

Creating Opportunities With Co-Op Advertising


SHOW THEM THE MONEY
Where & How To Find Money To Pay For What You Sell



Presented by:
 Joel D. Schaffer, MAS
 Soundline - CEO

Selling On Par With Other Mediums

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TODAY'S GOALS

- Increase Sales
(change prospecting paradigm).
- Get Competitive
(with other mediums)
- Add value
(morph into and agency)

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Poll Question

Yes or No
 Have you used co-op funds to pay for any program you have sold?

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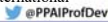



CASE HISTORY
Carriage House Restaurant



The prospect was a department store restaurant. They wanted to increase traffic and were interested in using a premium, but they told their sales representative that "they had no money". To overcome this objection the sales rep suggested that the restaurants' vendors participate in the program. After contacting the brands the restaurant uses, funding was received from SANKA and Jell-O. The money allowed the sale to be made.



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METHODS OF PROSPECTING
COLD CALLING - WARM CALLING

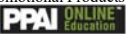
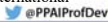
- Knock on doors
- Direct mail – direct response
- Telephone
- e-mail
- Networking in the flesh
- Social media

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Top 10 Reasons Prospects Give For Not Seeing You

- 10- They are mean
- 9- Your overture is poor
- 8- No Genuine need
- 7- They have a "vendor"
- 6- They have no time
- 5- They not the buyer
- 4- They just bought
- 3- They are afraid to buy
- 2- They don't get it
- 1- They have no money

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**No Matter Where You Live
No Matter How Small Your Town**


Yes You Can

**Unlock The Vault
Holding 500 Billion Dollars Of
Globally Available Coop Money**

**Available From
Over 6,000 Corporate Partners**

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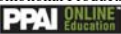





Tapping Into Co-op Funds

Getting co-op funds allows you to get a third party to pay for some or all of the cost of the promotional product you are selling.

You become much more than a "vendor" as you can "show your client" the money and source(s) of funding .

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The ART of Phone

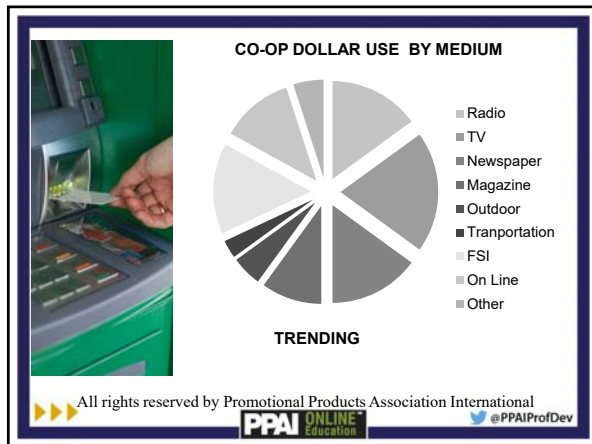
Good morning Mr. Johnson:

Knowing you are a person who wants to increase sales and profits, I need about 5 minutes of your time to show you how my agency can help you increase sales and customer loyalty and it may not even cost you a penny to accomplish this goal. Our agency specializes in maximizing the use of your coop funds and we suspect you may let some funding go to waste, or may do a better job with what we need to present.

How about Tuesday at 9:00 or Wednesday at 4:30?"

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But – They Are Spending It On Digital

Of over 1,000 co-op programs listed in the Local Search Association's database (representing over 1,700 brands), only 223 permit limited forms of digital advertising, generally search and display. Several explicitly forbid co-op dollars from flowing into digital channels, despite hockey-stick growth in local search, advertising, targeting, daily deal and coupon sites, etc. (and local is, of course, the bread and butter of retailer-focused co-op programs).

A 2012 study by Berrell Associates estimates the online co-op market currently makes \$1.7 billion available, with \$450 million of that left on the table "for lack of participation." Couple this with the majority of co-op programs that limit or preclude allocating spend to digital channels, and the potential value of this market could very quickly exceed \$5 to \$10 billion per year. This is roughly double 2011's online retail spend of \$7.1 billion (IAB/PwC).

LSA
LOCAL SEARCH ASSOCIATION

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WHAT IS CO-OP?
Co-op advertising refers to an agreement between a manufacturer and a retailer to share advertising costs, while at the same time creating brand name awareness.

WHAT IS THE CO-OP OPPORTUNITY?
In the U.S. there is about \$368B in co-op advertising dollars available to advertisers (and growing), yet estimates show that 40% of that money goes unused. That means advertisers are leaving about \$148B in co-op funding on the table!

The opportunity with co-op is obvious and brands continue to develop new programs for both digital and traditional media types. With a database featuring co-op programs from **over 2,000 brands**, LSA Co-Op offers comprehensive solutions to help you and your team take advantage of this opportunity.

AVAILABLE SERVICES

SERVICE BUREAU	CO-OP ONLINE	RAW DATA FILE
The Co-Op Service Bureau is a team of LSA staff dedicated to helping your sales reps utilize co-op ad dollars, which in turn helps local advertisers promote the brand names that people are looking to buy. The Service Bureau is designed to: <ul style="list-style-type: none"> Provide leads to sales reps. Obtain ad approvals from manufacturers. Improve the flow of co-op operations. 	Co-Op Online is where you can find all of the different name brands that offer co-op dollars. We are constantly adding new programs and updating existing ones and LSA offers one of the most accurate and comprehensive guides to co-op programs. <p>Spanning digital and traditional media, this web-based tool allows you to search and identify co-op opportunities for clients.</p>	The Co-Op Raw Data File is a digital file that includes data for all of the co-op programs in LSA's database. This would be great for publishers and agencies looking to integrate LSA's co-op data into sales platforms, internal resources and more. <p>Access to the file and updates to it are granted via a subscription agreement with LSA.</p>

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Co-op Advertising with Tucson Newspapers

Cooperating with local advertising and Tucson newspapers means you can advertise on the top newspapers in the area. The newspapers provide an exchange with the advertiser.

- The advertiser pays for the advertising.
- The newspaper provides the advertising space with no print charges.
- The advertiser and newspaper agree on the terms of the exchange.

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Competitive Smarts

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Over 6,000 brands




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DEFINITION
CO-OP ADVERTISING

A financial relationship between a manufacturer and its dealer or distributor, whereby both parties share in the cost of the advertising or promotion of the manufacturer's product by the distributor.

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CO-OP MONEY PAYS FOR A PEN

A tire shop purchases pens to distribute to fleet managers. The barrel has their imprint while the cap has the tire manufacturer's imprint.



1000 pens @ \$2.00 each	=	\$ 2,000
(-) Manufacturer pays 60%	=	\$ 1,200
Store pays 40%	=	\$ 800


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Universal Rules

- Based upon sales volume of prior year
- It is an allowance, can not get a check
- It is in an account
- You use it, or loose it by New Year's eve.

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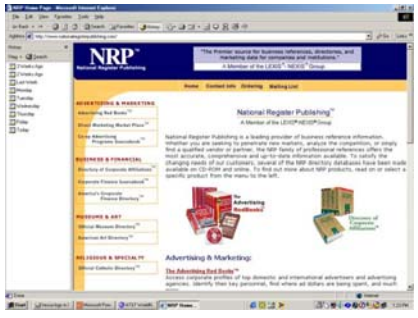
Total Guesstimated
Value of Available Funding

**GREATER THAN
100 BILLION DOLLARS
PER YEAR**

Go Figure
 B = 6,000 Brands
 S = Their annual sales
 P = Percent of sales allocated
 Funds = (B x S) x P

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Electronic Popspecting

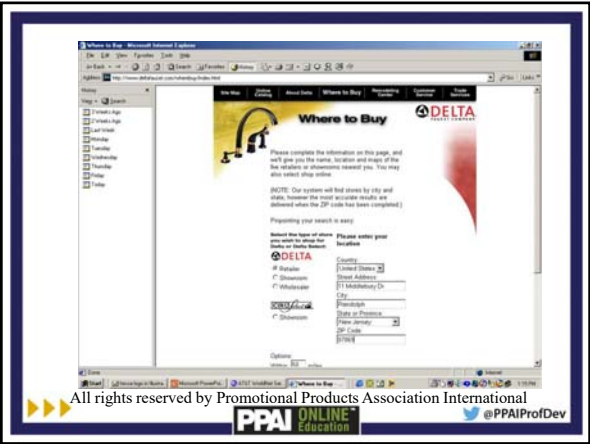
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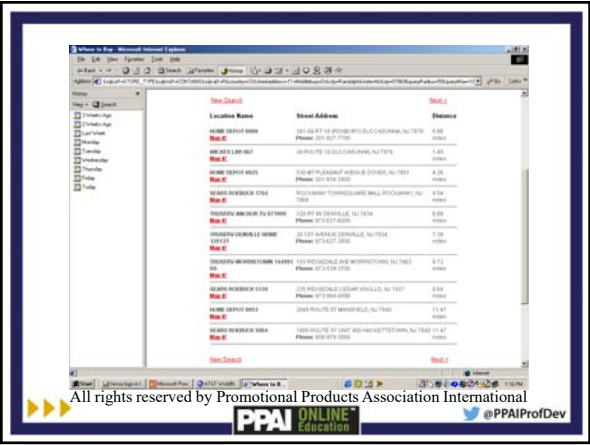
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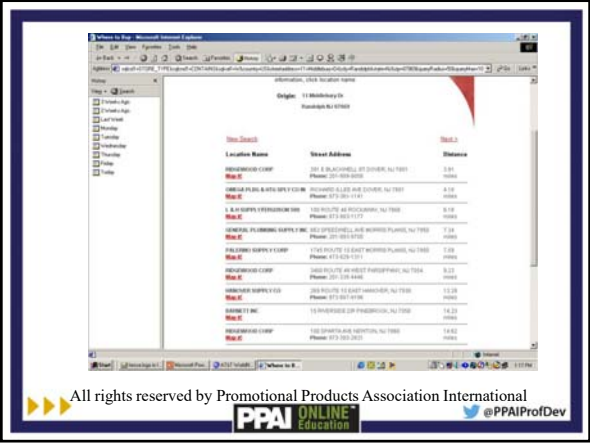
Visiting Delta Faucet

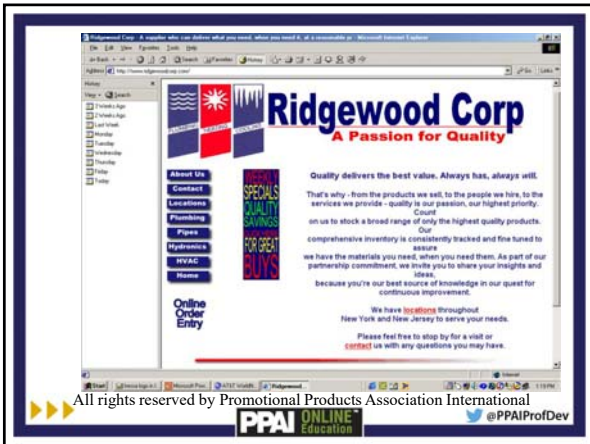
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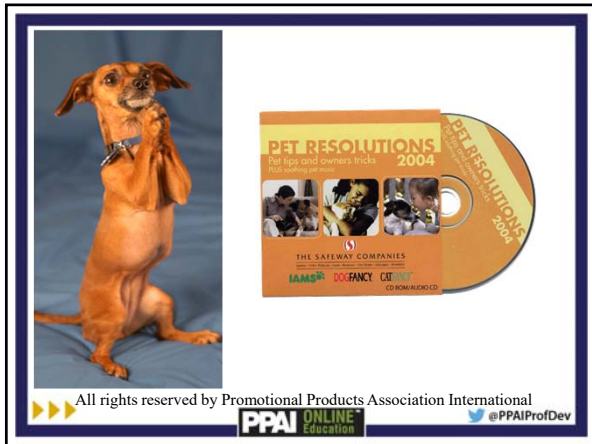
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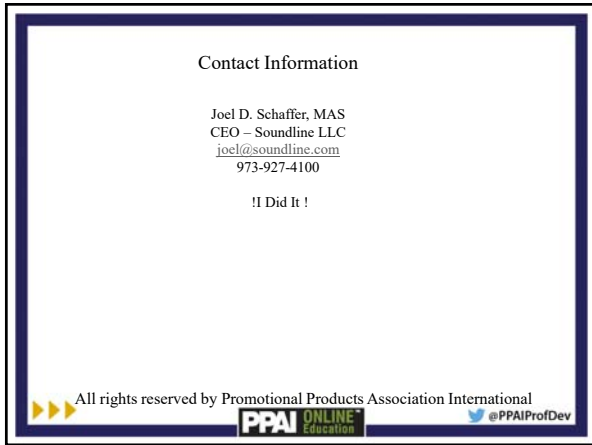
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TRICKLE DOWN THEORY
 Motivate your customers to motivate their suppliers to allow co-op spending on promotional products.

RESULT
 Add billions of dollars to our marketplace shared by distributors and suppliers.

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Poll Question: Review Materials

Do you need additional business?

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Poll Question: Review Materials

Do you believe in delivering value added to your customers ?

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Poll Question: Review Materials

What percentage of your current customer base are either in the retail or wholesale business?

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Poll Question: Review Materials

Have you used co-op funds to pay for any program you have sold?

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Contact Info

Joel Schaffer, MAS
(973) 927-4100
joel@soundline.com

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