GO-TO-MARKET & PRICING

The channel that books the sale may not own the customer

A new route can raise bookings while shifting customer access, service costs, margin, renewal rights, and demand. Audit ownership before calling it growth.

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CONTENTS

MANAGEMENT SUMMARY

A direct channel, partner, or marketplace can increase bookings while changing who contacts the customer, sees the account history, carries the service burden, earns the renewal, and learns for the next sale. The channel literature already covers governance, conflict, data asymmetry, and customer profitability. The incrementality test here is an author-defined evaluation requirement. The practical proposal is a two-part route ledger that keeps control allocation and economic incrementality separate. Until that test has been run, report additional bookings, not incremental profitable growth.

Keywords: Channel strategy · Channel conflict · Customer ownership · Marketplace strategy · Incremental demand

Bookings rose after the new route went live. That is a transaction fact. It does not tell you whether the route found new demand, redirected an existing customer from another route, transferred the relationship, or created service costs that the booking report does not carry.

The route that records the order may not control the next conversation. A marketplace owner can set conditions and intervene in its market while a supplier operates within those conditions. A partner may control customer contact while the manufacturer handles implementation. A direct channel may keep the relationship and still lose money on support. "Who booked it?" is one row in the decision, not the decision.

The channel literature already covers governance, conflict, data asymmetry, and customer profitability. The incrementality test is an author-defined evaluation requirement, not a result attributed to those studies. The practical proposal is an unvalidated two-part route ledger that records control allocation alongside economic incrementality. It is not a newly discovered channel framework.

Why does a transaction booking report fail to capture true channel economics?

Helgesen's individual-customer profitability study sets the first boundary: satisfaction, loyalty, and profitability should be examined at the customer level, with customer accounting used to support the analysis. The broader object and cost boundary below is an author-defined extension. Gross bookings are not contribution profit. Illustrative monetary inputs include commissions, returns, implementation hours, support cases, payment fees, and discounts. CH1R-C5

This also changes the question we should ask of a channel. Do not begin with "which route has the highest revenue?" Begin with "which route's revenue is being compared, for which object and within which cost boundary?" A route can look efficient when it books the order and passes the expensive work to another team. It can also look weak when it carries service work that may precede future expansion without being credited to the route. The ledger makes the object visible before the total is interpreted.

Lawrence, Crecelius, Scheer, and Patil show what a more instrumented comparison can contain. Their field panel covers 3,653 business customers and 28,909 customer-month observations at one global industrial seller, with online search, online purchasing, salesperson contact, targeted discounts, sales, and net profit measured together. In that setting, salesperson contact complemented online activity. It is a measurement pattern and a setting-bound result, not a universal channel multiplier.

How does distribution channel design transform commercial governance?

Homburg, Vomberg, and Muehlhaeuser show that the observed association or direction of a governance mechanism can differ across direct and indirect channel designs. The result is not a universal direct-versus-indirect multiplier. It is a warning that the route changes the governance problem.

Sa Vinhas and Anderson describe how concurrent routes can create destructive competition. Their operating responses are concrete: clarify order ownership, differentiate the offer, and compensate both participating channels when both contribute, regardless of which one books the order. Those are not cosmetic channel rules. They structure who may submit a quote, who gets credit, and whether one route is encouraged to take demand from another. The study's cross-sectional evidence does not by itself prove that these practices cause the outcome. CH1R-C2

The type of conflict matters too. Claro, Vojnovskis, and Ramos distinguish functional conflict from dysfunctional spillover. Some disagreement can surface information or improve a route decision. Excessive conflict can damage the relationship and performance. A ledger that labels all conflict as bad has already thrown away the distinction it needs. CH1R-C3

Sharma and Mehrotra offer a six-stage channel-mix sequence: map coverage, calculate profitability, choose the number of channels or channel members, set conflict rules, identify strategic channels, and implement the decision. Their software-firm illustration shows why the strategic-presence layer must remain separate from short-term account economics. CH1R-C10 CH1R-C12

Webb and Lambe move the conflict audit inside the supplier. Their four-case study and 58 interviews connect internal channel-coalition conflict with communication, coordination, and superordinate goals, and treat internal and external conflict as reciprocal. Product life-cycle stage changes how functional or destructive conflict is interpreted. CH1R-C11 CH1R-C12

How does customer relationship ownership split into contractual rights and direct access?

"Customer ownership" is too compressed to be operational. It can mean the formal right to contact the account, the ability to see its history, the authority to renew, or the practical responsibility for service. Those can sit with different actors.

Rösch makes the marketplace-owner version of the governance problem visible. A marketplace owner can set conditions, act as a supplier, and intervene in its own market. That is a conceptual and marketplace-specific mechanism, not a margin result. This article therefore records learning access as an author-defined ledger field, not as a result measured by Rösch.

Palmatier, Scheer, and Steenkamp distinguish loyalty vested in the salesperson from loyalty to the selling firm. Customer value and relationship-building activities can strengthen those loyalties. A separate operating question follows from that distinction: documented rights need not be identical to observed relationship execution. The route ledger therefore records declared allocation, observed access, and execution separately. CH1R-C7

How do partner channels cannibalize direct demand versus generating net incrementality?

An intermediary route can produce more bookings without producing more total demand. That is the reason the ledger has a separate economic assessment. To call demand incremental, the decision maker must name the eligible customers, the existing route, the comparison period or design, and the outcome window. The booking report cannot supply those definitions by itself. CH1R-C8

The route can therefore be complementary in one outcome and strategically costly in another. A new route may acquire customers the existing route would not have reached. It may also divert customers who would have arrived through the existing route, while taking control of the relationship and learning. Those possibilities stay open until the comparison resolves them. CH1R-C6

How should commercial leadership construct an auditable two-part route ledger?

The ledger is useful only if every row informs a defined decision or risk question. The control assessment records who has the documented right, who actually executes, and where costs and contribution are realized. The economic assessment asks whether the route added demand and contribution profit. The two assessments meet at the commercial decision, but control and incrementality are not the same test.

Table 1 The two-part route ledger

Assessment	Ledger field	Declared or modelled input	Observed evidence	Decision use
Control	Route overlap and domain	Same customer, offer, geography, or reserved segment?	Contact and quote records showing overlap or separation	Head-on competition versus complementarity
Control	Origination and negotiation	Who sourced, quoted, negotiated, and set terms?	CRM, quote, and order trail	Booking and credit allocation
Control	Contractual allocation	Who is the contracting party or merchant of record, and who has documented contact or renewal authority?	Contract or policy record, with disputes marked unresolved	Formal allocation, not realized control
Control	Observed execution	Which actor actually contacted the customer, accessed its history, executed the renewal, or provided support?	Contact logs, access records, renewal action, and service tickets	Realized control and operating burden
Control	Service incidence and cost	Who performs the work and bears contractual or economic liability?	Tickets, hours, and cost evidence	Service burden and route P&L
Control	Monetary contribution inputs	Price, fees, commissions, discounts, returns, delivery costs, and support-cost categories	Recorded amounts and dates, each counted once	Contribution calculation
Control	Cross-account learning access	Who is permitted to use patterns across customer accounts?	Actual access and documented use	Strategic control and learning exposure
Economics	Eligibility and baseline route	Which customers are eligible, and what existing route is the comparison?	Cohort, route, and time-period records	Comparison scope

Assessment	Ledger field	Declared or modelled input	Observed evidence	Decision use
Economics	Demand comparison and design	What design identifies demand that would not otherwise have arrived through the existing route?	Holdout or defended comparison evidence	Incremental demand status
Economics	Contribution conversion	How are route revenue, displaced economics, fees, and service costs translated into contribution profit?	Monetary inputs and assumptions	Incremental contribution profit
Decision	Separate outputs	Which commercial verdicts are required?	Bookings, observed contribution, control allocation, incremental demand, and incremental profit	Final decision without one blended label

Author's synthesis of Homburg et al. (2020), Sa Vinhas and Anderson (2005), Claro et al. (2018), Rösch (2024), Helgesen (2000), and Palmatier et al. (2007). The ledger is an unvalidated decision structure, not a measured channel effect.

The control assessment is not a legal opinion. It is an operating record. Documented rights can differ from what the account team actually does, and a contract can grant access that nobody exercises. Record both, and mark disputed entitlements as unresolved. Monetary fields feed the contribution calculation; relationship, access, and learning fields remain a parallel strategic-control assessment. The economic assessment is not a request for a perfect experiment in every case. It is a demand that the comparison be named and defended before bookings are presented as causal evidence of growth.

The examples below are synthetic counterexamples, not measured channel effects. They show why the ledger produces more than one terminal label:

1. Bookings up, demand not established. A partner route records more orders, but eligible customers overlap with the existing route. Report observed bookings and control allocation for the route; leave incremental demand unestablished until the comparison is defended.
2. Incremental demand established, contribution not established. A credible comparison shows that the route generated demand that would not otherwise have arrived, but service, commission, and displaced economics erase the apparent gain. Report incremental demand status separately from incremental-profit status.
3. Demand and contribution up, control shifted. A route adds profitable demand while the partner retains customer access or handles the renewal. Report the economic result and the control allocation separately rather than treating one as evidence of the other.

Which operational channel tests must precede labeling volume expansion as real growth?

Use the ledger on the next route decision in four passes:

1. Name the object. Choose the account, order, customer cohort, or route unit being compared.
2. Record control and economics separately. Capture documented allocation, observed execution, service incidence, monetary inputs, and learning access. Count each monetary cost once.
3. Write the comparison before the result. Prefer a pre-specified randomized or held-out comparison where feasible. Otherwise, state why a quasi-comparison is credible, including eligibility, baseline route, timing, overlap, and major confounders. A before-and-after booking change alone is noncausal.
4. Report separate outputs. Show observed bookings and route contribution, documented rights, observed access and service allocation, incremental demand status, and incremental-profit status. If the comparison is not credible, mark the last two as unestablished rather than collapsing the result to a single growth label.

This is a worksheet a commercial team can use without turning it into a score or a service offer.

The route ledger belongs beside a deal desk as a selection system and the marketing attribution model that needs a counterfactual, because both make the decision boundary explicit before a commercial result is labeled. When operating on digital platforms, note that a marketplace is both referee and competitor, altering who controls customer data and discovery.

Why is an empirical channel assessment strictly narrower than reported booking volume?

A new route may still be strategically valuable when it adds access, capability, or learning that a direct route cannot provide. It may still be useful even if it shifts some existing demand. The point is not to reject intermediaries, partners, or marketplaces. It is to name what has been shown.

If the evidence establishes only more orders through the new route, report more orders through the new route. If it establishes incremental demand but not contribution profit, report incremental demand and leave incremental profit unestablished. If it establishes neither comparison, say so. Economic incrementality and customer access or control allocation are separate outputs. “Incremental profitable growth attributable to the route” is a terminal verdict, not a synonym for bookings.

Evidence base. The analytical frame also draws on these additional sources: Lawrence et al. 2019; Sharma and Mehrotra 2006; Webb and Lambe 2006. The links identify the exact works; they support the mechanisms and boundary conditions discussed here, not every claim in isolation.

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END OF ESSAY

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