

Making Corporate Trade Work

Believe it or not, your plans (and agency relationships) will be stronger for it

By James J. Porçarelli

LET'S FACE IT, the perception of corporate trade (read: barter) has not always been a positive one. Problematic deals in the past have tainted a legitimate, measurable solution for marketers and their agencies. Plus, the fear of compromising agency relations and existing plans have been a valid concern for many marketers. What's more, since a sizable number of corporate trade deals used to take place behind closed doors, marketers weren't sure what to do next, or how to work with their agency to reap the rewards.

Reprocess the Process

Today's corporate trade solutions are both strategically sound and strategically advantageous. But critical to making a trade program work is an inclusionary process — one that takes into account the needs, objectives, ideas, and expertise of all relevant departments and third-party contributors. Previously, it would have been fair to say that trade programs were designed from a single vantage point, typically the CFO's. Today, trade partners recognize the critical nature of input and collaboration and work hard to ensure the involvement of all parties, eliminating trepidation and enhancing the end result.

Here are four reasons why corporate trade is better today:

- 1** Corporate trade is not comprised of remnant media inventory like leftover spots available during 3 a.m. reruns. Media buys through trade are the actualization of existing or desired media plans and placements. The only real difference: financing the buy.
- 2** Most corporate trade companies understand that the remarketing of assets is not about reselling inventory, but about respecting and preserving brand equity and sanctity. Remarketing channels are designed *not* to cannibalize resellers, dealers, vendors, or the like, but to adhere to strict guidelines, restrictions, and provisions, created and managed collaboratively. Product is redistributed in ways that do not diminish a company's image or depreciate brand value.
- 3** Corporate trade solutions encompass all manner of value-added opportunities and can even underwrite a buy/media program that isn't affordable in the current budget. There are also other options that don't force marketers to concentrate their spending solely on media (e.g., retail marketing, travel, freight, etc.).
- 4** Guarantees and third-party audits are commonplace. There's no better way to validate results than through a combination

of feedback from your agency and a third-party audit. Trade companies today regularly participate in these audits and regularly guarantee buys (once everyone has agreed to the parameters).

Agency-Trade Relations

The most important component of maximizing trade's promise and potential, however, is *collaboration*. Corporate trade companies are not in competition with agencies, nor are they trying to usurp agency relationships. Communication at the onset is key, and the best results occur when the agency and trading company work together. Through collaboration, ideas and plans become stronger, and exciting and unexpected opportunities become easier to identify. By eliminating barriers and restrictions, retiring trade credits against desired, ROI-driven initiatives becomes turnkey.

Measuring Value, Success

The success of barter buys is measurable, and not only from the CFO's point of view. Success with corporate trade is not only about your books, but your audience and your brand. Trade can broaden your reach, open up unexpected value-added opportunities, and free up dollars for financing supplementary marketing initiatives when you might not have had the budget. This translates into increased visibility, awareness, impressions, and loyalty.

What it really comes down to is allowing yourself to believe in the value and quality of the trade deal and the importance of the agency-corporate trade partner relationship. Remember one simple equation: Agency + Corporate Trade = Exponential Brand Value.

Win-Win Nature

In the recessed world of slashed media and marketing budgets, the value of corporate trade is almost irrefutable. It provides the ability to augment media spends, increasing the size and scope of your buy, creating value-added opportunities, and freeing up monies for ancillary initiatives. There's virtually no category that can't be impacted by corporate trade, not only to rectify a problem but also to fund new opportunities. As a result, agencies become even more effective and corporate marketers more successful. ■

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