



AUTOMOTIVE CO-OP EXPLAINED

Taking Advantage of Every Advertising Dollar

A MOTIVATED MARKETING WHITE PAPER



UNDERSTANDING **CO-OP ADVERTISING**

Co-op, or cooperative, is an aptly-named partnership between a national automotive brand and its local dealership. The key to effectively utilizing co-op funds is first understanding the delicate manufacturer-dealer relationship. When operating properly, it is a mutually beneficial one that allows the manufacturer to shoulder some of the financial burden of advertising, while in turn, ensuring that their target audience is reached on a local level.

Co-op advertising, however, is largely underutilized. It essentially puts “free money” into the hands of individual dealerships, but because of the strict requirements governing the agreement, many local dealers don’t participate. Whether they consider it too much of a hassle or simply don’t understand how to access co-op funds, wasted dollars and a missed opportunity are all too often the unfortunate result.



OVERCOMING THE OBSTACLES

Think about co-op as a fitness regimen. While the gym's glowing fluorescent lights don't beckon as welcomingly as the ones advertising hot doughnuts, the benefits of pumping iron and logging miles on the treadmill are undeniable. Similarly, many dealerships consider co-op to be an annoyance - but a necessary evil they can't afford to avoid. The co-op funds, and the tremendous gains in marketing campaigns, make the investment of time and energy more than worth it.

Mismanagement of co-op funds, however, often spells disaster for many dealerships. The reins are constantly changing hands, making co-op advertising a low priority. Co-op funds fall through the cracks as a result and sometimes hundreds of thousands of dollars or more are lost.

Brands often make it so difficult for advertising to meet requirements that many dealers simply don't bother. The path to compliancy becomes too arduous for dealerships focused on the day-to-day operations required to move cars off the lot, and as a result, co-op funds go unused.

These wasted dollars are commonly referred to as breakage. To minimize breakage and spend funds effectively, it's critical to have someone with a deep understanding of co-op on your team. This trusted advisor should monitor the accounts closely, crunching the numbers and staying up to date on each brand's ever-changing requirements.

PLAYING BY THE RULES

The requirements that local dealers must abide by to take advantage of co-op funds vary from brand to brand. Some automotive brands are more stringent, while other programs are slightly simpler to navigate.

Manufacturers formulate a list of elements that must appear in each advertisement, typically including:

- Corporate brand logos
- National campaign mentions
- Special graphics
- Taglines/phrases
- Fonts/colors

In addition, manufacturers flag certain words or phrases as “distressed language” and prohibit their usage. Again, due to monthly changes in co-op requirements, it’s incredibly important to have an expert managing your accounts.



NAVIGATING THE ROAD TO REIMBURSEMENT

Pre-Approval

To prevent wasted production time, pre-approval of a script or ad is often sought. If the advertisement is deemed co-op compliant, it will move into production phase.

Production

A creative team will then produce the ad, making sure to remain within the co-op parameters.

Final Approval

After getting final co-op approval, the advertisement is sent to the media vendor. Keep in mind that co-op dollars are often lost when the final product isn't submitted on time.

Submission

Dealerships must acquire invoices from media vendors in order to confirm that the correct spot ran on the proper dates. Invoices required for submission must have notarization specifically for co-op. If everything checks out, the dealership must then submit the invoices and appropriate documentation to co-op.

Reimbursement

Once all the paperwork has been filed, dealerships receive reimbursement from co-op for the previous month's advertising.



PARTNERING WITH **MOTIVATED MARKETING**

Motivated Marketing employs co-op experts who know the ins and outs of funding and turnkey vendors like the backs of their hands. They can help you navigate the muddy waters of co-op advertising.

If you're ready to tap into co-op funds or you need help managing accounts, get in touch today. Give us a call at (843) 856-7322 or email info@motivatedmarketing.com. It's time to take advantage of every advertising dollar.

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