

Cooperative marketing



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Cooperative Marketing What is cooperative marketing or co-marketing alliances? Before we can explore the value of these types of relationships, creative ways to engage in cooperative marketing, whom to partner with, and effective ways to use this method, it must be understood exactly what it is. From much research on this method of marketing, it seems that it is clearly a working partnership where there is mutual understanding that success for both partners depends each on the other.

It is usually a contractual relationship with coordination between both partners in marketing, as well as, possible research, development of the product, and maybe even production (Bucklin, Sengupta, 2003). It may also involve co-branding where two brands are marketed on the same package or in the same promotion (Grewal & Levy, 2010, p. 327). What is the value of such relationships? Unlike vertical relationships, between manufacturers and distributors, co-marketing, “ leverages a firm's unique skills with the specialized resources of its partners to create a more potent force in the marketplace” (Bucklin, Sengupta, 2003).

Through cooperative marketing alliances, co-branding can enhance consumer perception of a products quality. For example; NutraSweet claimed to be safe as a substitute for sugar, but did not take off until they formed a marketing alliance with Coca-Cola and Pepsi (Grewal & Levy, 2010, p. 327). Some benefits of cooperative marketing are; able to reach a larger target market and able to stretch the advertising budget. Besides advertising, what are other creative ways companies can engage in cooperative marketing?

While advertising may be the most widely used method involved in a cooperative marketing effort, there are other ways, such as; sponsoring charitable or educational events, to enter into a cooperative marketing effort. On another level, they may swap customer mailing lists or agree to include the partner's marketing flyers in their customer mailings to extend marketing efforts. (Irons, 2006). How should a company decide with whom to partner in joint marketing efforts? The first concern in entering into a marketing have cooperative is to make sure the prospective marketing partner will be a compatible fit and not a competitor.

Entering into any kind of marketing cooperative with a competitor would not make sense, as there is the risk of the partners undermining each other. The partnership should be based on whether it would align with the marketing plan, the mission of the company, and expand, not hurt, public relations. As a precaution, it would also only make sense to have all agreements in writing (Irons, 2006). There has to be a certain amount of trust between the partners so there can be open sharing of information in relation to the cooperative in order to keep everyone loyal so the effort is a success (West, 2008).

What are some of the effective cooperative marketing ways that GGI could use in this project? After locating one or several like businesses, with the same or similar goals, and which has a similar target market, the partners can begin sharing resources. Effectively sharing resources will help increase sales and boost brand awareness while reducing marketing costs (Giardina, n. d.). One way to do this is to partner with retail stores that have a similar target market, such as; grocers. There are also internet opportunities for marketing co-ops. A great example of using the internet would be Big Lots.

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While the retail stores were being rebranded Big Lots expanded its business by launching Biglotswholesale. com. They allowed partners to place banners on the site. While, as the name suggests, the site was for wholesalers, there was no membership fee so the site was able to be used by non-business customers, as well (Big Lots, Inc. , n. d.). This definitely would be appropriate for GGI as long as projects are chosen well, partners carefully selected, and the cooperative marketing efforts are structured towards balance (Bucklin & Sengupta, 1993). References Big Lots, Inc. (n. .).

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