



Price Discount by Channel Partner

PRICE DISCOUNT BY CHANNEL PARTNER		
Channel Partners	Value Added for Vendor	Discount Rate ¹
Distributors	Warehousing, Financing, etc.	55%
Retail Stores	Sales, Training, etc.	50%
Value Added Resellers	Sales, Installation, Training, etc.	40%
Systems Integrators	Development, Installation, Sales, etc.	40%
Large Volume Customers		35%

¹These are sample rates. Actual rates will vary by type of product, company, country, etc.

Discounts that are given to channel partners and to direct customers must be managed so as to drive purchase behavior in the right direction and also avoid channel conflict. If the marketing strategy is to move low volume purchases through third-party channels, the largest discounts should be given to those parties that are expected to handle the largest volume of product.

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