



“Always keep in mind, however, your brand is known by the company you keep.”

THE SECRET SAUCE OF COOPERATIVE MARKETING

Wendy Lewis takes a dive into the benefits of using shared marketing programmes to grow your aesthetic practice

TODAY'S CONSUMERS ARE RESHAPING the way they interact with brands across every touch point and at every level. Therefore, brands need to be front and centre when and where their target audience is searching for their products and services. One of the ways to accomplish their mission is through unique partnerships that break through traditional advertising and marketing tactics.

Co-op marketing is where two or more parties get together and combine their marketing efforts to achieve mutual gains. In the simplest terms, if Doctor A agrees to enclose Doctor Y's brochure in a mailing, and in return Doctor Y agrees to enclose Doctor X's brochure in his mailing, that is a very basic form of co-op marketing. Similarly if you ask the OB/Gyn practice in your building to leave a supply of your plastic surgery practice's newsletters in their waiting room, and you offer to keep

their business cards at your front desk to give to patients, that is another form of co-op marketing. But co-op marketing doesn't always have to be a *quid pro quo*.

This concept is frequently practiced by innovative marketers that run the gamut from large multinational corporations to small local businesses. For example, airlines partner with many related parties including hotel chains and rent-a-car companies to jointly market their products and services. When you fly in the premium cabin, you may find a promotional offer from a retail chain or restaurant on your dinner tray.

Think of it this way; every business in your community may be a potential co-op marketing partner. There are many opportunities that may be available for you to tie-in with another local or regional business. If you position it in the right way, they may be willing to partner with you, which in turn, will help expand your marketing reach while reducing your costs.

Illustrations
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'What's in it for me?'

The fundamental theme of cooperative marketing is mutual profitability. Just as you should aim to benefit from any partnership, your partner must also reap some rewards from joining forces.

Co-op marketing involves combining advertising, promotions, public relations, or branding efforts in ways that help all businesses involved. Choosing the right partners is critical. For example, forming a collaboration with a competitor could potentially harm your business more than it could boost sales. To be effective, select marketing partners that can contribute to a mutually beneficial relationship with whom you have a rapport and have built up trust.

Two or more non-competitive businesses that do not overlap in the services and products offered could collaborate successfully, thereby strengthening each other. For example, a dental group and a dermatology practice, or a hair salon and a medical spa, could co-market their services nicely. The key is that all of the businesses involved each receive some benefit for funding or participating in the joint marketing endeavour. It also helps if they share a similar customer base in terms of age, gender, lifestyle, spending habits, and interests. Practices can benefit greatly from combining efforts to reach their respective core audiences. For example, hosting a patient seminar or charity event with a friendly non-competitive entity and agreeing to market to your databases allows both practices to expand their exposure to another patient audience.

Another variation on this theme is co-branding initiatives. Co-branding is when two or more brands contribute their resources to a joint marketing endeavour. This concept may take many forms. For example, ingredient branding is when one brand includes a component of another brand in their product to capitalize on the brand equity. The prime example would be PCs that feature 'Intel Inside.' Consumer product brands use this model all the time, such as Tide laundry detergent that includes Downy fabric softener. Co-branding has also found its way into fashion when Target launched successful collections with top designers from Mizrahi to Missoni, and in beauty with Lady Gaga's collection for MAC and OPI for Sephora.

Cooperative branding is when two or more businesses participate in joint advertising or promotional campaigns. For example, retailers in a mall might participate in a special promotional brochure for a national holiday, such as Mother's Day, Christmas, or 4th of July, by offering a storewide coupon or loyalty cards. This practice can also work in an office complex or with a collection of retailers on Main Street USA.

Complementary branding is the marketing of two brands together to stimulate co-consumption or co-purchasing. A classic example of this strategy is Starbucks coffee sold at 7-11 stores, or Speck cases sold at Apple stores. It's a win-win situation for both brands, which is the value of a strong, well-designed co-branding partnership. This concept could work equally well with two or more service businesses. For example, a medical spa might partner with a hair salon to encourage customers to have a facial treatment and then go in for a blowout and makeup application thereby enhancing the customer experience.

Additional creative marketing strategies may be based on more basic practical arrangements. For example, a medical practice that does not have the space or staff on board to properly dispense products may benefit from a relationship with a retail partner who carries clinical skin care, healing aids, and recovery garments. This fills a void by offering a service and convenience to patients, which is a value to the practice, and the retailer benefits by profiting on referrals who make purchases.

The potential for cooperative marketing relationships is only limited by your creativity and ability to forge strong relationships. The only caveat is that all the brands involved must strengthen each other to avoid pitfalls. A partnership with a disreputable brand could negatively impact your business's reputation, which underscores the importance of carefully vetting each opportunity that presents itself. Cooperative marketing activities are not mutually exclusive either. It is reasonable to participate in several promising cooperative marketing activities as long as these do not detract from any other profitable marketing tactics you have going on.

Unique associations can attract more attention for a brand and thereby help your practice break through the competitive clutter in the market. Always keep in mind, however, your brand is known by the company you keep.

Vendor sponsored co-op marketing

Advertising in any form does not come cheaply. Glossy ads in national publications or on network television can run in the multi millions of dollars. Most of the time only big brands with deep pockets can afford the luxury of such advertising. This is where co-operative marketing offers big benefits to small businesses that lack the required expertise and budget to make noise in their respective markets.

Co-op marketing is a successful channel of marketing that provides effective results to small businesses at what is often a significantly lower cost. These programmes allow large brands to subsidize the marketing efforts of their customers to increase brand awareness and customer satisfaction, as well as increase sales. Many aesthetic suppliers, manufacturers, and distributors >



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CO-BRANDING MODELS

- Ingredient Branding
- Cooperative Branding
- Complementary Branding

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▷ now offer some form of cooperative marketing programmes for practices to tap into. The term cooperative in this context means that if you spend some money, the manufacturer will also spend some money. You are essentially cooperating to market and advertise the manufacturer's product.

These offerings provide an ideal opportunity for a small business with a limited budget and marketing expertise to grow and flourish. But it is up to the customer or practice to drive the potential of co-op marketing and get the maximum benefits. A variation on vendor driven co-op marketing can be found in airline magazines. Flip through the pages of American Way or Delta Sky Magazine and you may find several examples from national brands including Coolsculpting, NeoGraft, and Restoration Robotics that list select practices that feature their products.

Marketing through traditional outlets such as television, radio, print, and patient seminars are often simpler for practice managers and physicians to understand, so that is often where the majority of co-op funds may be spent. Outdoor advertising has also worked well in certain markets, which includes billboards, bus stops, airports, and signage on buses and other vehicles. Local PR is another popular option that is frequently included. However, there is an increasing shift of co-op supported funds being diverted to digital marketing initiatives including website development, SEO, paid search, social media, and email marketing.

The new digital marketing model is a whole new world for practices to dip into, and confusion abounds. Practices are being hounded by multiple marketing vendors pitching their solutions at conferences, via eblasts, and online on a



daily basis. It can be daunting for a busy physician to find the time to properly research all of the options and know how to make good decisions, especially since this is a new frontier for many. It may also be difficult to understand how these products can work for their practice.

Sophisticated vendor-sponsored co-op marketing programmes can help by simplifying the decision-making processes and guiding physicians with their marketing efforts. These programmes are most commonly offered by

medical device companies to practices considering bringing on a new piece of capital equipment. The most successful co-op programmes should be simple for practices to work with so they can use the support brands provide. Using co-op dollars cuts down on everything from production, creative and design expenses, to media buys and advertising partners.

One challenge to a co-op marketing buy-in is that some manufacturers have more restrictive programmes than others. Co-op funds often go unused because of several pitfalls, especially overly complex and labor intensive processes. Brands don't always provide preconfigured marketing programs to make it easy for practices to actually spend their co-op dollars. To address this dilemma, more vendors have now developed a team of practice marketing support professionals and business development managers to help practices undertake the chore of investing in marketing their services, which is critical for success.

In conclusion, practitioners should keep an open mind about when presented with cooperative promotional opportunities and think outside the box. It's a brave new world for creative marketers.

TOP REASONS WHY CO-OP DOLLARS DON'T GET USED

- Too many restrictions imposed
- Too much paperwork needed
- Misunderstanding of the rules
- Unable to execute internally
- Too many/not enough choices available
- Not enough value to bother
- Lack of marketing expertise at the practice level

HOW NOT TO LEAVE MONEY ON THE TABLE

- 1** Before you spend any co-op money, you may need to get your ads or promotions pre-approved by the manufacturer before proceeding
- 2** Keep careful records. Obtain proof of performance from the media outlet you are working with for verification that you ran the ads as you are claiming for reimbursement
- 3** Be vigilant about reimbursement. Invoices are paid to practices that keep copious records, submit claims in a timely manner and follow-up

- 4** Work with an advertising professional or graphic designer to prepare ads. Keep in mind the image, colors, and key messages the manufacturer presents in their own marketing and adhere to those brand guidelines
- 5** Follow the instructions and rules set forth by the vendor to the letter to avoid having your marketing efforts rejected. Manufacturers will have specific guidelines for how you can use co-op funds
- 6** If a manufacturer you are dealing with does not have a formal co-op program in place,

- ask your sales representative if there are any co-op dollars available for your marketing campaign. It is in their best interest to help support your business
- 7** If you are considering a large capital equipment purchase, look at what vendors may offer to help you build your practice and factor that into the decision-making process
- 8** Assign a dedicated staff member to manage all co-op marketing relationships with vendors and other partners to prevent details from falling through the cracks