



Cooperative Marketing

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Cooperative Marketing

All Types of Marketing

Cooperative Marketing

Last Updated: November 16, 2020



Guide: Cooperative Marketing

What is cooperative marketing?

Who implements cooperative marketing?

For what kinds of customers is cooperative marketing effective?

How is a cooperative marketing campaign developed?

What career titles work with cooperative marketing strategies?

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A new subdivision has just been built nearby. Because these homes are brand-new, homeowners will probably be searching for a variety of services and products: fencing, landscaping, painting, blinds, housekeeping, and air conditioners. A package of coupons, offers, and introductions from all these related companies are bundled and hand-delivered or mailed to each homeowner—and by so doing, the

kinds, cooperative marketing can be highly convenient— as well as economically efficient for the businesses pooling their resources together.

What is cooperative marketing?

Cooperative marketing is any agreement to combine marketing efforts, and thus it can appear in many forms. Complementary companies, as well as direct competitors, can create effective and mutually beneficial cooperative marketing campaigns. (*See also [Alliance Marketing](#)*)

Economy of scale is an enormous benefit. Likewise, combining the efforts of an entire industry into one marketing campaign benefits everyone in the industry, even if they're competing for the same dollar. The "Got Milk?" campaign devised by the California Milk Processor Board, for example, serves all milk processors and dairy farmers, including competing brands.

Objectives of Cooperative Marketing

- Economic efficiency
- Shared resources
- Broader visibility
- Access to target market
- Consumer convenience

Resource sharing is a significant reason to cooperatively market. Buy-local organizations can hire one graphic designer, one web designer, and one marketing manager, who then produce marketing material for the group as a whole and even for member companies.

Cooperative marketers often use their power in collective bargaining as well. While one farmer may have a difficult time getting the highest price for his snap peas, 100 farmers joining forces control a significant portion of the supply, thus increasing their bargaining power.

to go with that book, and combine promotional forces to reach their respective core audiences. Conferences, workshops, sporting events, and festivals can also often serve as cooperative marketing opportunities for the teams, speakers, vendors, and sponsors of such events.

Who implements cooperative marketing?

Cooperative, or Competitive?

While cooperative marketing can be mutually beneficial, it can also be tricky at times. Here are some pitfalls to avoid:

- **Win/Lose agreements** — Avoid agreements that benefit one party more than the other.
- **Leader/Leader** — Determine how exactly decision-making will be made or shared.
- **Failure Blame** — If an event doesn't get the attendance promised, don't point fingers at the organizers.
- **Prejudicial allocation of real estate** — If one partner gets the event booth by the door and another gets the back corner, find a way to compensate.

Many kinds of companies employ cooperative marketing agreements. Anyone who's walked down the aisles of Walmart has seen cooperative marketing in action. The products featured in the front of the store, at the end of aisles, and in other strategically visual places are all examples of this (*See also [Point-of-Sale Marketing](#)*). Companies pay for product placement in prime real estate within the store, as well as for space in the store's weekly circular.

For small businesses, cooperative marketing can be a very powerful way to get exposure and business. Food vendors, t-shirt sellers, farmers, artists, and musicians all sell and advertise their products and services through a variety of cooperative marketing agreements. They may participate in a weekly or monthly farmer's market, rent a

own websites, through their contact lists and on social media networks; by doing so, the □ affiliate earns a percentage of every sale.

Amazon has an enormous □ affiliate marketing system, allowing bloggers and online marketers to earn four percent of every purchase from their uniquely coded links (*See also [Affiliate Marketing](#)*). This type of marketing can be far more personal as well. Friends and associates who would already be making referrals to a product can earn for each referral. EBay and Etsy (a hugely popular website for crafters) are also examples of online cooperative marketing. Rather than advertising everything themselves, small and large business owners can advertise just about anything on these high traffic websites, which in turn charge small fees and percentages per sale.

For what kinds of customers is cooperative marketing effective?

Cooperative marketing works because it takes far less energy than foot-traffic shopping. For example:

□ Amazon: King of Co-op

- Annual sales: \$13 billion
 - Represents 20 percent of online retail market
 - One-third of consumers start their online shopping experience on Amazon
 - Controls 62 to 80 percent of the eBook market
-
- A health-conscious person with moral objectives to mass farming will love to go to a farmer's market to buy fresh, local organic produce and could be enticed to try grain fed beef from a new farmer. (*See also [Green Marketing](#)*)
 - A fan of the movie *Avatar* is motivated to buy Coke Zero when advertisements, a website featuring 3-D graphics, and television commercials featured Avatar characters and Coke Zero together. Consumers were encouraged further when Coke Zero was offered in an Avatar-branded pack.

when the companies partner up, swimming Olay moisturizer into CoverGirl's foundations and cream blushes. Having Ellen DeGeneres as the CoverGirl Ageless Collection celebrity spokesmodel doesn't hurt Olay's reputation either.

In each instance, the company has used cooperative marketing to introduce themselves or advertise their product. By aligning themselves with other companies who share a similar target consumer, each company has reduced its marketing costs and increased its exposure.

How is a cooperative marketing campaign developed?

Cooperative marketing campaigns are developed by broadening horizons, and by discovering (and sharing) common ground with other companies. For example, Delta Airlines and American Express both benefit if a salesman regularly purchases airline tickets on his or her American Express card. Therefore, both have an incentive to send direct mail offers for new credit cards to consumers who make an upper-middle class income. American Express offers "membership rewards points," while Delta Airlines (and many others) gives free tickets for redeemed points.

Cooperative marketing campaign managers and staff can't simply work up a direct mail piece and call it a partnership; many more steps are involved. Each company must have clearly outlined responsibilities, and must agree to make a financial investment in the partnership that's equal to each partner's benefits from the campaign. This doesn't mean that each partner has an equal stake, but it does mean that each partner needs to put in its fair share for what it expects to receive out of the partnership.

Once the parameters of the partnership have been established, project research begins. Extensive research, through credit card purchasing history, public home sales reports, credit reports, and other research tools such as Nielsen consumer data, determine who might be responsive to such campaigns (business travelers, upper-middle class, mortgage holders of certain neighborhoods, etc.). Armed with that knowledge, the marketing team will craft an offer

divvy up responsibilities, ideally playing to each partner's strengths. The overall cooperative marketing effort will also require extensive cooperation and interaction with contract negotiators, lawyers, creative designers, social media specialists, and especially management on both sides. This can be very delicate, as each company will have a hierarchy which expects to be acknowledged, as well as its own corporate culture, style of management, and work flow. Partners who can respect and play to those different perspectives and strengths will have the best chances at achieving a successful campaign.

What career titles work with cooperative marketing strategies?

Marketing Managers

Marketing Managers will conceive, direct and implement campaigns, as well as strategize and oversee all other marketing efforts in a company.

What do they do?

What type of salary should I expect?

- **Marketing Manager**
Median annual pay: \$116,010
Top earners: \$187,199+
- **Market Research Analyst**
Median annual pay: \$60,570
Top earners: \$111,440+
- **B2B Sales Manager**
Median annual pay: \$98,530
Top earners: \$166,400+

Source: U.S. Bureau of Labor Statistics

- work closely with the partner's marketing team to create the campaign, establishing a division of responsibilities and a

- interact with other company owners and other marketing managers to ensure that cooperative agreement responsibilities are met; mitigate any problems which occur
- maintain a budget and track results of cooperative marketing efforts

Education and Skills

A bachelor's degree—in marketing, public relations, graphic design, communications, or business—is usually the minimum requirement for a marketing manager. In addition, marketing managers will have gained experience in other marketing positions before achieving this level. An internship during the pursuit of a bachelor's or master's degree is a great way to gain experience and build a portfolio of work.

Market Research Analysts

Market Research Analysts look at, and interpret, market data to determine the most effective product positioning in the marketplace. Analysts also monitor the effectiveness of current cooperative agreements and other marketing efforts.

What do they do?

- employ interviews, surveys, focus groups, data-collection software, and examine consumer trends, in order to assemble information on the ideal customers for this collective effort
- research the types of advertising specific demographic groups are responding to, and interpret how cooperative marketing efforts can be adjusted accordingly
- keep up on market trends, economic indicators, new insights into human motivation and response to persuasion, and incorporate these insights into future cooperative efforts

Education and Skills

Market research analysts need at least a bachelor's degree in market research, or in a related field such as statistics or computer science. Many analyst jobs also require a master's degree, particularly in leadership or in positions that engage in more technical research. Many analysts complete internships

between companies, focusing on the benefits that result from sharing resources, such as economic viability and expanded visibility.



What do they do?



- network with similar or complementary companies and their decision-makers
- put together cooperative marketing packages to attract partners
- identify ways to reach the collective customers of all involved companies
- establish responsibilities and benefits of the cooperative agreement and solidify them in contractual agreements



Education and Skills

B2B sales managers should have at least a bachelor's degree in communications, business, or marketing. Work experience in an internship while attending marketing school will also give prospective sales managers an inside view of the sales process. Prior to becoming B2B sales managers, qualified candidates will usually have established a proven sales record.

How can a marketing school help you succeed?



Our Recommended Schools

1 **Grand Canyon University (GCU)**

GCU's Colangelo College of Business offers leading edge degrees that address the demands of contemporary business environments.

2 **Southern New Hampshire University (SNHU)**

Explore the bond between business and consumer behavior with a degree in marketing.

Additionally, students gain insight into the art of persuasion, as they learn the nuances and methods which have been proven to motivate consumer behavior. Psychology and sociology courses can help cooperative marketers develop tools to both persuade consumers and convince other businesses to join forces for a common good. (See also [Consumer Psychology](#))

Communication is essential in all marketing efforts, especially the ability to write concise business letters, brochures, and other marketing collateral that will attract other businesses.

Communication tools are also essential to reaching and motivating customers.

In addition, accurate and target-specific data helps marketers determine whether or not their cooperative marketing arrangements are actually beneficial. In marketing school, you'll learn how to collect pertinent data, and how to read the nuances of the numbers, and predict success and future growth.

Investigate whether marketing school is a good fit for you by researching online, and by visiting a school counselor. Work together to determine the best education for your needs.



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