customer. Partnerships experience is the totality of the experience partners have with their enterprise partner over the extended partnership life cycle. Excellence in partnerships experience is critical. It determines who an enterprise can partner with and how successful that partnership is likely to be. Partnerships program success is dependent upon an enterprise proactively designing the partner experience from start to finish.

- What are some of the factors that contribute to exceptional partnerships experience?

Enterprises can know what really matters to their partners by taking an “outward-in” look, flipping perspectives to see the world through the eyes of their partners. Some of the common factors that contribute to exceptional partnerships experience include: offering relevant and marketable products for partners to recommend; constructing a solid partnerships program with motivating incentives; ensuring a simple and seamless conversion and post-conversion experience; adopting and living by a friction-free partnerships process which includes everything from recruitment through ongoing optimization; and proactive support for partner success (i.e., relevant and timely education, resources, content, partnerships performance data). Having an overall partnerships vision and a partnerships value proposition can help guide enterprises' partnerships efforts and serve as a strong recruitment tool for potential partners (as long as they reflect a partner's actual experience).

(Source: Chapter 12)

3. Why would a company choose to work with a partnerships agency?

Your company has experienced considerable success with partnerships. After much consideration, your team decides that it will work with a partnerships agency to build your partnerships presence in a new market. What are some of the reasons you would choose to do so?

Enterprises have three options when it comes to creating, managing, and growing their partnerships portfolio: manage everything in-house; hire an agency; or operate under a hybrid model where some portion of their portfolio is managed internally and some externally. Collaborating with agency partners is common practice. Enterprises of a variety of sizes, business models, and levels of partnerships program maturity work with agency partners.

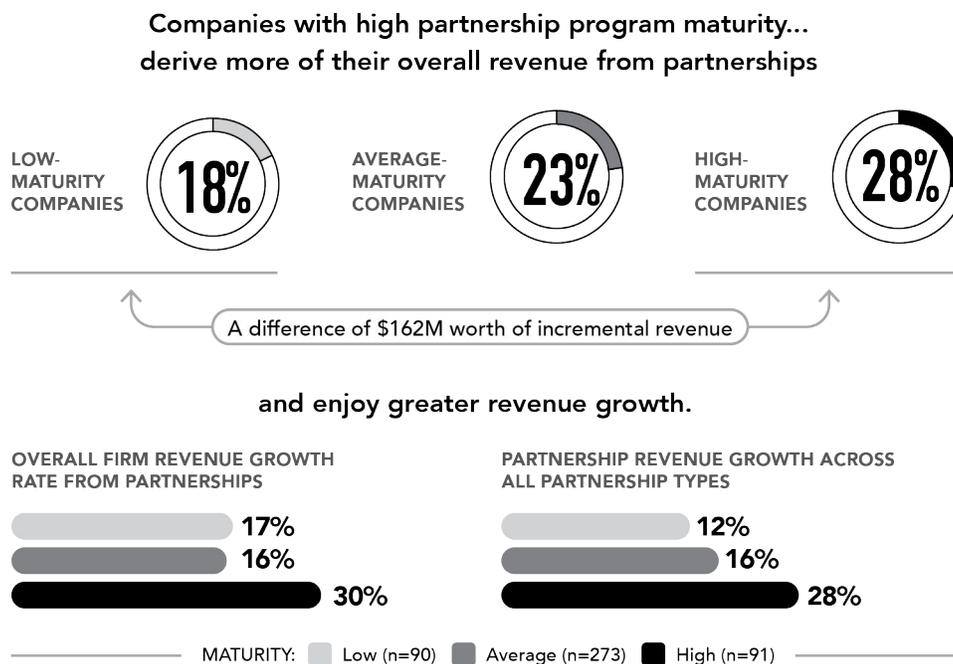
Why do enterprises choose to work with agencies? Companies look to their agencies for expertise and efficiency. Some enterprises want to create a partnerships program from the ground up while others want to expand their existing portfolio in a different region or direction. Still others look to agencies to handle the tactical and operational aspects of their program or to conduct a one-time audit. And there are many variations that fall in between these two endpoints. The common denominator is the need for resources—capability, capacity, relationships, and/or tech expertise—that enterprises currently don't have, or don't have enough of.

(Source: Chapter 14)

Part IV: Unleash Your Partnerships Potential

1. What difference does “maturity” make to partnerships program financial results?

Enterprises can generate revenue and achieve additional business goals whether they are party to 10 or 10,000 partnerships. However, creating the conditions that enable their partnerships programs to expand and develop to their full potential is where the most value lies.



Source: Adapted from a commissioned study conducted by Forrester Consulting on behalf of Impact, April 2020. © 2020 Forrester. Reproduction prohibited.

(Source: Chapter 1, Figure 1.6)

As enterprises gain traction they reap greater rewards. Forrester found that companies with the strongest partnerships capabilities, organizations they describe as having the highest level of maturity, significantly outperform companies in earlier stages of maturity. They derive an average of 28 percent of overall revenue from partnerships compared to 18 percent for companies that are just getting started. That’s a difference of \$162,000 in incremental partnerships revenue.

(Source: Chapter 1)

2. How can you diversify a partnerships program?

One proven partnerships program maturity strategy is to diversify the number and types of partnerships in your program. While the universe of potential partnerships is huge, the challenge is to find them. Using the discovery capabilities of partnerships platforms can go a long way toward identifying potential partners; however, you can manually identify great candidates as well. Let's explore the possibilities.

- For this exercise, bring a favorite brand to mind. Briefly describe what the brand does, its target audience, and why the brand works for you. (See an example using the Outdoor Voices brand, below.)
- Next, imagine that the brand wants to acquire new customers. Which potential partners and partnership types might make sense for them? Consider each of the partnership types listed below. Do they make sense for this brand to consider? Why or why not? Record your answers in the chart below.
- Consider the customer experience that could be generated for each partnership type you recommend. Provide an example of how the enterprise brand and a specific partner might work together, plus the customer experience they could offer their shared or similar customers. Record your answers in the chart below.

EXAMPLE: Diversifying a Partnerships Program

- **Brand:** Outdoor Voices (OV)
- **What they do:** OV is an American clothing company focused on the design and sale of athletic apparel. Their mission is to “get the world moving.” Their hashtag: #DoingThings.
- **Target customers:** Adults interested in fitness that is not necessarily related to performance; focus is on recreation as a way to feel strong, happy, and confident.
- **Why this brand works for me:** I am all about fitness, health, and feeling strong and confident.
- Potential partnership types that might work for this brand for customer acquisition:

EXAMPLE: Diversifying a Partnerships Program

Partnership Type	Employ? Why or why not?	Potential Partners	Potential Customer Experience
Coupon, cashback, or loyalty partnerships	<p><i>Yes, they could bring many new customers to OV because of their reach.</i></p> <p><i>Have to be careful in constructing an offer: The goal might be to offer value without discounting the brand.</i></p>	<p><i>Coupon, deal sites, and cashback sites.</i></p> <p><i>Giving Assistant?</i></p> <p><i>Credit card loyalty sites: AMEX, Chase Sapphire?</i></p>	<p><i>Coupon or cashback sites: Free shipping on purchases over a certain amount or free shipping for new clients?</i></p> <p><i>Loyalty programs: Perhaps create the opportunity to design your own “go-to” outfit by mixing and matching from a variety of options with a goal in mind: work from home, outdoor fun, layers.</i></p>
Influencers or brand ambassadors	<p><i>Yes, could build awareness of OV among their followers.</i></p>	<p><i>Influencers such as Aimee Song or Olivia Palermo?</i></p> <p><i>Brand ambassadors: folks just like me who have mixed and matched cool outfits for #DoingThings?</i></p>	<p><i>Images, stories, and blog posts, as well as invites to events at OV stores (“new releases available in stores this week” or “a new pop-up store has popped up!”)</i></p>
Mass media partnerships	<p><i>Yes, could build awareness, drive consideration, and close deals for OV with their viewers, readers, followers.</i></p>	<p><i>Harper’s Bazaar, Vogue, Women’s Health, Women’s Wear Daily?</i></p>	<p><i>Stories about new releases with links to “get it now!” Reviews or comparisons with other athleisure clothing brands with links to make purchases easy.</i></p>
Strategic brand-to-brand	<p><i>Yes, could introduce OV to their clients or create some type of product or experience integration that might enable them to also gain new customers.</i></p>	<p><i>ClassPass, Teva, Keen, Speedo, Stitch Fix, Zoom</i></p>	<p><i>Co-create products or product pairings (Teva and OV) and/or related events that would bring together the best of both. Zoom, for example, could promote OV’s comfortable work- from-home options.</i></p>
Community groups, associations, and caused-based organizations	<p><i>Yes, could introduce OV to their customers, followers, members.</i></p>	<p><i>Hiking groups, pet shelters (outfits for walking with my new dog)</i></p>	<p><i>Could offer special “go-to” outfits for #DoingThings that relate to that community or cause. Or simply provide an introduction, letting various groups know about OV (i.e., great clothes for hiking in fall, outfits for walking your new dog).</i></p>

(Source: Chapters 11 and 15)

3. How can you diversify a partnerships program?

How can enterprises work with their partners to optimize their results?

One of the most important ways enterprises can help their partners optimize their results is to share partnerships performance data with them. Partners generally operate in the dark about how their activities are impacting enterprise results. Sharing real-time performance data enables partners to proactively test different content and make adjustments.

Other key tools include the combination of products, creative assets, and promotions that enterprises offer their partners; incentive structures (is it motivating and competitive with others?), and additional training and mentoring.

(Source: Chapters 13 and 15)

4. Partnerships ecosystems are the next evolution in partnerships program maturity.

- What is intriguing to you about a partnerships ecosystem?

Students to provide questions.

- What more would you like to know about partnerships ecosystems? What questions do you have?

Students to provide questions.

(Source: Chapter 17)