

## **Counter the Competition Via Cross Promotions**

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You've got a new product and want to get the word out about its attributes to your target audience in record-breaking time and with maximum market penetration.

Sure, you could go it alone...and risk missing your mark. Or, you could piggyback onto an already established brand and boost your chances of breaking out big time.

The importance of cross promotions can't be overstated. The practice offers a chance to increase product and brand awareness of your new product. By aligning your brand with a revered, established brand, strong opinions and personality attributes are created in the consumer's mind about the new product's potential. Since consumers develop brand preferences and loyalties based on their experiences with a product and its marketing media (Web, TV, print, POS, packaging), if a consumer has an existing opinion regarding your product, you have a better chance of changing that perception if you tie into a brand that has favorable standing.

Consider the example of the Microsoft Xbox launch. Microsoft needed to erase its corporate software stigma from the minds of its male teen audience. By engaging in co-branded, on-pack cross promotions with such teen-friendly brands as Pepsi, Frito-Lay, SoBe beverages and Taco Bell, Xbox succeeded in gaining cool, serious gamer credibility with its desired audience.

Meanwhile, Taco Bell was able to drive sales of certain menu items by offering scratch-and-win cards on beverage cups. The company also provided, via purchase of a food item, a chance to instantly win games, consoles and other prizes. All scratch-and-win cards featured promotion codes to drive consumers to Taco Bell's Web site for an added chance to win a grand prize.

Frito-Lay placed game inserts for instant prizes in its back-to-school lunch-sized Doritos. Again, insert promo codes drove consumers online for chances to win a grand prize. SoBe executed a collect-the-cap promotion on new mega packs in bulk retail locations. Consumers collected beverage caps with one of three messages. Consumers collecting all three messages won Xbox, snow, skateboard or bike gear.

Another way co-branding can prove useful is in permitting consumers to sample products before purchasing via special packaging. Increasing numbers of companies are putting a great deal of marketing effort into servicing their existing customer base. Building brand (product) loyalties is essential in keeping a company's financial bottom line steady in hostile, competitive times.

**Perfect partners**

Of course, companies can't just jump into cross promotions without some forethought. It might not make as much sense to pair children's cereal with an engine-oil sample as it would to combine it with a 50 cent-off coupon for a gallon of milk. Even in seemingly natural alignments, consideration and calculations are required.

When contemplating a partnership, get deep inside your own and your potential partner's demographic appeal. Determine if your brands are reaching the same audience. Determine if their brand is reaching consumers via unique methods.

Several years ago, Ford Motor Co. partnered with Eddie Bauer clothiers to develop a co-branded SUV designed to appeal to a common demographic: affluent males. Eddie Bauer manufactures outdoor clothing designed for active, sophisticated and affluent males and females. Ford wanted an SUV that was a step up from its standard Explorer series. Eddie Bauer promoted the vehicles via POS in retail locations nationwide. Ford provided the materials, manufacturing force and marketing support to reach a shared audience in unique ways. Eddie Bauer now has its name on thousands of vehicles nationwide—the best billboard imaginable.

Know a “day in the life” of your consumers, including: hobbies, packaged goods-consumption behaviors, leisure activities, and large-purchase habits such as those involving cars and electronic goods. A brand message or product sample will have a greater chance of meeting or exceeding marketing objectives if it's aligned with the product possessing greater exposure to a target audience. For example, Xbox partnered with Frito-Lay for an in-pack promotion for its Doritos brand, understanding that Doritos consumption among male gamers was higher than any other Frito-Lay product. The promotion wouldn't have proven as successful had this promotion been placed with corn chips or potato chips.

Also, learn all the marketing, packaging properties and sales channels available through this brand alignment. Preliminary research on potential companies and their brands should include a thorough assessment of their capabilities, such as:

- distribution channels;
- all advertising media (including, if possible, advertising expense estimates);
- public-relations activities (determine whether this company has the staff or resources to create a PR component to the proposed program); and
- event marketing/promotions.

As an example of this last point, SoBe deploys 12 Love Buses each summer for sampling at outdoor music festivals and fairs. Xbox hooked onto this mobile event-marketing capability by placing its consoles on site for trial.

Of course, not all potential partnerships are going to work. Note the warning signs that an alliance is likely to fail. Conceptualize a realistic program based on everyone's budgets

and willingness to collaborate and concede. If a partner isn't listening or communicating objectives or isn't interested in your interests, it's going to prove a bumpy ride. Know your corporate partner's capabilities and limitations. If they've never printed holographic/metallic items on a package before, you might want to assess the risks before deciding everything should be printed in this manner. If they've never done event marketing before, insist on professional agency support. Talk to other companies who have engaged in similar promotions with this partner to get an idea of how easy or difficult they are with which to work.

### **Moving forward**

Once two (or more) companies decide a partnership can succeed, some guidelines can help in moving toward executing the plan.

First, build layers into cross promotions. These might involve packaging, sweepstakes, product-sample distribution, online-marketing initiatives, print-marketing initiatives, and point of purchase. Integrated cross promotion programs and marketing support are the ways to ensure the initiative will have a successful stint for the program's entire duration, thereby ensuring a successful ROI.

Leverage all marketing channels of both parties to drive awareness and sales. If one brand is in food, drug and mass, get on their packaging so you can do the same. If one brand is in one area of a store's planogram, get on their packaging so you can get your product in multiple locations. One brand might enjoy a stronger media budget. Instead of tapping yours out to support one effort, leverage their dollars and agencies to get the work done. It's an art of negotiation and compromise.

Lastly, understand a clear division of labor and realize who is bringing what to the table. The negotiation process should begin with defining individual and shared program objectives. From this, you get a clear understanding of what's most important to each partner. Simply state what is of interest to your brand, noticing how your partner prioritizes his interests. Once everyone states what they want, jointly create a clear division of labor to execute the program. If they are footing the bill for media support, leave media planning to their experts. It is paramount that you have approval authority, but let your partner execute the details. If you have agreed to place POS in retail, then you need to execute creative development, printing and fulfillment, giving your partner approval authority.

Cross promotions can open up a whole new world for the brands involved. Stay on track and stay on message to make the most of this mutually beneficial partnership.

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