

Communicating Channel Marketing: Three Ways to Maximize Co-op Participation

The way companies communicate their co-op programs determines the level of program participation, and ultimately, fund utilization their channel marketing program will achieve. Communicating to your participants is most valuable when it is just as solid and organized as the co-op program itself. The majority of frustration for co-op participants stems from not knowing what to do in order to successfully request and receive their funds. When actively engaging seems too cumbersome, participants won't bother spending their already limited time trying to figure it out.

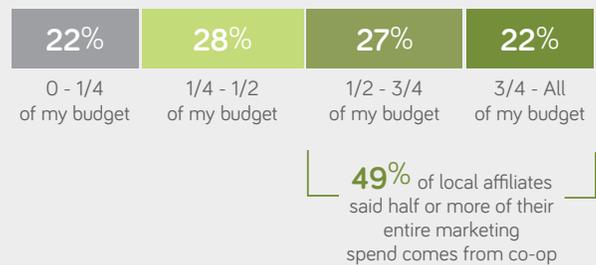
According to Brandmuscle's *State of Local Marketing Report* research:

- 49 percent of local affiliates said half or more of their entire marketing budget comes from co-op funding
- 52 percent cited communication related reasons for not using their funds
- Only 45 percent of co-op participants use all of their available funds

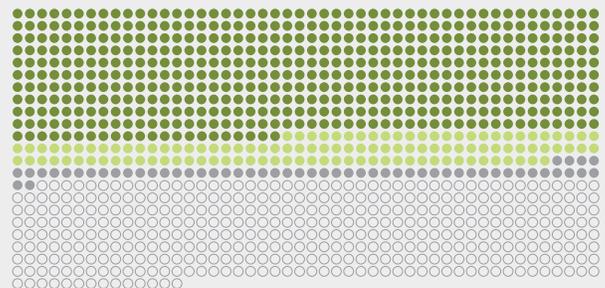
How do you effectively communicate with your co-op participants?

- 1 Keep it CURRENT**
Communicate important information (training sessions, earnings and expiration dates, new marketing materials, etc.) in advance, allowing enough time for participants to act within your timeline.
- 2 Keep it CONSISTENT**
Communicate changes in guidelines and processes. Consider a general program newsletter or email blast that has a regular cadence.
- 3 Keep it VALUABLE**
Communicate what you have learned about your program's successes and limitations regularly. This kind of transparency naturally develops and fosters strategy from top to bottom.

Most of Local Marketing is Supported by Co-op Funds



Co-op Funding Is Vital to Local Affiliates



63% are eligible for co-op funding

45% use ALL of the available co-op

10% use some of their co-op

8% don't use any co-op

37% are not eligible for co-op

Source: Brandmuscle SOLMR: <http://bit.ly/SOLMR2017>

1 Are you training participants on current co-op processes and opportunities?

First and foremost, are you communicating with your participants? According to this year's *State of Local Marketing Report*, three out of five local affiliates do not have a dedicated resource to handle their business's marketing activities. So, the odds of participants taking the time to seek out information on co-op opportunities is slim. Your co-op participants need support from the corporate level including co-op focused, up-to-date communication.

Case Study: Insurance brand improves co-op use with training

A Fortune 500 insurance company's corporate team learned that part of their challenge was not having a streamlined tool leveraging channel partners who communicate relevant co-op information. The company made a major shift in their co-op program in 2016 when they invested in a platform specifically built to manage advertising funds, thus eliminating a burdensome process of manually tracking their field and local agent co-op transactions. After the program launched, thorough training was conducted to field representatives, allowing them to take that knowledge to their local agents.

Training is Essential for Successful Co-op Communication

Launching a new process for managing co-op funds requires regular training and updates on program guidelines and modifications. Engaging the field to assist with these communication initiatives gives them motivation to stay up on the latest, creating a trickledown effect to the local level. This approach also frees time for the corporate marketing team to focus on channel strategy and program improvements for the future.

“Proactive co-op communication helps engage local partners and frees time for corporate marketing to focus on channel strategy.”

2 Are you being consistent with your co-op communication?

Most marketing leaders will agree that communicating new programs is important for initial buy-in. Companies tend to invest a lot up front to “get the word out” or “create a buzz.” The plan to follow-up, however, is sometimes underdeveloped and participant engagement (as well as consumer attention) declines over time.

Case Study: Mattress manufacturer builds brand preference with retailers

A leading mattress retailer faced a challenge when several of its top brands merged, requiring a complete overhaul of their existing co-op, MDF and incentive programs. The marketing leader responsible for the project discovered that each local retailer had their own brand interests and operated under different program guidelines. The first step was to streamline those guidelines and offer co-branded opportunities—something that the local retailer said was becoming increasingly important to them. Realizing the magnitude of the project, the marketing team invested in a full-time resource to support their corporate sales reps and retailers by providing daily support via phone and email, regular training sessions, workshops and email blasts to deliver pertinent information. Launching a text submission to receive information regarding new materials and program deadlines was an added bonus to those sales reps out in the field and the local retailers on the sales floor.

Proactive Co-op Communication Saves Dollars

Maintaining regular communication over time keeps participants up-to-date and serves to reinforce your investment in their success. Think about your communication patterns and timing. Do your partners know when they will hear from you? Sync up your communication with your program guidelines and special marketing campaigns. When participants know their deadlines for co-op fund requests they are more likely to actively seek information at that time and take action. Whether your corporate team (or another entity) is supporting your participants on a day-to-day basis, participants want to know when to expect news about their programs and are less likely to reach out with questions.

3 Is your co-op communication valuable and does it support local goals?

For corporate marketing leaders, it can be easy to forget that communication is a two-way process – not a one-way street. Feedback from your participants can have a greater impact on program success than the communication being sent from the top. Are you using your participants' feedback to organize your co-op strategy? Listening to your participants feedback allows you to assess what is and is not working within your marketing programs. In addition, when participants feel involved in your strategy, they are more apt to provide feedback, especially when they know it will help improve their experiences with your programs.

Case Study: Shifting co-op spend to digital

In the last year, the marketing team for a national brand in the telecom industry realized that their corporate co-op strategy focused primarily on traditional advertising mediums despite a shift in overall marketing toward digital tactics. Of local affiliates surveyed in this year's *State of Local Marketing Report*, 93 percent plan to maintain or increase their co-op spend on digital in 2017. As a result, this telecom company has started revamping its strategy, increasing eligible spend opportunities in digital and capping spend amounts on traditional media heading into the next program year.

With the majority of partners interested in an increased focus on digital, this change at the corporate level lends itself to increased fund utilization and program engagement overall. Requesting feedback at the local level allowed this company to make an important program decision that will help partners become brand leaders moving forward. Boosting participant engagement in this way creates a greater commitment to the brand and provides accessible materials they can be confident in.

Request Participant Feedback to Maximize Co-op Strategy

When the task of gathering feedback seems daunting, keep in mind that without any solicitation, your partners are already sending messages about what matters to them based on how they are spending, or not spending, their co-op dollars. Changing the program to reflect partners' needs at the local level also sends a message—that you're listening.

“Listening to participant feedback allows you to understand what’s working and not with your co-op marketing program.”

Launching a successful co-op communication program

The three considerations discussed here seem simple, but implementing and maintaining these ideas requires deliberate action. Strategic communication of your co-op program provides a lot of value when it comes to encouraging participation and use of advertising funds. The end result of good co-op communication? Participants know *what* to do and *where* to go to do it. Whether you are launching for the first time or you've been supporting a co-op program for years, here are seven tips for implementing solid co-op communication to foster engagement:

6 tips to implement co-op communication:

1. Communicate when new materials are available or when a fund expiration date is approaching. Don't leave participants guessing on opportunities to spend their earned funds.
2. Create an opt-in program for text alerts. A lot of times, the method in which you send communication is just as important as the message itself. Giving participants options provides them with more ownership but also more accountability.
3. Schedule quarterly 'What's New?' webinars that include adequate time for Q&A sessions to allow for knowledge sharing and guidance.
4. Highlight key changes to guidelines through an email blast or message center so your participants aren't guessing with brand compliance.
5. Gather feedback from your participants. This is essential in identifying where your investment is making the most, and the least, impact. Provide outlets to receive feedback such as a 'Spotlight' section on your co-op platform where participants can write in and share their stories. Highlighting testimonials regularly is an easy way to keep them engaged.
6. Create a survey to distribute annually, or at some consistent frequency, to learn more about successes and pain points. This is also a great way to learn about consumer behavior and what your participants believe is working well for them.

Whatever path you take to communicate with channel partners, just remember that you maximize co-op participant engagement when you keep it current, consistent and valuable.

About Brandmuscle

Brandmuscle is the leading provider of local marketing solutions in North America. We provide the tools and resources for global brands who sell through distributed networks (i.e., retail stores, franchisees, dealers, agents, channel partners, and reps) to drive sales at the local level with brand-compliant, customized marketing across all mediums and formats. Headquartered in Chicago, with major offices in Austin, Cleveland, Kansas City and New Jersey, Brandmuscle helps more than 275 of the world's leading brands "own local" by leveraging our technology platform to enable hyperlocal media planning and execution, digital marketing and channel incentive program management.

Contact Us

If you're interested in learning more about outsourcing certain aspects of your trade or co-op programs, or if you have an existing vendor relationship that is not providing results for you, we encourage you to contact us.

For More Information

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