

Promoting products through new market permeation: the value of cooperative market...

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Promoting Products Through New Market Permeation:

The Value of Cooperative Marketing

I am hear today to brief you, dear President, on the information many other great companies are employing in their marketing efforts. Of course, in the sphere of advertising and public relations, brand awareness is of the utmost importance. Our sales will definitely see an increase due to the campaign I believe you will agree we should begin here at GGI, that being, cooperative marketing. After reviewing some of the successes and strategies of companies using this type of marketing, I am surprised that we have not begun to do this already! Simply put, we need strong partnerships with other reputable and recognized businesses to cooperate in advertising and other ventures, cutting costs and increasing visibility at the same time.

What many of us who specialize in marketing realize is that in line with building brand awareness is building trust. Before patrons of businesses had the advantage of multimedia exposure to all types of goods and services, there was simply "word of mouth". These days that type of trust in a company is difficult to achieve without quality relationships both with clients and other companies. In cooperative marketing, different techniques may be used to create additional market awareness for two companies in one ad campaign. This type of marketing is, also, less expensive, obviously and does not need to be restricted to one company or one type of marketing campaign.

Advertising is the biggest venue for cooperative marketing and the biggest asset in terms of saving money. There are many ways that this can be

achieved. Simple marketing ads can be split 50/50 in newspapers, magazines, and other types of print media with other companies. Ads can be put on other companies' websites, as well, in the form of banners and other "clickable" type links routing potential customers to our website. The company listing our banners, ads, or website links would be compensated for a small percentage of the revenue created from their site. Some companies will charge for advertising while others will not and instead request the same type of advertising on our own website or those websites of our independent distributors. Similarly, "dealers" and/or independent distributors of our products could be allotted a budget to advertise based on a percentage of their net profits for the last year (something in the range of 3%). I believe that getting our products in new stores and offering this incentive will achieve a bigger and better bottom line (of course we would estimate a budget for new dealers of our products and allow them the a smaller amount of an advertising budget than our existing sellers).

Through branching out in advertising through the internet and other companies who wish to "band with us" or we should say "brand with us" with our products, promotions are a great way to generate sales. A creative way to cooperatively market is to offer incentives to customers of one company to our own. I think we should concentrate on individuals and families, who are decorating or redecorating and look to other companies, who serve the need of this population. For example, if we choose a furniture outlet as a partner (assuming that the same clients would be in the market for household goods) they could give a discount coupon to their clients to bring them in to our store. The relationship would be reciprocal and we

would do the same for our customers, as far as referring them to the furniture outlet. In this way, although we are offering discounted items, we are hoping to build on the initial customer visit with trust and satisfaction so to turn them into repeat customers and those, who will help to generate sales by “ word of mouth”.

This project would entail finding suitable partners and I believe that our first phase should involve the aforementioned promotion with a furniture store or other dealer of household appliances and the like. We should, obviously, not partner with companies, who also sell household goods. Companies like Home Depot do sell some household type goods and may be a suitable consignor of our products, but not the ideal candidate for our first promotional project. Similarly, companies like Lowes and Menards may be good candidates to look for to partner in ad campaigns and the like for newspapers and other print media. An excellent idea for projects down the road would be to look to different internet sites for cities and towns, such as their respective Chamber of Commerce and other such sites where new residents, who are looking to furbish their homes might look to for ideas of where to shop and what products to buy. The companies already respected and listed in the Chamber would be suitable for internet cooperative marketing ad campaigns.

For the first leg, though, I think we should focus on a pilot project, using a “ mom and pop” type furniture store that has a long history and a good reputation. We will approach them to offer the reciprocal discount program and possibly discuss them consigning our products at some point in time.

When we are comfortable with the success of this type of new program, we can branch out to other smaller furniture companies and begin to advertise with them, as well as consign products and offer discounts to new customers they would be referring. When our brand awareness nears the level we are aiming for, we can then look to the larger and more widely known companies.