

## How Co-Op Marketing Grew a National Brand's Annual Marketing Budget by 36%

A national franchise organization with limited corporate marketing funds and tapped financial contributions from owners faced an uphill battle to provide increased advertising support to its network. Having never employed a national co-op marketing program before, this organization turned to initiate-it to design, implement, and optimize such a strategy.

initiate-it concocted a strategic approach to utilize their client's existing network of vendor partnerships to gain substantial marketing funds. While a comprehensive and complicated effort, initiate-it's process was the result of four steps.

Thanks to an impactful first year of the co-op marketing program, initiate-it and their client were well positioned to bring more opportunities of success to vendor partners going forward. By coming to agreements with additional vendors and receiving increased funding from existing partners, initiate-it was able to **grow vendor contributions by 207%** from year 1 to year 2 of the co-op program, setting the stage for continued success for years to come.

Our conversations yielded a **45% close ratio**

### **1 Identify Established and Influential Industry Vendors**

The nature of this client's business lent itself to maintaining a vast number of vendor relationships. The first step was to identify those most paramount to starting a dialogue with. Through analysis of purchase data, brand sales growth, and merchandising/inventory trends, **33 of the most important vendor partners** were selected and contact information for the proper marketing or c-suite officers was identified.

### **2 Create Tiered Advertising Partnership Plans for Top Vendors**

Once the proper vendors had been identified, the next step was to prepare multiple presentations to deliver, depending upon the size of the financial commitment being asked. Each pitch would be geared toward offering an in-depth explanation of what the participating vendor could expect to receive in exchange for their financial commitment – and how the level of that ask was established through examination of brand sales trends in franchise locations.

## 36% increase in national advertising budget

### 3 Pitch to Prospective Vendor Partners and Secure Funding

As this program was novel for both the national franchise organization and their vendor partners, our initial approach was understandably met with skepticism that we could deliver the results we projected. Through thorough conversations and careful explanation of similar campaigns we had executed in the past, we deftly worked our way through presentations with all 33 vendors. Our conversations yielded meaningful resolutions with 15 of those vendor partners, **a 45% close ratio**, which in turn **boosted the national advertising budget by 36%**. These discussions established terms of commitment, methods of execution, and metrics for success.

### 4 Execute Advertising Campaign and Achieve Success

Raising capital was just the beginning. initiate-it took the funds contributed by vendors during the inaugural year of the co-op marketing program and delivered excellent results. All participating vendors saw an increase in sales during campaign flight, relative to the previous year, with one brand seeing an impressive **15% sales growth**. During the largest campaign of the year, participating vendors saw a **3.8:1 return on ad spend**.

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**If you're struggling with these same issues  
of a limited or nonexistent co-op marketing program  
and are interested in learning  
how such a program could transform your business,  
contact us today and let's talk.**

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