



Co-op marketing: Pool resources for bigger bang - by Stanley Hurwitz

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With one type of cooperative advertising, retailers in a mall or shopping plaza pool their marketing/public relations/advertising budgets aiming for a bigger bang for their promotional bucks.

In the 1960s, pioneering car dealer Ernie Boch, Sr., conceived the revolutionary idea of the “Auto Mile” on Rte. 1 in Norwood (“Come on down!”). Ahead of its time, it was a cluster of dealerships, every make and model in a centralized location to benefit customers and dealers. Pre-internet, without driving far, you could find every make on one 3-mile stretch and it made pricing more competitive. Dealers paid to promote their own dealerships and pooled their resources to pitch the entire Auto Mile brand. You might go to shop for a Ford but you’d pass 10 other dealer lots to reach your destination—and perhaps a shiny different make would lure you in.

Because online retailers now make it so easy to shop from home, brick and mortar stores and regional and local malls need to rethink their marketing efforts. For national chains, advertising might be 10% of annual sales. But for smaller chains and small independent stores, advertising to seriously compete can break a budget. Retail leases might include a fee for mall-sponsored ad campaigns, or require payment into a marketing fund to buy ads promoting the entire mall or plaza. In another form of co-op advertising: Some manufacturers contribute toward advertising based on a retailer’s sales of their products.

Years ago I handled PR/marketing for a commercial real estate firm that owned a retail plaza with eight tenants. Two stores were part of national chains, one was a family-owned

restaurant. The rest were owned by local business people. A lingering business slow-down resulted in a few tenants being late on rent payments. Rather than threatening them, the foresighted plaza owners announced they'd stimulate customer traffic by implementing a cooperative marketing campaign: The owner would contribute 40% of the costs plus the marketing consultant's time (me!), and the tenants would pay 60%. The cost was reasonable and everyone participated.

Under the arrangement, tenants met with a marketing pro (me!) once a month to plan how best to spend the co-op funds. We developed ads for local media and cable TV. We created plaza-wide events—sidewalk sales, holiday specials, and a “Spring Into Spring.” As the owner's rep, I also helped coordinate decorations and alerted property managers of maintenance issues. The owner gave each of his employees, as part of their holiday gift, a \$100 gift card to use at any of that plaza's stores.

This multi-faceted, imaginative approach was a success on many levels. It helped boost customer traffic, built stronger owner-tenant relationship, kept the plaza 100% occupied, and ensured timely owner-tenant communications—creating goodwill and positive ‘buzz’ in the community. For the next few years, business improved and all the tenants stayed. Every business needs creative PR/marketing to build buzz and the bottom line. An experienced PR pro (like me!) can help.

Stanley Hurwitz is principal of Creative Communications, Stoughton, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540