

THE STATE OF: MDF & CO-OP.

WHAT ARE MDF & CO-OP?

They Are Funds Made Available By Brands To Their Local Channel Partners.

MDF or Market Development Funds are issued prior to the channel partner generating any revenue.

WHAT'S THE DIFFERENCE ?

CO-OP Funds are typically allocated as a percentage of revenue achieved.

WHY ARE MDF & CO-OP IMPORTANT?



97%

97% of leading brands are investing or planning to invest in packaged out-of-the-box solutions for supporting COOP and MDF.

\$70B

Brands devote over \$70B per year to COOP & MDF programs averaging 12% of their budgets.

83%

83% of brand marketers believe MDF and COOP programs have an impact on annual sales.

88%

88% of brand marketers believe COOP and MDF programs deliver value.



PARTNER CHALLENGES



25%

Signing-Up for Programs



38%

Too Much Paperwork



24%

Getting Reimbursed



38%

Too Many Rules



25%

Poor Communications



EMERGING TRENDS

AUTOMATION – Systems are becoming more business rules and workflow driven with interfaces to enable brand self-management.

INTEGRATION – Systems are being integrated into other brand channel support such as enablement, marketing, and loyalty programs.

HOW DO I CHOOSE THE RIGHT MDF OR COOP SOLUTION?



COOP MARKETING

PERFORMANCE BASED

The higher the sales made by partners the higher the budget reserved for local marketing



MDF PROGRAMS

NEED BASED

The allocation is based on business needs. Target funds to develop specific partners or market segments.



UNIQUE FACTORS

Businesses may look at the size, scope and experience level of partners before allocating marketing finances. This takes into consideration the company's capacities as well as the partners' credibility.



MDF & COOP

- DO** Automate Enrollment
- DON'T** Forget to expire funds at the end programs.
- DO** Integrate with other channel activities to make earning and using funds easier.
- DON'T** Make rules so complicated channel partners can't understand them.
- DO** Communicate. Communicate. Communicate.



WANT TO KNOW MORE — LET'S TALK.