Creating Opportunities With Co-Op Advertising
SHOW THEM THE MONEY
Where & How To Find Money To Pay For What You Sell
Presented by:
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Selling On Par With Other Mediums

TODAY’S GOALS
• Increase Sales
  (change prospecting paradigm)
• Get Competitive
  (with other mediums)
• Add value
  (morph into and agency)

Poll Question
Yes or No
Have you used co-op funds to pay for any program you have sold?
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 restaurant’s 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.

METHODS OF PROSPECTING
COLD CALLING - WARM CALLING

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

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
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

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.

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?
Of over 1,000 co-op programs listed in the Local Search Association’s database (representing over 1.75 billion), only 734 grant limited forms of digital advertising, generally search and display, focused exclusively toward digital channels due to increasing digital advertising demand, quickly 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 Borrell Associate estimates the online co-op market currently makes $3.7 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 precludes 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).

But – They Are Spending It On Digital
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.

**CO-OP ADVERTISING**

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

**CO-OP MONEY PAYS FOR A PEN**

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

• Based upon sales volume of prior year
• It is an allowance, cannot get a check
• It is in an account
• You use it, or lose it by New Year’s eve.

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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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.
Poll Question: Review Materials

Do you need additional business?

Poll Question: Review Materials

Do you believe in delivering value added to your customers?

Poll Question: Review Materials

What percentage of your current customer base are either in the retail or wholesale business?
Poll Question: Review Materials

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

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