

# CHAPTER 15: CHANNEL MARKETING AND TRADE PROMOTION

## Chapter Objective

To describe how distribution channel members work together to optimize the total value of their brands for the ultimate consumer.

## Chapter Key Points

### Chapter Outline

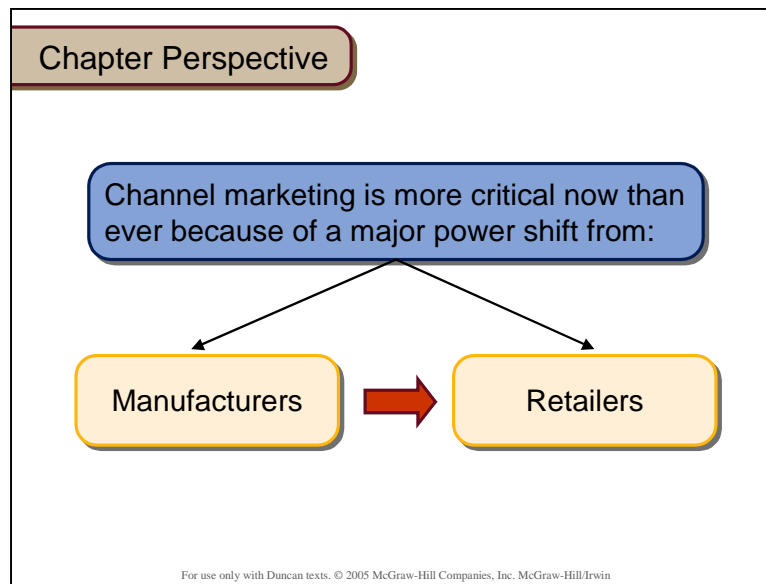
- What is trade promotion and how does it fit into channel marketing?
- How do trade promotion's strategies and practices operate?
- What is co-marketing and why is it an "integrating" practice?

For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

This chapter addresses three key issues:

1. What is trade promotion and how does it fit into channel marketing?
  - The chapter defines trade promotion and discusses its role in channels of distribution.
2. How do trade promotion's strategies and practices operate?
  - The chapter identifies some of the key strategies and tactics used in trade promotion.
3. What is co-marketing and why is it an "integrating" practice?
  - The chapter defines co-marketing and discusses how it used in channels of distribution to strengthen channel relationships.

## Chapter Perspective



When advertising and marketing people talk about the “customer,” most of the time, whether in B2C or B2B, they are referring to the so-called ultimate consumer, or end user, who is the person or household who actually consumes the final good or service. What is often overlooked is that the real customer for manufactures of goods are members of the distribution channels, especially retailers. If these people don’t buy, end users never have a chance to do so (other than through direct marketing).

Channel marketing is the process by which manufacturers build relationships with members of the distribution channel in order to get products to end-users. Modern-day channel marketing is made up of three activities: trade promotion; co-marketing, and personal selling.

For many years manufacturers alone determined what products they would make and what promotions would be used at retail. With the growth of powerful retail chains, however, such as Wal-Mart, much of the control over the product line, as well as its movement through the distribution channel, has moved to the retailers.

Retailers will only carry brands that sell well. Increasingly retailers are focusing on building relationships between their stores and their customers rather than between their customers and manufacturers’ brands. Therefore, manufacturers are struggling in this new retail environment to protect their brands, as well as get what they feel is their fair share of promotional support from retailers, which is what this chapter describes.

## Opening Case: Finish Line

### Opening Case: Finish Line



For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

### Opening Case: Finish Line

#### Challenge:

Position Finish Line as the Nike destination

#### Answer:

- A trade-promotion partnership including:
- Use of a Nike-recommended agency
  - Joint Finish Line/Nike in-store fixtures/POP displays
  - Joint advertising on TV and in magazines
  - "Nike Stories" in Finish Line Magazine

#### Results:

- 20% increase in Nike sales at Finish Line
- "Nike destination" scores rose from 20% to 62%

For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

Challenge: Position Finish Line as the Nike destination

Answer: A trade-promotion partnership including:

- Use of a Nike-recommended agency
- Joint Finish Line/Nike in-store fixtures/POP displays
- Joint advertising on TV and in magazines
- "Nike Stories" in Finish Line Magazine

Results:

- 20% increase in Nike sales at Finish Line
- “Nike destination” scores rose from 20% to 62%

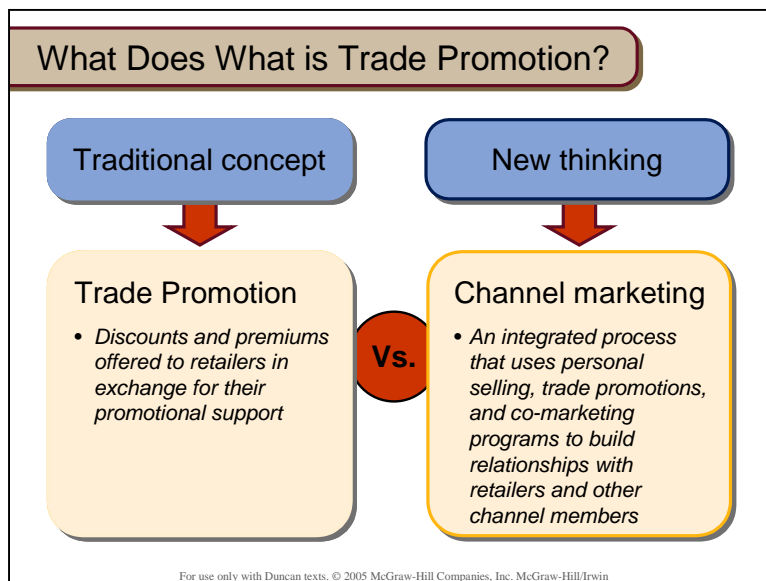
Discussion Starters:

- 1) This case should be very relevant for students. One good opening question would be to attempt to get a “market share” measure for Nike by polling the students to see what brand of footwear they are currently wearing and reporting this result on the board.
- 2) A good follow-up would be to ask those who answered “Nike” to question one where they purchased their Nike products. Hopefully, some will answer the Finish Line. Report these results on the board as well.
- 3) To get right to the heart of the case, ask those who purchased their Nikes at Finish Line if they can remember any of the promotions described in the case. If no one purchased their Nikes at the Finish Line, ask the students if they purchased other products at the Finish Line and why. Specifically ask if anyone can recall any tactics similar to the ones described in the case.

## Lecture Outline

### I. Communicating With Distribution Channels

#### A. Traditional concept: Trade promotion



- i. *Discounts and premiums offered to retailers in exchange for their promotional support*

#### B. New thinking: Channel marketing

- i. *An integrated process that uses personal selling, trade promotions, and co-marketing programs to build relationships with retailers and other channel members*

### C. Common channel members

#### Common Channel Members

**Wholesalers:** Companies that move goods from manufacturers to retailers

**Bottlers:** In the soft drink industry, local companies who buy ingredients then mix it, bottle it, and sell it to local stores

**Dealers:** In the automotive industry, they buy cars from the manufacturer, and display models on their lots/showrooms

**Retailers:** The stores that sell products and services to consumers



For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

- i. Wholesalers
  - 1. *Companies that move goods from manufacturers to retailers*
- ii. Bottlers
  - 1. *In the soft drink industry, local companies who buy ingredients then mix it, bottle it, and sell it to local stores*
- iii. Dealers
  - 1. *In the automotive industry, they buy cars from the manufacturer, and display models on their lots/showrooms*
- iv. Retailers
  - 1. *The stores that sell products and services to consumers*

### D. Selling in new products



- i. The key is to secure authorization...
  - 1. *Channel members agreement to carry a brand*
- ii. ...from channel buyers
  - 1. *The person who purchases products for resale and selects which manufacturers' promotions to use*
- iii. Ways to create acceptance
  - 1. Marketing communication plan to stimulate consumer demand
  - 2. Special offers
  - 3. Sampling the product
  - 4. Research about how the brand meets consumer needs
  - 5. Profit projections
  - 6. Shelf-management diagram
  - 7. Slotting allowances
    - a. *A one-time, up-front fee for agreeing to stock a product*
- iv. Promoting authorized products

**Promoting Authorized Products**

The trend is toward more trade support of existing products at the expense of consumer promotion

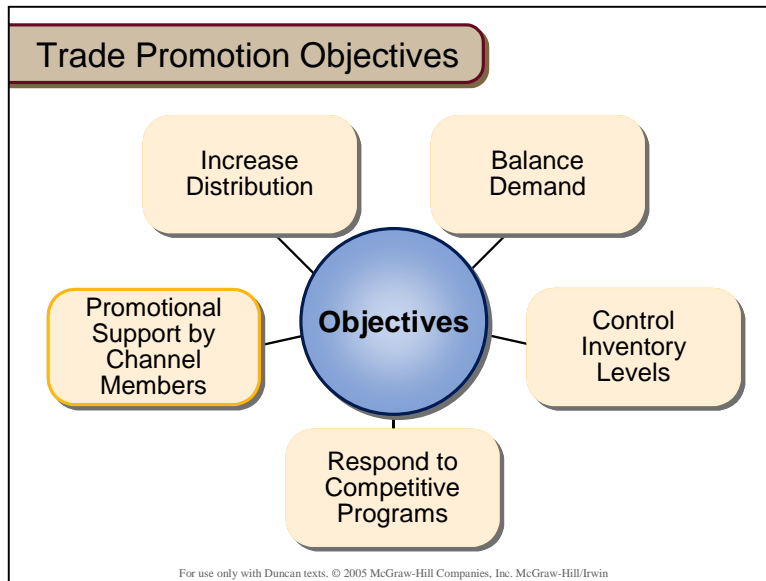
| Percent of Marketing Budget | 1997 | 2001 |
|-----------------------------|------|------|
| Consumer promotions         | 24   | 15   |
| Trade promotions            | 53   | 61   |

For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

- 1. The trend is toward more support of existing products
- 2. At the expense of consumer promotion

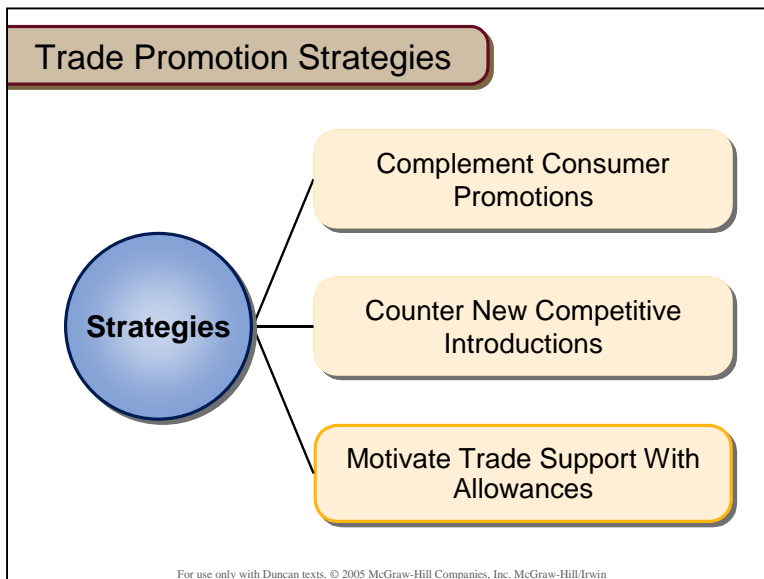
| Percent of Marketing Budget | 1997 | 2001 |
|-----------------------------|------|------|
| Consumer promotions         | 24   | 15   |
| Trade promotions            | 53   | 61   |

II. Trade Promotions: The Foundation of Channel Marketing  
A. Objectives



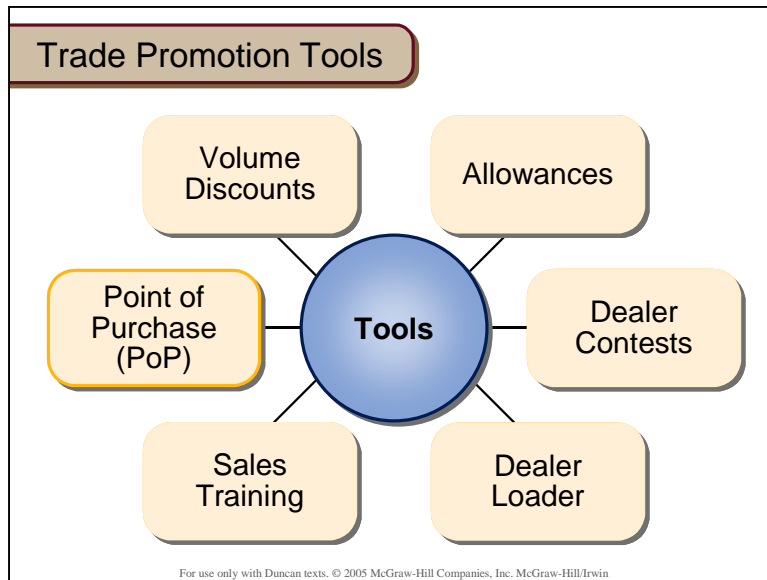
- i. Increase distribution
- ii. Balance demand
- iii. Level out sales peaks and valleys
- iv. Control inventory levels
- v. Respond to competitive programs
- vi. Try to retain shelf space threatened by new competitors
- vii. Elicit promotional support by channel members

B. Strategies



- i. 3 common approaches
  1. Complement consumer promotions
    - a. Trade promotions often run at the same time as a consumer promotion event (i.e. coupon) and advertising heavy-ups
  2. Counter new competitive introductions
    - a. Trade promotions can counter new competitors with special offers to minimize the retailer support for the new entries
  3. Motivate trade support with allowances
    - a. Allowance examples:
      - \$2 per case allowance if retailer promotes the brand
      - \$1 per case allowance if retailer prominently displays the brand

### C. Tools



- i. Volume discounts
  1. Encourages retailers to buy more
    - a. The more purchased, the greater the discount



## ii. Allowances

### A Special Advertising Allowance For Running this Ad

SHOP SPECIAL HOURS TODAY 11 A.M. TO 7 P.M.

**Limited Offer!**  
**Savane**  
**Trade-in**

Bring in any of your old, clean pair of Men's slacks and receive  
**\$10 OFF**  
your purchase of any regular price \$6.00 casual or dress Savane® pant. All old slacks will be donated to charity.  
Offer ends September 25, 2005

**\$36**  
Regular price  
**\$10**  
Trade-in credit  
**\$26**  
FINAL PRICE

**The Deep Dye Collection**  
Choose from a great collection of business-casual styles.  
Left: Deep Dye green-front slack, \$6.00.  
Right: Deep Dye plain-front slack, \$6.00.  
Also available:  
Deep Dye extra-dye plus-front slack, \$6.00.  
Deep Dye khaki plus-front slack, \$6.00.

holiday magic of **Dillard's**

For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

1. Off-invoice price reductions
    - a. To encourage stocking up for a limited period
  2. Advertising and Co-op advertising
    - a. To encourage promoting the brand in local media
  3. Display
    - a. To encourage prominent placement in the store
  4. Buy-back
    - a. To encourage new purchases by offering to replace old stock
- iii. Dealer contests
1. *Special prizes and gifts when sales reach a predetermined volume (or a stated percentage increase of last year's sales)*
    - a. Travel-related contests are very popular

▷ **INSTRUCTOR IN-DEPTH INSIGHT: TRADE PROMOTION AGENCIES**

**Insight: Trade Promotion Agencies**



Developing and managing trade promotion programs requires a unique combination of brand marketing and retail understanding. Most advertising agencies and general marketing communications agencies do not have the channel understanding.

However, there are a handful of agencies that specialize in trade promotion, and due to the demand, more agencies are starting to offer their clients trade promotion services at some level.

Developing and managing trade promotion programs requires a unique combination of brand marketing and retail understanding. Most advertising agencies and general marketing communications agencies do not have the channel understanding.

However, there are a handful of agencies that specialize in trade promotion, and due to the demand, more agencies are starting to offer their clients trade promotion services at some level.

iv. Dealer loaders

**An Example of Dealer Loader Rack**




For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

1. *A high value premium given to the retailer in exchange for purchase of a special product assortment or a specified dollar volume*
  2. Example: a cooler used to stock soft drinks
    - a. After the promotion period, the premium belongs to the retailer, who may raffle it off to employees
- v. Sales training
1. When a manufacturer educates a store's sales staff about the brand
    - a. Includes educational materials and training sessions on how to sell the brand
    - b. Critical for high-tech and premium priced brands



## TALES FROM THE REAL WORLD

### Tales From the Real World



Sometimes in the real world, good channel marketing comes down to sharing some simple information and advice.

For example, Oscar Mayer helped encourage the adoption of its new "Breakfast Ham" product by working closely with retailers to make sure that it was displayed next to bacon and sausage (in the breakfast meats section) rather than with traditional ham products (in the refrigerated meats section).

Sometimes in the real world, good channel marketing comes down to sharing some simple information and advice.

For example, Oscar Mayer helped encourage the adoption of its new "Breakfast Ham" product by working closely with retailers to make sure that it was displayed next to bacon and sausage (in the breakfast meats section) rather than with traditional ham products (in the refrigerated meats section).

vi. Point of Purchase (PoP)

An Example of POP Clutter



For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

1. In-store advertising and displays featuring the brand

a. Examples:

- Banners and signs
- TV monitors, audiotapes for the store's sound system
- Shelf signs
- End-cap (end-of-aisle) displays
- Special display racks

IMC In Action: Kendall-Jackson

IMC In Action: Kendall-Jackson

For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

## IMC In Action: Kendall-Jackson

### Challenge:

To increase sales without huge ad expenses

### Answer:

Creation of a channel marketing team that:

- Helped train staff at Red Lobster, Olive Garden, and Hyatt Hotels
- Advertised in trade journals to build relationships with retailers
- Worked with retailers to increase aisle space
- Created a cross promotion with Hormel promoting wine and meat

### Results:

- Sales volume increased 24% versus 2% for the industry

For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

Challenge: To increase sales without huge ad expenses

Answer: Creation of a channel marketing team that:

- Helped train staff at Red Lobster, Olive Garden and Hyatt Hotels to be more knowledgeable about wine
- Advertised in trade journals to build relationships with retailers
- Worked with retailers to increase aisle space
- Created a cross promotion with Hormel promoting wine and meat

Results:

- Sales volume increased 24% versus 2% for the industry

Discussion Starters:

- 1) This question may have less relevance for students, so a good starting place might be to poll the class to see if they have ever tasted or purchased wine. If there are some wine drinkers, the discussion can continue around wine. If not, consider switching the discussion to beer, which may be more relevant.
- 2) The main thrust of this case is retailer recommendations as a result of channel marketing efforts, so a good follow-up question would be to ask students if any wine (or beer) retailer has ever recommended a specific brand for them to purchase.
- 3) As a test of the effectiveness of this tactic, then poll the students to determine how many followed the retailer's recommendation and proceeded to purchase the brand. Of these, ask how many followed the recommendation even though they had never heard of the brand—and why they took this “leap of faith.”

III. Co-Marketing Integrates Manufacturers And Retailers  
A. *Co-marketing*

**What is Co-Marketing?**



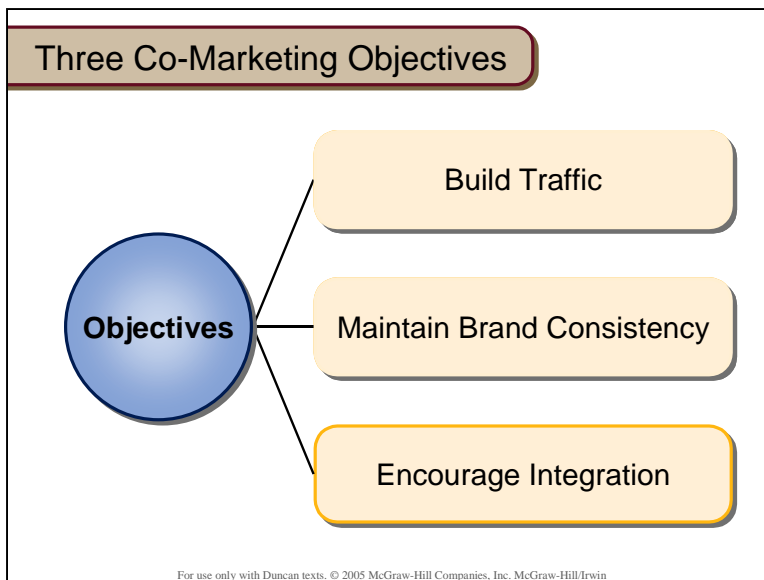
**Co-marketing:** A customized manufacturer-retailer joint effort designed to have a better price/image balance in local retail advertising of manufacturers' brands

- Increasingly important for brands because:
  - Competition for shelf space is intense
  - Need to accommodate the growing power of retailers
    - 5 chains control 50% of all U.S. grocery sales

For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin

- i. *A customized manufacturer-retailer joint effort designed to have a better price/image balance in local retail advertising of manufacturers' brands*
- ii. Increasingly important for brands because:
  1. Competition for shelf space is intense
  2. Need to accommodate the growing power of retailers
    - a. 5 chains control 50% of all U.S. grocery sales

B. Three co-marketing objectives



- i. Build traffic

- ii. Maintain brand consistency
  - 1. Brands partner with retailers on promotions that protect the brand's image as well as the store's
- iii. Encourage integration
  - 1. Brand dollars are combined with money from retailers, generally resulting in an integrated mix of trade promotional elements plus a lot of customization

## IMC In Action: P & G

The screenshot shows the P&G website interface. At the top, there are logos for Actonel and P&G, along with a 'P&G Global Operations' link and a world map icon. A navigation bar includes links for Home, Products, Company, News, Careers, and Investing. Below the navigation, there is a search bar labeled 'P&G Network Search' with a 'Go' button. To the left, there is a section for 'U.S. Product Information' with dropdown menus for 'Choose a Category' and 'Choose by Brand'. Below that, there are links for 'Contact Us', 'Samples, Offers, and Sweepstakes', and 'brandSAVER.com'. A central image shows two smiling women. To the right of the image is a green circular graphic with the text 'Welcome to your home for tips and solutions you can use every day.' Below the image, there is a section for 'Everyday Solutions' with links for 'House & Home', 'Health & Wellness', 'Personal & Beauty', 'Baby & Family', and 'Pet Nutrition & Care'. The date 'January 21, 2004' is visible in the top right corner. At the bottom of the screenshot, there is a copyright notice: 'For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin'.

## IMC In Action: P&G



For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin



Challenge: To be smarter about promoting its brands

Answer: Development of Organization 2005 that:

- Conducted research to better understand consumer needs
- Shifted money from coupons to channel marketing efforts
- Allocated \$100 million annually for retailer-specific trade promotions

Results:

- P & G is now a leader in its co-marketing efforts with major retailers including Wal-Mart

Discussion Starters:

- 1) This case may be a bit difficult for students to grasp because so much of it occurs behind the scenes within the channel, but a good starter question might be to ask whether students would be more likely to purchase a P & G product like Crest toothpaste with a \$1 off coupon from the FSI in the newspaper—or due to a \$1 off retailer price reduction right in the store.
- 2) The answers to question 1 might provide some insight into the effectiveness of P & G’s movement of much of its trade promotion efforts from couponing to co-marketing efforts with retailers.
- 3) Another aspect of the issue is whether aggressive sales promotions like those described above hurt the image of the brand. You may want to put it this way: “how many think less of the Crest brand because they can get a good deal on it at Wal-Mart?”

#### IV. Final Note

**Final Note:**

*Push and pull strategies are both important to get retailers to sell brands  
Here is an analogy:*



|  |   |
|--|---|
| <b>Employers<br/>to college grads:</b>                       | <b>Retailers<br/>to brands:</b>   |
| <i>“We can’t hire<br/>you until you<br/>have experience”</i> | <i>“We can’t carry<br/>your product until<br/>our customers<br/>ask for it”</i> |

For use only with Duncan texts. © 2005 McGraw-Hill Companies, Inc. McGraw-Hill/Irwin



- A. Push and pull strategies are both important to get retailers to sell brands
  - i. An analogy:
    - 1. Employers to college grads:
      - a. “We can’t hire you until you have experience”
    - 2. Retailers to brands:
      - a. “We can’t carry your product until our customers ask for it”

## Answers to Review Questions

### 1) Trade promotion and channel marketing

- a. How does trade promotion differ from channel marketing?

*Answer: Trade promotions, which are discounts and premiums offered to retailers in exchange for their promotional support, have been used by marketers for years. Recently, however, some marketers have taken a more integrated, relationship-building approach which they call channel marketing. Channel marketing is an integrated process that uses personal selling, trade promotions, and co-marketing programs to build relationships with retailers and other channel members.*

- b. Why are channel marketing and trade promotion increasing at the expense of advertising and other marketing communication functions?

*Answer: The increasing use of trade promotions is partially the result of the growing number of brand offerings which has made the fight for shelf space in grocery, drug, and discount stores brutal. With more brands asking for distribution and shelf space, retail chains have realized that they can play one brand against another as a way to maximize sales promotion support they get from manufacturers. As a result, some marketers have found it necessary to reallocate portions of their marketing budget away from advertising and other MC functions in order to fund these new sales promotion initiatives.*

- c. In what way is Nike using channel marketing in its dealing with its retailers, such as the Finish Line?

*Answer: Nike has worked closely with the Finish Line on a number of co-marketing programs, including in-store fixtures and PoP displays, Finish Line advertising that features Nike products, the use of Nike-sponsored athletes and ads in Finish Line Magazine, as well as training of Finish Line sales associates on new Nike products and marketing programs*

## 2) Trade Promotion's Objectives, Strategies and Practices

- a. How do push and pull strategies differ? Use one of the brands discussed in this chapter in your answer.

*Answer: Consumer sales promotions are pull strategies because they create consumer demand and thereby “pull” the product through the distribution channel. An example from the chapter would be Nike national advertising for a new product that consumers see on TV, and then visit the Finish Line to see the new product. Push strategies are those that use marketing communication to motivate the trade to buy and make extra efforts to resell products. These efforts thus “push” products through the distribution channels by giving special incentives to get products on retailers’ shelves and included in retailers’ advertising, special displays and other in-store merchandising activities. An example would be the use of a new PoP display rack, provided free of charge by Nike for the Finish Line to use to display the new shoe.*

- b. In what way is channel marketing engaged in creating a push strategy?

*Answer: Although channel marketing strategies can involve offering intangible benefits like sales staff training, trade promotions are usually about money—how much manufacturers will give retailers in exchange for pushing the manufacturers’ brands by offering special promotions in their stores. In return for this “push,” retailers expect way manufacturers to support them with channel marketing incentives.*

- c. Explain the main objectives of channel marketing.

*Answer: There are five primary objectives of channel marketing. They are: increasing distribution for a brand; balancing demand over different time periods; controlling inventory levels for the brand; responding to competitive programs; and eliciting promotional support by channel members.*

- d. What is co-op advertising and how does it work?

*Answer: Cooperative (co-op) advertising is a technique used by manufacturers that allows a percentage of the retailer’s purchases of the brand to accrue in a special “co-op” fund. A co-op fund is typically based on 1-2% of annual sales to each retailer. The more the retailer buys, the bigger their co-op fund. An example of co-op advertising at work would be if, for example, Kohl’s Department stores purchased \$50 million in annual wholesale shipments of Nike product, Nike would put \$1 million (2%) that year in a co-op account for Kohl’s to advertise Nike products.*

- e. In addition to co-op advertising allowances, explain four other types of allowances used in trade promotion programs.

*Answer: The text identifies several other trade allowance types. The first, and simplest, is an off-invoice allowance, a reduction in the wholesale price, with no restrictions, for a limited period. A second is a volume discount based on the amount a retailer buys. The more a retailer buys at a time, the greater the*

*discount. A third is an advertising/performance allowance given to retailers in exchange for the retailer agreeing to feature the brand in its advertising or other promotion programs. A fourth is a display allowance which rewards the retailer for featuring the brand in a high traffic area such as the end of an aisle.*

- f. What is a slotting allowance and why has it complicated marketing strategies?

*Answer: A slotting allowance is a one-time, up-front fee for agreeing to stock a product. It has become a major complication for marketing strategies, particularly for smaller marketers, because these fees at large chains can run into the hundreds of thousands of dollars and now must be factored into trade promotion budgets as a major expense.*

- g. Explain how price promotions are coordinated between a marketer and a retailer.

*Answer: Many retailers analyze their sales by brand, by product category and by store. Scanner checkout systems enable the retailer's buyers to know which stores are selling what brands at what rate. This information is used by buyers when evaluating new products and promotions by manufacturers.*

- h. How do retailers evaluate promotions to decide if they should be used?

*Answer: Some of the key factors retailers consider when evaluating a marketer's offer include the value of the promotion, how complicated it is to execute, how flexible it is, and how competitive it is versus other brands' offers.*

### **3) Co-Marketing**

- a. Explain marketers' and retailers' different perspectives on brand communication.

*Answer: In general terms, marketers would like to maximize the quality image of their brands and not focus so much on low prices. On the other hand, many retailers like to focus more on price as a hook to draw customers into their stores. These two different perspectives can often cause conflict between these two channel members.*

- b. What is co-marketing and how does it differ from other types of channel marketing?

*Answer: Co-marketing is a customized manufacturer-retailer joint effort designed to have a better price/image balance in local retail advertising of manufacturers' brands. It differs from traditional trade promotion in that it does not focus entirely on price deals, but goes beyond and attempts to persuade retailers to use advertising and other forms of marketing communication, not only to announce price specials, but also to reinforce a manufacturer's brand image and positioning.*

- c. What has caused the power shift from manufacturers to retailers and what are the implications of that for marketing communication?

*Answer: The power shift from manufacturers to retailers has complicated local brand promotions. For example, many large retailers like Wal-Mart and Kroger now*

*can wield power over their suppliers (i.e. manufacturers) when it comes to delivering brand MC messages. Retailers often produce their own ads that emphasize their store brands names and images and only feature the special price of certain brands. Not only does this type of retail advertising say nothing about the benefits and image of name brand products, sometimes competing brands are featured in the same ad. As a result, sometimes the only thing differentiating the brands is price—a situation that manufacturers would like to avoid.*

- d. What does the shift to co-marketing mean in terms of IMC programs?

*Answer: The shift to co-marketing has major implications for IMC programs. For example, co-marketing integrates manufacturer needs for consistency in brand messages with the retailer's needs, which are primarily focused on pricing strategies and traffic-building promotions. In co-marketing programs, partnership promotions are created together to meet both sets of objectives. This two-sided dimension of channel marketing can persuade retailers to use advertising and other forms of marketing communication, not only to announce price specials, but also to reinforce the brand image and positioning for both the retailer and manufacturer.*

- e. What is the role of co-marketing in protecting brand images?

*Answer: To help protect their brand images and reinforce MC message consistency, manufacturers often use a “carrot and stick” approach. The “carrot” is the practice of producing a selection of retail print, radio, direct mail and television ads for retailers to use. These ads communicate the brand's image while leaving room for retailers to add a featured price and their logos. To encourage retailers to use these produced retail ads, manufacturers such as Nike, Levi Strauss & Co and Motorola reimbursed retailers 100% from co-op funds when they use these ads. The “stick” is the practice of reducing this reimbursement to a level significantly lower than 100% if the retailers produce their own ads and focus just on price.*

## **Chapter Challenge**

### Writing Assignment

Interview a manager of a local major store that is part of a national chain. Question the manager about the ways in which Coke, Kellogg's, and another major brand (your choice) work with the retail chain to create promotions that benefit the chain and individual brands. Write up your findings.

### Presentation Assignment

Interview a manager of a local major store that is part of a national chain. Ask for examples of in-store POP materials that have been given to the store but the store has chosen not to

use. Find out from the manager why the materials were never used. Bring the examples to class and explain why the materials were never used.

#### Internet Assignment

Using one of the search engines, find sources that talk about and give examples of channel marketing activities. Write up the mini-case histories that you find and compare them to the discussion of channel marketing in this chapter.

#### IMC Plan Team Assignment

At this stage in their semester-long project, students should begin to develop ideas for tools they would like to employ to help their client improve its relationships with other channel members. Students should identify which tools they plan to use and provide descriptions of their plans.

# IMC Final Project Checklist #15

Due Date: \_\_\_\_\_

**Your Agency Name:**

**Channel Marketing Tools**

*Describe and provide information for each of the following tools, discussed in the chapter, that you plan to use to help improve your client's channel marketing efforts*

**Volume discounts**

- What level of discounts do you recommend? And for what quantities?

**Allowances**

- Which of the following types of allowances do you plan to employ?  
And what is your recommended dollar level of support for each?

- Off-invoice price reductions

- Advertising and Co-op advertising

- Display

- Buy-back

**Dealer contests**

- Describe the type(s) of contest you recommend, and the proposed award structure

**Dealer loaders**

- Describe the type(s) of premium you suggest, including a drawing and/or a photo of a similar existing premium used by another brand

**Sales training**

- Explain the type of training program you propose, including the key topics to be covered, and the targeted individuals for the training

**Point of Purchase (PoP)**

- Describe the type(s) of PoP materials you recommend, including copy and layouts of signs and/or posters and drawings and/or photos of similar existing premium used by another brand