



Dealer Partner Program Market Study Report 2025

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Intro To AGI: One-Stop Shop For Revenue Growth Challenges In Sales, Marketing, & Service Organizations

AGI specializes in commercial model optimization, including partner programs!



GO-TO-MARKET STRATEGY

- Long Term Growth Planning
- Customer Segmentation & Targeting
- Growth Marketing & Demand Generation
- Coverage & Channel Strategy
- Customer Experience & Engagement
- Job Design & Org Structure



REVENUE OPERATIONS

- Headcount Planning
- Territories & Quotas
- Pricing
- Pipeline & Forecasting
- KPIs, Dashboards, Tools
- Partner Programs



TALENT

- Sales Compensation & Pay Programs
- Job Competencies & Architecture
- Talent Assessment & Performance Management
- Enablement & Training
- Change Management

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Partner Program Benchmark Study Overview

Goals

The primary objective of this research effort is to understand the contemporary channel partner program practices utilized in the U.S. market by peer manufacturing companies and best-in-class organizations. Specifically, this focused on dealer programs. Dealer: Entities selling directly to contractors and/or the end customer that are often of smaller scale than distributors, focus on customer service, product installation, and after-sales support

Two core topics through this research effort:

- **Partner Program Structure & Tiering:** How are manufacturers optimizing their partner program structures to increase engagement and support partners?
- **Partner Incentives (Financial & Non-Financial):** What financial and non-financial incentives are manufacturers offering to drive partner engagement and mutually beneficial performance?

Representative Sample of Study Participants

Reach out to AGI for sample list of participants




See contact info last page of study

Methodology

- 1 **Partner Program Documentation Collection:** AGI collected detailed partner program documentation from each study participant.
- 2 **Survey Collection:** AGI distributed a survey to all study participants to gather specific information on each participant's partner programs.
- 3 **Participant Interviews:** AGI conducted 1-hour interviews with individual participants to supplement survey responses and provide additional, strategy- and process-related nuances.

Executive Summary

Market Trends

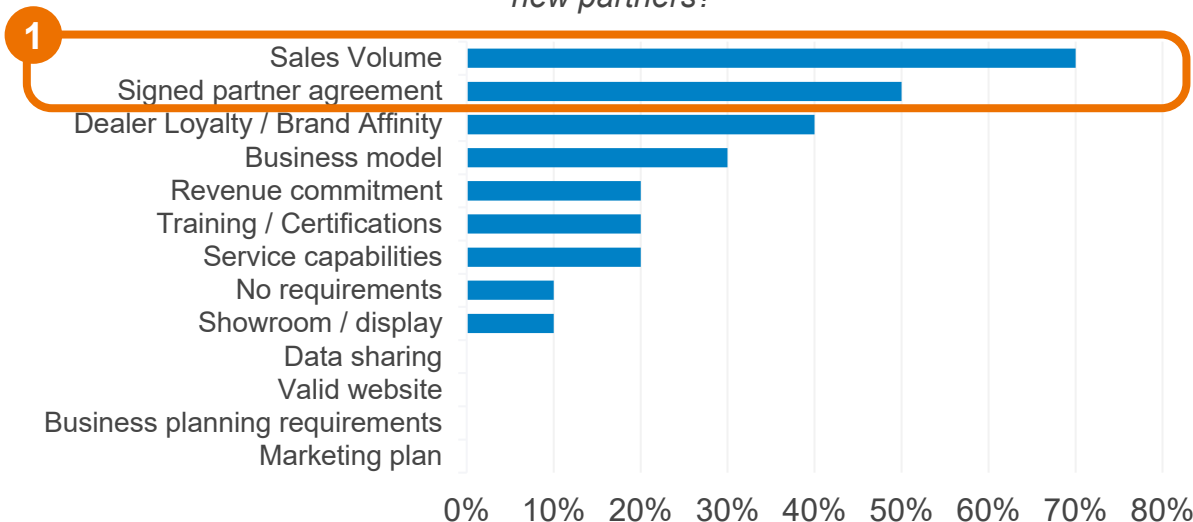
 <p>Eligibility <i>Requirements to enter program</i></p>	Criteria to join	<ul style="list-style-type: none"> • Top 2 eligibility requirements – Volume (70%), Signed Agreement (50%) • Most companies (80%) have a single program vs disparate separate programs
 <p>Structure <i>Number of tiers, tier mobility</i></p>	# of tiers	<ul style="list-style-type: none"> • 60% have 3 to 5 tiers • 70% do not target a specific amount of volume / accounts in tiers
	Tier criteria	<ul style="list-style-type: none"> • Common to use volume (89% surveyed) • Ancillary factors include dealer loyalty, YoY revenue growth, and showroom / displays
 <p>Financial Incentives <i>Rebates, co-op, pricing</i></p>	Pricing Discount	<ul style="list-style-type: none"> • 38% have pricing formally within the program, 38% outside • Discounts range from 10% to 30% - varied by industry & other benefit offerings • Pricing differentiated by tier
	Rebates	<ul style="list-style-type: none"> • Lowest tier rebate ranges: 0% - 3.5%, Highest tier rebate ranges: 2.5% to 8.5% • Most companies pay back to dollar 1 (once hit threshold or simply from the start)
	Co-Op	<ul style="list-style-type: none"> • Most co-ops (80%) are earned as “% of spend”. Select (20%) use a ‘fixed’ amount • Co-op amounts are typically 0.3% to 2.0% with 50% strongly enforcing adherence to co-op spend rules • Displays are rarely given for free (only 33%)
 <p>Non-Financial Incentives <i>Marketing support, exec access,, etc.</i></p>		<ul style="list-style-type: none"> • Few companies offer non-financial benefits (only 18%). However, almost all cited go-forward investment to further differentiate their program from competitors • Dealers desire more executive access & in-person events

Eligibility & Structure

Volume Centric Programs Align to Legacy Practice but Differ from Evolving Best Practice

Eligibility Criteria

Question: What partner program eligibility criteria do you use to qualify and select new partners?



Observations

- 1 Volume & signed agreements are common eligibility criteria
- 2 Few programs (38%) require post installation services – those that do typically require for a select tier
- 3 Tier mobility is very volume centric (89% of respondents surveyed)
- 4 Uncommon to use dealer loyalty, YoY revenue growth, or showroom display requirements for tier mobility

Tier Mobility

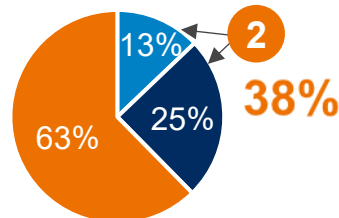
Question: What criteria do you use to determine partner tier assignments? Please rank the criteria that is used from most to least important.

	Average Rank of Importance	% of Respondents
Sales / revenue volume total	1	89%
Dealer Loyalty / Brand Affinity	3	33%
Revenue Growth (YoY or QoQ)	2	22%
Showroom / display	-	22%
Technical skills / trainings / certifications	4	11%
Customer Satisfaction or NPS	6	11%
Sales pipeline volume	5	0%
New business generated	5	0%
Data sharing	-	0%

Service Requirement

Question: Does your program require dealers to provide post-installation services?

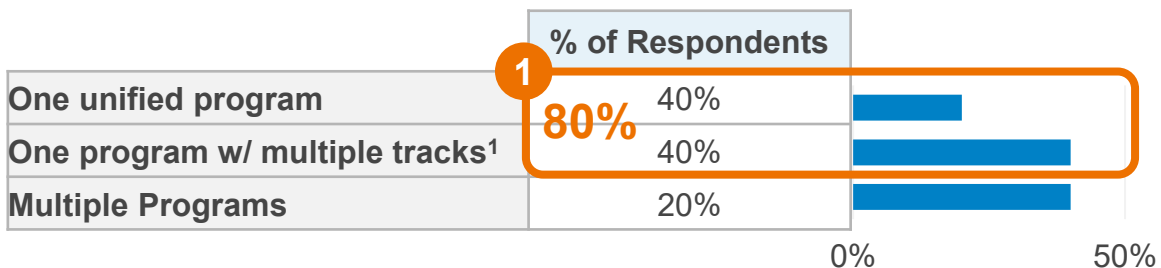
- Yes, for all tiers
- Yes, for select tier
- No



Common to See Disparate Programs but Industrywide Shift Towards Formalized Partner Program

Program Structure

Question: Which of the following describes your partner program structure?

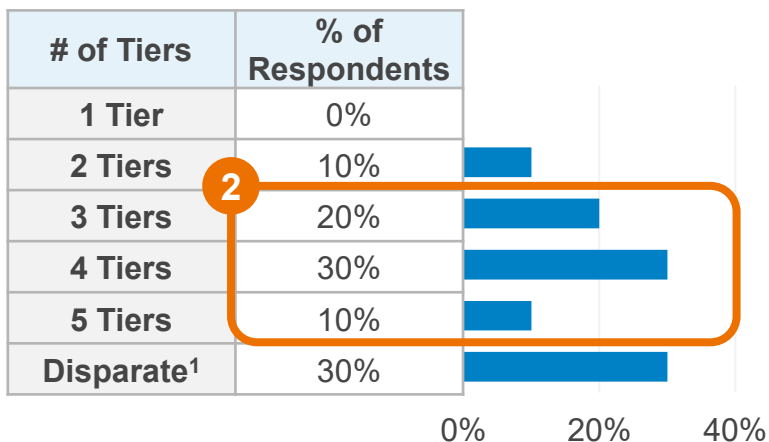


Observations

- 1 Most companies (80%) have a single program (one track or multiple³)
- 2 3 – 5 tiers is common (60% of respondents surveyed)
- 3 Uncommon to have a target volume or account concentration per tier (70% of peers/competitors surveyed)

Number of Tiers

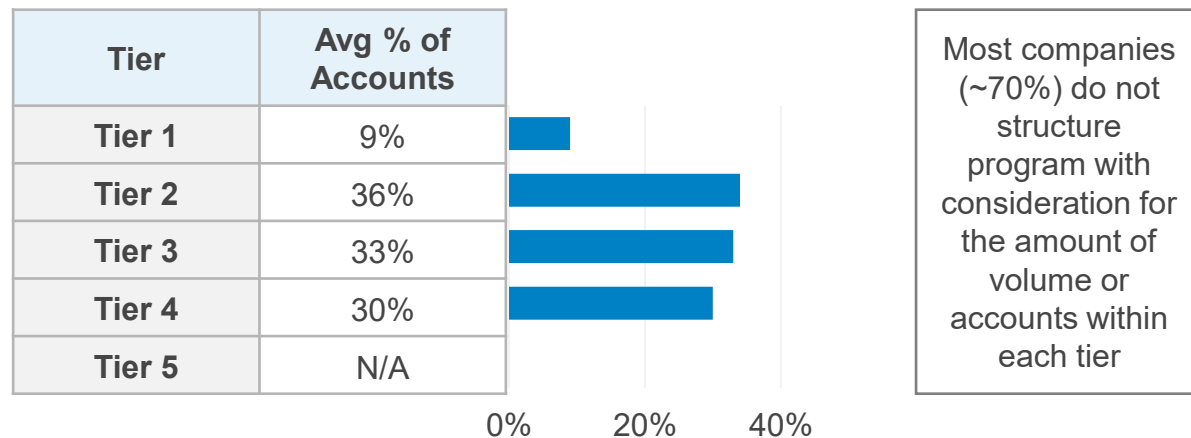
Question: Which of the following best describes your partner program tiering structure?



Common to see disparate partner programs with unique contracts for each dealer (~30%)

Volume within Tiers

Question: What is the percentage of participating dealers within each tier?



Most companies (~70%) do not structure program with consideration for the amount of volume or accounts within each tier

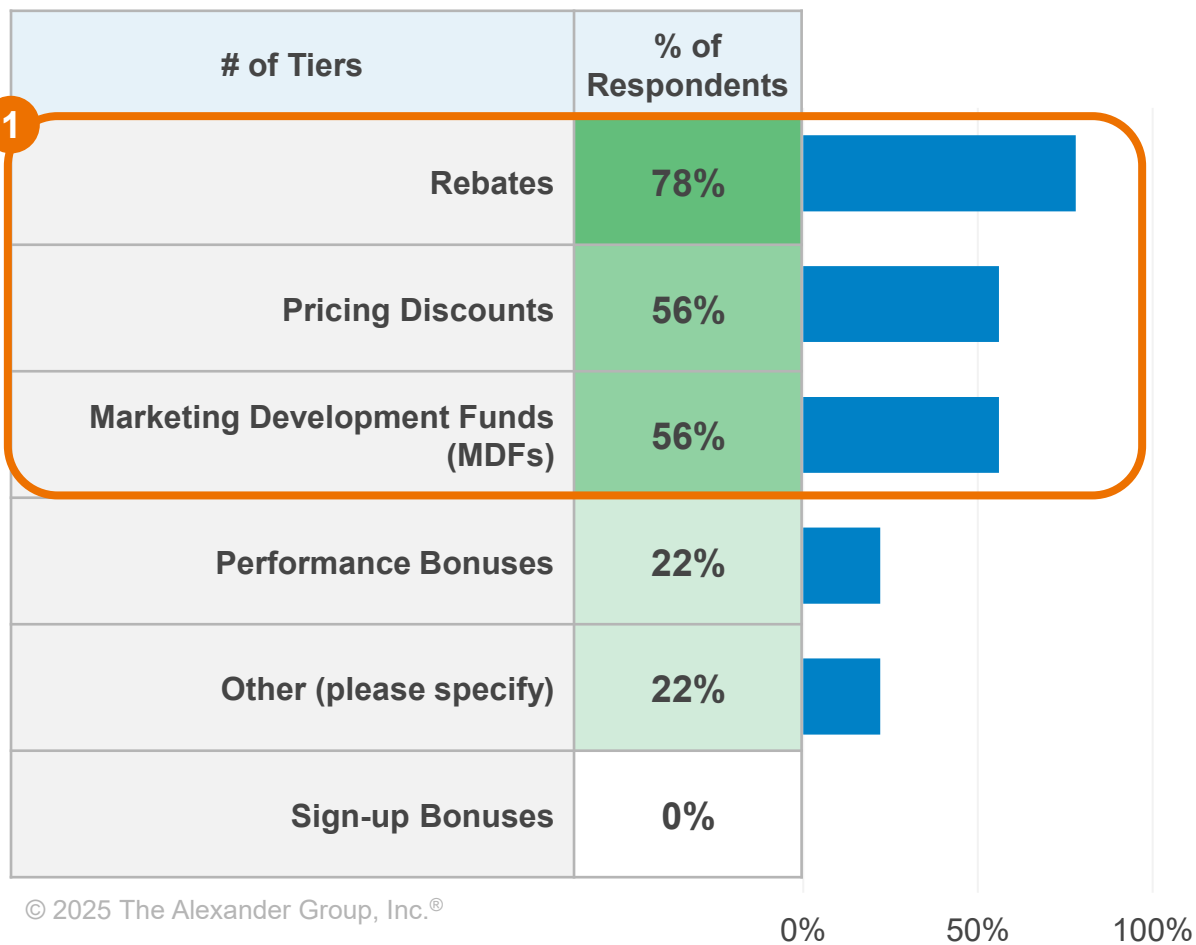
1. One program w/ multiple tracks – same program framework but unique eligibility and rates apply to different cohorts

Financial Incentives

Pricing Discounts, Rebates, and Co-op Funds are Among the Most Common Financial Incentives

Financial Incentives Offered

Question: What type of financial incentives are offered as part of your partner program(s)? [Select all that apply]



Observations

- 1 Most common financial incentives offered in partner programs are rebates (78%), pricing discounts (56%), and marketing development funds (56%)
- 2 Bonuses (performance bonuses (22%) and signup bonuses (0%)) are less commonly featured in partner programs
- 3 Incentives are typically tied to partner program tiers (41% of respondents surveyed)

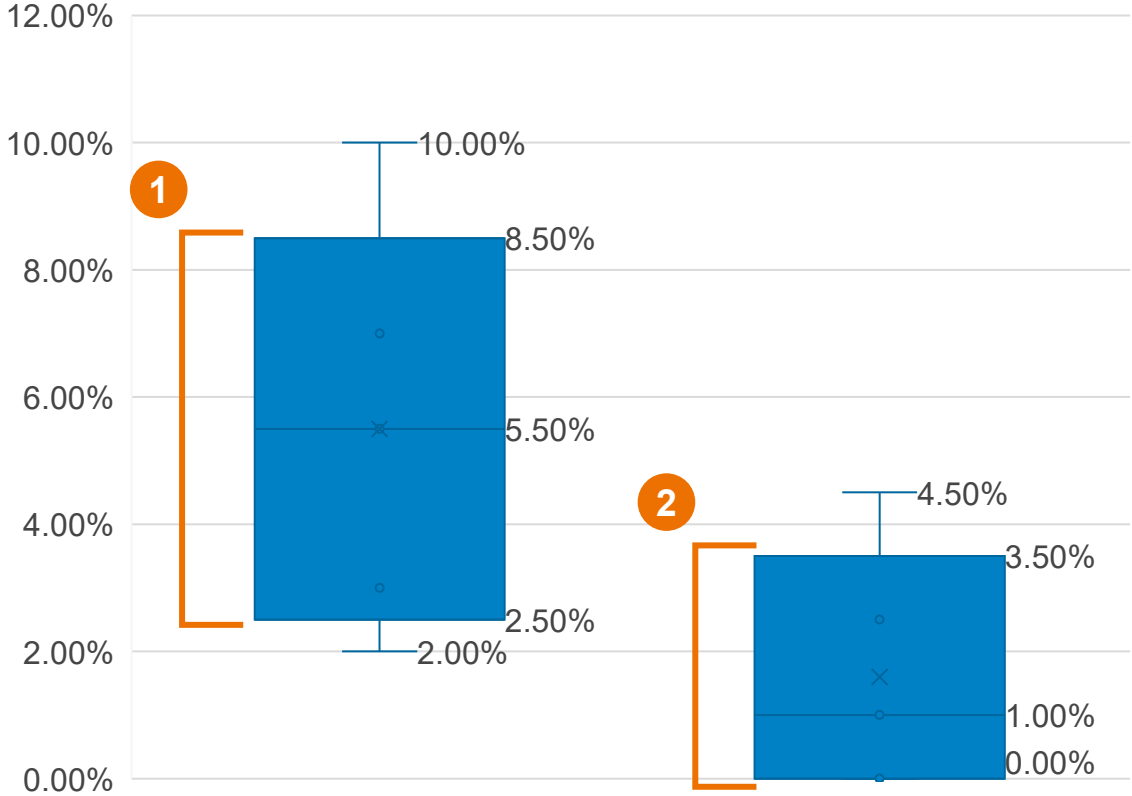
Financial Incentives Structure

Question: Which of the following best describes the structure of the financial incentives? [Select all that apply]

# of Tiers	% of Respondents
3	41%
4	24%
5	18%
6	12%
7	6%
8	0%

Rebates are Industry Influenced but Typically 0 – 8.5%, Paid From Dollar One

Market Average Rebates



What is the highest rebate percentage in the top tier?

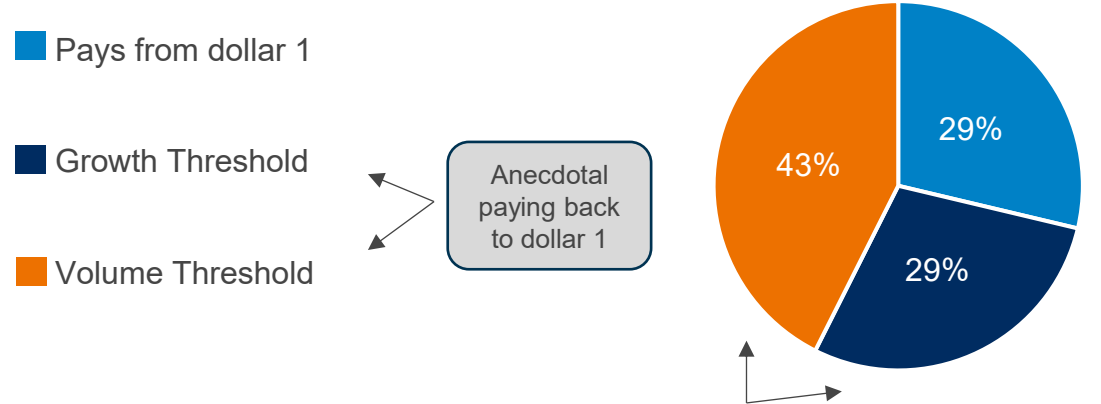
What is the lowest rebate percentage in the bottom tier?

Observations

- 1 The average highest rebate percentage in the top tier typically ranges from 2.5% to 8.5%
- 2 The average lowest rebate percentage in the bottom tier typically ranges from 0.0% to 3.5%
- 3 Most companies (72%) employ some form of threshold before paying out rebates – volume threshold (43%) and growth threshold (29%)

Rebate Deployment

Question: How do you deploy the rebates you provide?



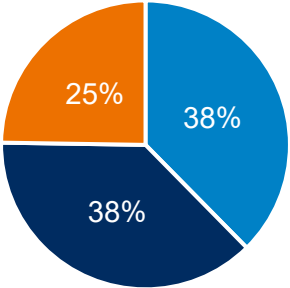
3 72%

Market Uses Either Pricing or Rebates, Rarely Both; Discounting Typically Outside of Program or Not Used

1 Discounting (In Program or Not)

Question: Is pricing included in the partner program?

- Include pricing within program
- Include pricing separate of program
- Does not include pricing as a benefit at all



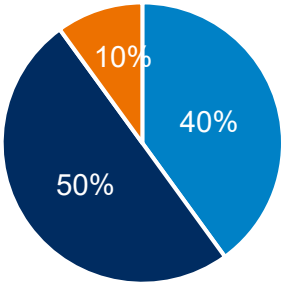
Observations

- 1 Few include pricing formally in the program (38% of respondents)
- 2 Best practice to highly correlate pricing discounts to tiers, whether pricing discounts are included or excluded from
- 3 Most companies use rebates (50%) or pricing discounts (40%), few use both (10%) within the program

3 Discounting vs Rebates

Question: How do you deploy pricing and rebates in the program?

- Pricing Only
- Rebates Only
- Both (Pricing & Rebates included in program)

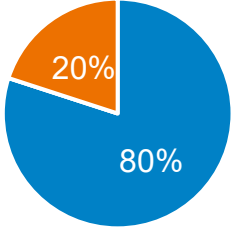


Co-Ops Typically Allocated Based On Purchases, Mixed Governance Rigor

1 Co-op Funding

Question: What is your program(s) MDF / Co-op funding basis?

- % of purchases
- Fixed allowance (\$ per month / quarter / year)
- Combination of % of purchases and fixed allowance



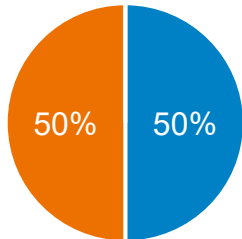
Observations

- 1** Most co-ops earned as a % of sales (80% of respondents) & require proof of purchase (although governance mixed)
- 2** Best practice to highly correlate pricing discounts to tiers, whether pricing discounts are included or excluded from
- 3** Most companies allow co-ops to permit marketing / advertising / events (100%), displays / merchandising (80%), and training (60%)

Co-op Governance

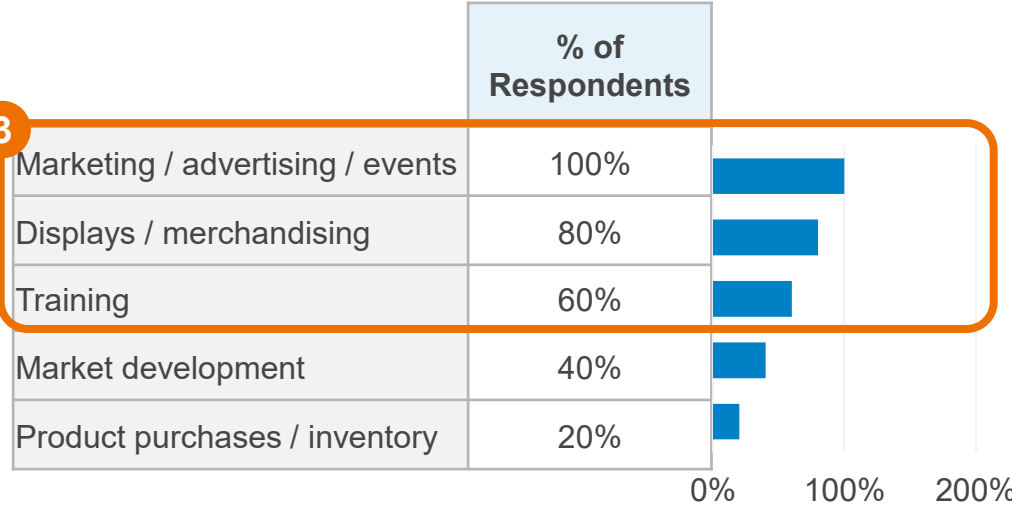
Question: Do you require submission of invoice for MDF / Co-op funds used?

- Yes, strongly enforced
- Yes, loosely enforced
- No



Co-Op Eligibility

Question: What does your program(s) MDF / Co-op Funding permit?



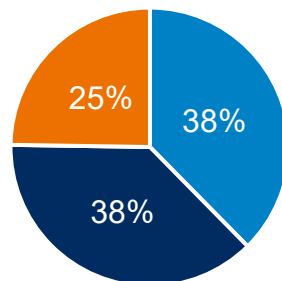
	Market Average
What is the highest co-op fund percentage in the top tier?	2.0%
What is the lowest co-op fund percentage in the bottom tier?	0.3%

Displays are Typically Required or Heavily Incentivized; Not Common For Them to Be 100% Free of Charge

1 Discounting (In Program or Not)

Question: Does your Partner Program have display requirements?

- Required
- Incentivized but optional
- Not a priority



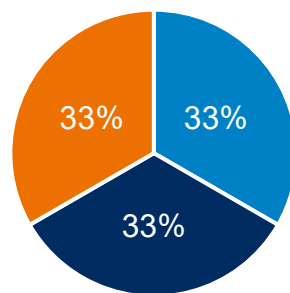
Observations

- 1 Most peers / competitors require or heavily incentivize displays (76% of respondents)
- 2 Only 33% of peer / competitors do not charge for displays
- 3 Common practice to see competitive market discounts on displays to displace competitors, gain market share, or ensure that dealers are up to date with displays

2 Discounting vs Rebates

Question: What is the funding approach for displays?

- Partner-funded
- Co-funded via DDF / MDF
- Dealer-funded



Market Anecdotes

Company A: Heavily discounts displays ranging anywhere from 50-90%, which is perceived as basically being free

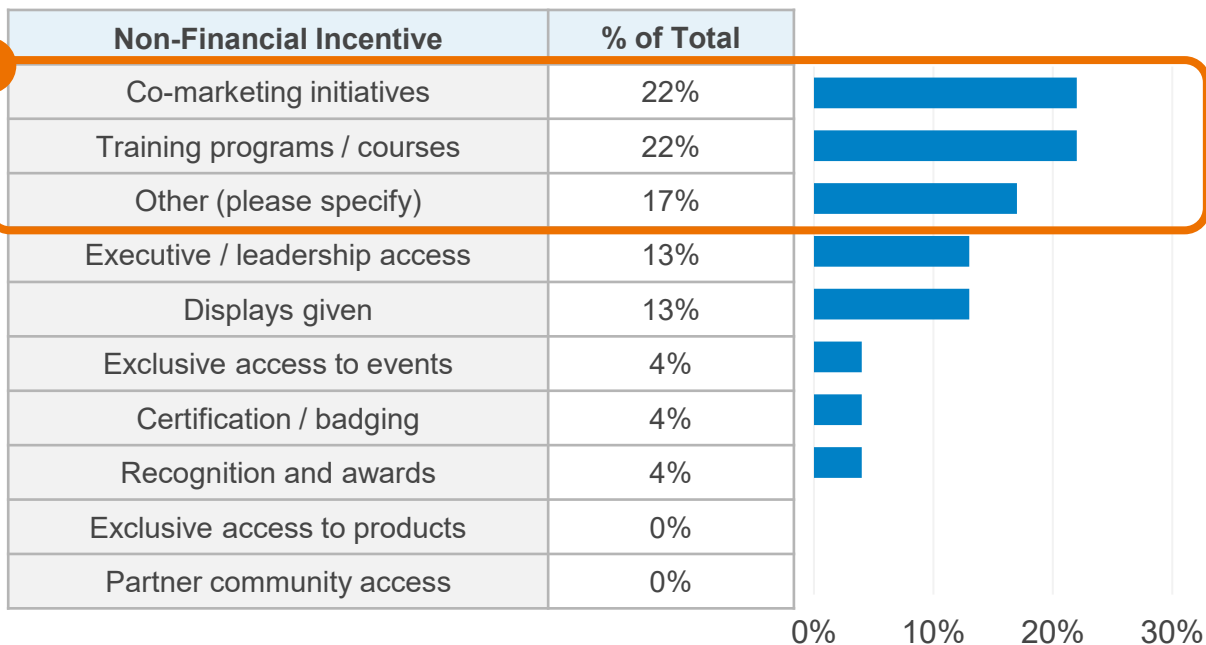
Company B: runs periodic specials where displays are heavily discounted to ensure that displays are up to date

Non-financial Incentives

Most Common Non-Financial Incentives are Training, Co-Marketing, and Leadership Access

Non-Financial Incentives Offered

Question: What types of non-financial incentives are offered in your partner programs? [Select all that apply]



Observations

- 1 Most common financial incentives offered in partner programs are co-marketing initiatives (22%), training programs / courses (22%), and executive / leadership access (13%)
- 2 While 82% offer non-financial benefits, most offerings are minimal & lack tier differentiation
- 3 Common for non-financial incentives to be tied either to partner type or program tiers

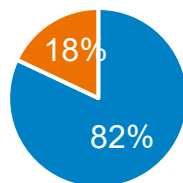
Non-Financial Incentives Structure

Question: Which of the following best describes the structure of the non-financial incentives? [Select all that apply]

# of Tiers	% of Respondents
Incentives are tied to partner type (e.g., broad SKUs with a little depth vs. few SKUs with a lot of depth)	22%
Incentives are tied to partner program tiers	22%
Incentives are specific to product / service offerings	11%
Incentives are tied to deal size	11%
Incentives are differentiated by partner sources/net new sales vs. teamed/co-sell sales	0%
Other (please specify)	33%

2 Discounting vs Rebates

- Program deploys non-financial benefits
- Program does not deploy non-financial benefits



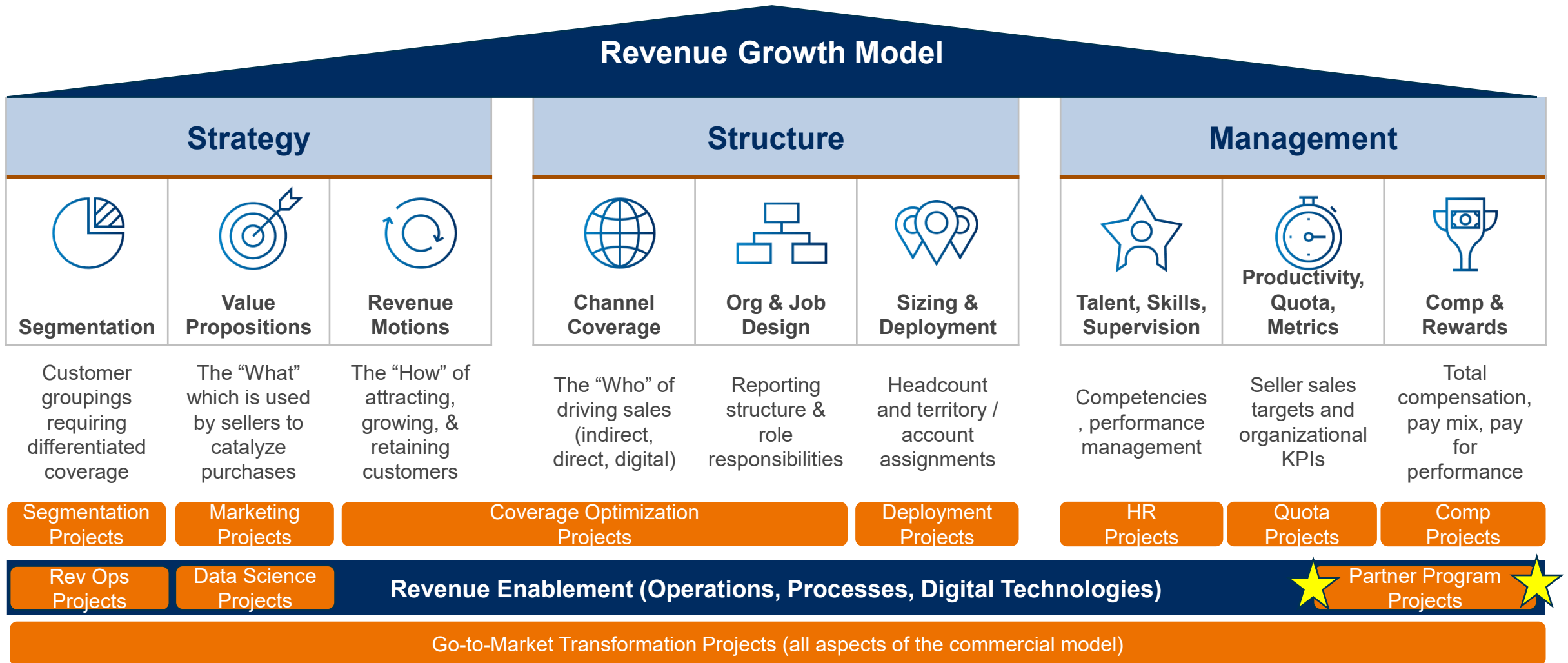
Partner Program Benchmark Template

Use This Score Card to Evaluate Your Program!

Component		Market Trend <i>Peer / Competitor</i>	Company	Market Alignment	Notes
Eligibility Requirement		Volume (70%) Signed Agreement (50%)		●	
# of Tiers		3 – 5 tiers (60%)		●	
Tier Criteria		Volume (89%) Dealer Loyalty (33%) Revenue Growth (22%)		●	
Financial Incentives	Rebate	Lowest tier ranges: 0% - 3.5%, Highest tier ranges: 2.5% to 8.5% Most pays back to dollar 1		●	
	Pricing	38% inside program, 38% outside 10% to 30%		●	
	Co-op	0.3% to 2% (Low vs high tier averages)		●	
	Other	Service support differentiation Some net pay differentiation		●	
Non-Financial Incentives		Few offer in program (18%) Most cited go-forward investment to further differentiate program from competitors		●	

AGI Solutions

Project Types: AGI Focuses on Driving Revenue Growth With Projects Across the Go-to-Market Lifecycle



Data Science Capabilities: Our Machine-Learning (ML) Domain Expertise Compliments Our GTM Capabilities

1 MARKET & OPPORTUNITY SIZING

- Quantify market opportunity to inform and optimize strategic planning & resource allocation

2 SEGMENTATION & TARGETING

- Derive account wallet-size and buying propensity to identify and prioritize customers, agents, partners, etc.
- Use data to refine coverage, jobs, headcount, account planning, territories, & quotas

3 CROSS-SELL & UPSELL ACCELERATION

- Use ML Next-Best-Offer (NBO) models to personalize engagement and accelerate customer expansion



4 ACCOUNT PLANNING & SALES PLAYS

- Use data-driven insights to systematically identify strategic plays at the customer, agent, or partner level

5 CUSTOMER HEALTH STRATEGY

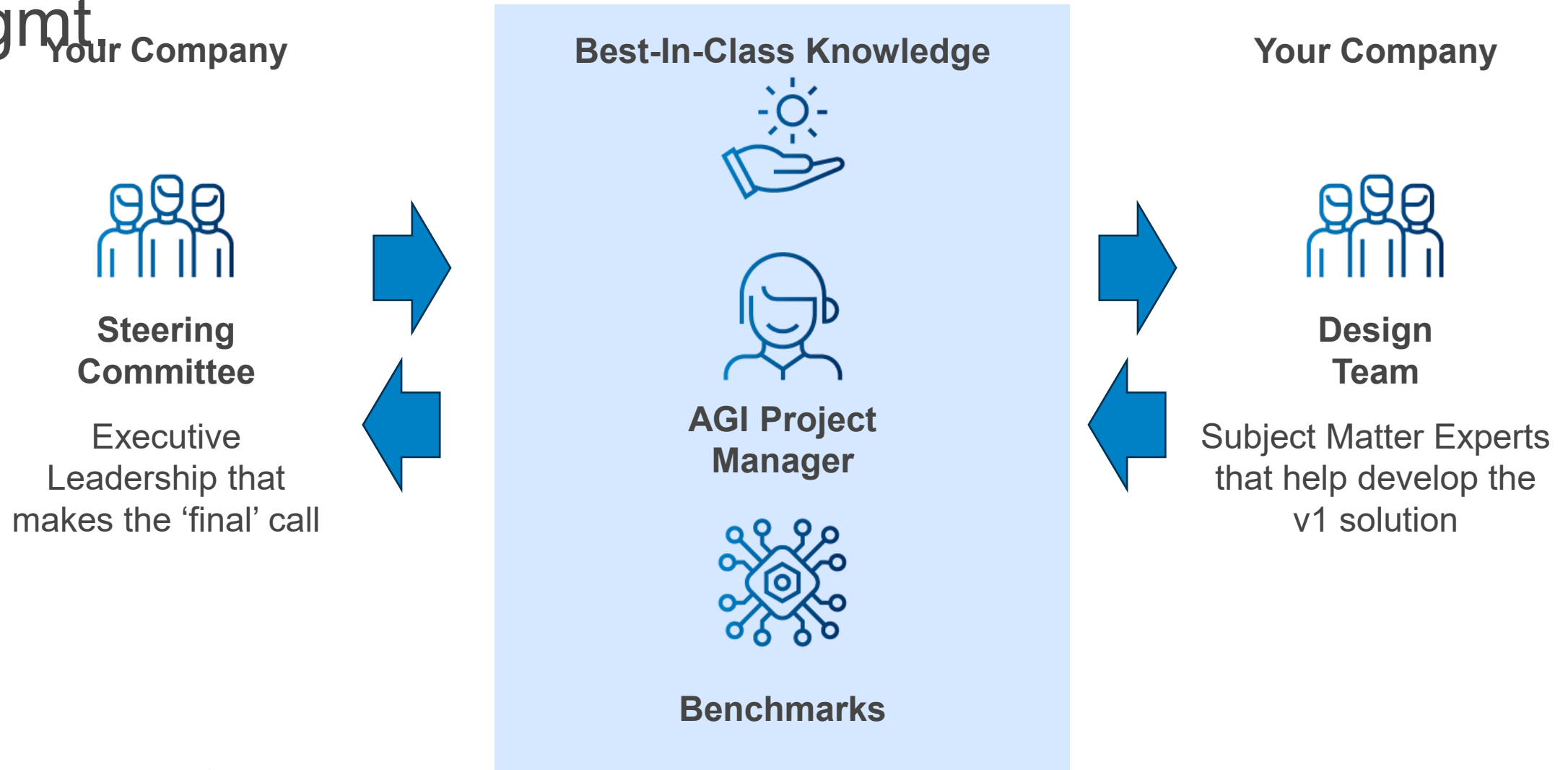
- Help Sales, CX and Service organizations drive proactive retention strategies using customer health scoring models and action recommendation systems

6 MARKETING CHANNEL OPTIMIZATION

- Increase demand and optimize lead qualification & conversion supported by data science backed Ideal Customer Profiles (ICPs), Lead Prioritization, and SEO Optimization

Teaming Approach: AGI Partners With Stakeholders To Develop Quality Solutions & Jump-Start Change

Mgmt



Next Steps

Need Help Creating or Refining Your Partner Program? Contact Us!

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