



CO-OP ADVERTISING: A WIN/WIN PROPOSITION

An easy way for a small business to expand its marketing budget is through cooperative advertising. Cooperative advertising, or as sometimes abbreviated Co-op, is when a producer of goods, for use by service providers or for resale, reimburses the advertising business in part or in full for advertising expenditures that involve its products. These programs are widely available because quite simply they save the producers of goods money. Bottom line is that local advertising rates available to the advertising business are at least 20% lower than national advertising rates. Therefore, the benefit for the producers of goods is increased brand recognition within that market at the lower local advertising rates, enhanced reseller relations, and much more.

However, cooperative advertising programs are an integral part of the producers own strategic marketing plan and for this reason they may not only vary from producer to producer but from product to product. Also, because these programs are an integral part of the producers strategic marketing plan, stringent rules and regulations are often placed on cooperative advertising dollars. These rules and regulations may cover media channels chosen, product placement, ad positioning and size, and much more. Additionally, there may be a separate set of guidelines that the advertising business must follow for financial reimbursement of advertising expenditures.

Because of the perceived complexity of cooperative advertising, businesses may feel intimidated by the rules and regulations, not ask about cooperative advertising opportunities, or for help. A business owner or manager should ask every vendor that supplies the business with goods about what cooperative programs are available to the business and how the business can take advantage of these programs. Once the advertising business has established its cooperative advertising programs with its vendors all necessary information should be shared with the representatives of the chosen media channels to ensure proper execution of the advertising to meet the producer's rules and regulations.

Cooperative advertising is a win/win proposition for the producer and advertising business. These programs allow producers to increase brand recognition in the market at the much lower local advertising rates and allow the advertising business to increase its marketing budget at no additional cost to the business. All small businesses should actively pursue these valuable cooperative advertising opportunities.

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