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Distribution Channels

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Walk down any supermarket aisle. What do you see? Brands, brands, and more brands. And, individually, each has its own equity—along with consumer appeal, value, unique brand-defining characteristics, and a brand essence that evokes loyalty among target consumers.

The smart marketer uses strategically planned distribution to enhance brand equity. Although gaining new distribution with an alliance partner is less common, it can be extremely powerful. In fact, especially during challenging economic periods, the power of marketing partnerships brings expanded credibility and a cost-efficient means to gain distribution.

Many companies and managers today have mastered and are effectively using promotional programs, which can range from couponing to licensing and merchandising, among others.

However, such marketing tools are often used independently or in more of a silo approach. And it can take a long time to create these programs, especially if another partner brand is included or a promotional overlay is involved—such as an entertainment property: theatrical, DVD, or otherwise.

And today many companies and brands are engaging in "Partnership Marketing," "Marketing Alliances," "Strategic Partnerships," and even "Partnership Brand Marketing" programs. But often they boil down to just promotions, perhaps maybe even on a larger scale.



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But the true success of partnership brand marketing lies in its power to open up new and alternative channels of distribution for both the companies and the brands involved.

Finding Customers Where You Aren't

The whole idea behind partnership brand marketing is to find customers where your company and brand do not compete: It not only provides your brand with additional credibility in aligning with another company but also opens up distribution channels, allows you to reach and market to customers that may not be aware or thinking of your brand, and-most important—it captures the attention of new potential buyers who may not have your brand top of mind.



But the key ingredient is integration. It is not enough to create a promotion or align with a licensed property. It is not enough to create a joint merchandising display.

Well-crafted partnership brand marketing should include every possible touchpoint that your business has with its customers—both traditional and nontraditional marketing, including Internet, special events, advertising, promotions, public relations, packaging, merchandising, and a host of other marketing components.

Accordingly, strategic partnership brand marketing programs not only need to be created and designed at the senior level in each company but also need to involve the brand group and marketing managers that will run, implement, and monitor the program's success on a daily basis.

Marketing alliances don't just present an opportunity to create promotions; they also establish a base from which to create distribution opportunities, providing a great chance to leverage either geographic distribution or merchandising within a store

An example: if an entertainment property links with a packaged-goods brand to create a promotion, there could (and should) be advertising program overlays in the form of television, print, FSIs (free-standing inserts), and event packaging.

But to extend this to a true partnership brand marketing program, other elements such as a joint selling and distribution team between both companies should occur with the goal of gaining incremental and sustained distribution. Other elements, including corporate programs, could come into play.

And even greater challenge and desirable end result is to create an umbrella strategic Partnership Brand Marketing program in which at least three companies and brands align to share in their distribution and marketing programs, with the goal of providing even greater value to all three company's customers.

And the best part is that, ultimately, the customer, the consumer, and the buyer win: They are introduced to several brands, initiatives, new products, new features, and a host of other promotional activities designed to induce trial and build loyalty while providing value.

Though targeted distribution has been proven a clear and successful strategy for ensuring success for a brand, fewer brands are actually capitalizing on marketing alliances to obtain alternative distribution for their brand.

Case in Point

Recently, our company, PBM Marketing Solutions, created a national strategic partnership brand marketing program on behalf of LEGOLAND California and Volvo Cars of North America.

Rather than creating just a marketing sponsorship or promotional program, we developed a multi-level marketing partnership that now extends far beyond the promotional arena. This includes cross promotions, joint advertising, a dealer component, marketing exposure on the national auto show circuit, a life-size Volvo LEGO car placed in high-trafficked areas, Volvo cars placed at LEGOLAND California, LEGOLAND marketed in the Volvo auto dealer channel, special events, corporate/employee programs, as well as safety awareness activities.

As a result of this partnership brand marketing program, Volvo can now reach customers in a channel where it does not compete—the theme park industry—and LEGOLAND California and the LEGO brand can now reach customers in a channel where it does not compete: automotive.

* * *

It is key to realize that companies and brands have two types of equity. First is their brand equity—but of equal validity is a company or brand's distribution equity.

The brand equity is the value that consumers and buyers feel about the brands that they are loyal to, whereas distribution equity is a brand's foothold, strength, and presence where the products are actually sold.

Being able to parlay a marketing partnership into an ongoing alliance to help gain further distribution and sales takes partnerships to a higher level. In fact, often a marketing alliance can have more than just one promotion built into it—it can feature multiple program layers that can transcend the supermarket to include the Internet with web-site links, on-pack messages and co-branding placed in alternative channels as well as unique locations where consumers are most apt to see your product.

In today's busy world of brand marketing, utilizing the strength of marketing alliances to get product into new channels and venues is an essential marketing tool to generate incremental sales.



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