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## Marketing Co-operations: A Review

June 2010

Dear reader,

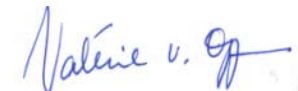
There is an important lesson to be learned from every marketing co-operation, no matter if the partnership is successful, has an innovative approach or is highly controversial.

We've been dealing with co-operations of every kind since the early days of our company. With the start of our blog [www.mesh-box.com](http://www.mesh-box.com) in April 2007, we took the chance to share our knowledge with a broader audience and discuss the topic of co-operations with marketing experts and consumers. Nowadays, marketing co-operations are an established tool in the marketing-mix and are having a great impact on customers' daily lives.

In three years of blogging, we had the opportunity to observe different developments and ideas in co-operative marketing and to build up a great archive of outstanding examples which are worth sharing as they bring a remarkable understanding of this field. This gave us the idea to present you a round up of the most noteworthy co-operations we have outlined on [www.mesh-box.com](http://www.mesh-box.com), hoping this to be an inspiration or a warning to future partnerships.



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**Different types of co-operations, different learnings**

Out of all posts on [www.mesh-box.com](http://www.mesh-box.com), we would like to show you some excerpts of the best examples regarding the following categories:

**POPULAR**

Some companies manage to trigger major attention to their partnership activities, which keep being watched even after years. Read here what makes these co-operations so compelling.

**INNOVATIVE**

Some co-operations may not have gained high popularity but they still stand out of the crowd through the combination of a great concept and thorough implementation. Get inspired!

**CONTROVERSIAL**

Other partnerships find themselves to be the topic of controversial discussions for one reason or the other. In order to get a clear understanding of customers' expectations towards marketing partnerships we recommend following such discussions. Remember: Co-operations are having an increasing impact on customers' daily lives!

**UNFINISHED**

The chosen examples of unfinished co-operational stories remind us of how important it is to keep certain success factors in mind, such as choosing the right partner, aligning the co-operation objectives and thoroughly managing the activities.

**POPULAR**

What makes a co-operation popular? Top brands joining efforts? A strong benefit for customers? ...

In some cases, all comes perfectly together: A fit between high-profile partners, similar or complementary target groups (depending on the respective co-operation's objective) and joint activities that create a win-win-win situation for both partners and the customers. That is how the following examples managed to attract major attention - not only from the co-operation's specific target groups.

**Apple & Nike**

Posted on [www.mesh-box.com](http://www.mesh-box.com) in April 2006

This marketing co-operation (...) is unmistakably producing a variety of interesting innovations. (...) Nike and Apple announced their collaboration on a **range of products that further**

**connect sports, electronics and entertainment.** (...) The first joint product was the Nike+iPod Sport Kit. (...) The kit includes an in-shoe sensor and a receiver that attaches to the iPod. The kit makes it possible to receive information about distance, burned calories and pace while running. The data can also be uploaded to Nikeplus.com, where users can track progress and share results. Both Nike and Apple distribute the kit. (...)

If you ask me, the partnership is a good example for successful marketing co-operations. The brand fit is almost ideal. Both companies are US based, global "super brands", iconic if you want, appeal to a consumer market that is young, trendy and love the concept "of being cool". Their approaches to design and marketing seem largely alike. Above all, they have managed to create a very lucrative and valuable win-win-win situation; for Apple, Nike and both brands' customers.



**The Success Story of H&M's Design Co-operations**

Posted on www.mesh-box.com in May 2010

(...) Retailer H&M has discovered the benefits of marketing co-operations and uses them as means of differentiation like no other fashion

chain. What started in 2004 as a co-operation with the iconic Karl Lagerfeld has since become a successful business model. The **"Lagerfeld for H&M"** collection created significant publicity for the designer and the retailer, and Lagerfeld could strengthen brand awareness in the fashion mass market. On the other hand, H&M strengthened its position as a fashion trendsetter. Moreover, the co-operation was a huge sales success. The demand for the collection outperformed the most audacious expectations. Customers were waiting in line long before the stores even opened.



This is why high fashion designers and well-known celebrities are happy to design collections for the Swedish retailer, a trend that was also supported by the economic crisis. (...) H&M was, and is, a best practice example: It had taken the learnings from the 2004 Lagerfeld co-operation and successfully repeated the concept with numerous partners and with impressive frequency. Italian designer **Roberto Cavalli**, pop icon **Madonna**, **Stella McCartney**, Dutch designer duo **Victor & Rolf**, pop princess **Kylie Minogue**, designers **Shingley & Halmos**, **Matthew Williamson** and **Comme des Garçons**, shoe icon **Jimmy Choo** and knit-queen **Sonia Rykiel** – the list of H&M's partners reads like a Who's Who in fashion and showbiz. (...)



**Renault and TomTom Enter Ingredient Branding Co-operation**

Posted on www.mesh-box.com in May 2009

Renault has recently entered an ingredient branding co-operation with the Dutch portable navigation system brand TomTom. Together they introduced an **integrated navigation system for the new Clio**, called "The Carminat TomTom". (...)

With the ingredient branding co-operation, Renault wants to highlight its high-quality standards, its technological progress, as well as its ability to provide "comfortable driving". Since TomTom is one of the biggest state-of-the-art manufacturers producing navigation systems it fits perfectly into Renault's brand concept. Furthermore, the co-operation enables additional value creation for the respective customers. (...)



Overall, the ingredient branding co-operation will help both brands to strengthen admired image dimensions and to increase sales. The innovative partnership fits well with the strategic concept of TomTom to expand its market leadership and with Renault's goal to strengthen its positioning on the European market by stressing its image of comfortable driving. (...)

INNOVATIVE

In this chapter, we present co-operations that stand out in terms of their creative take on partnerships, either because of the unexpected choice of partner(s), the innovative approach or the thorough execution of the co-operation. In addition to the unique co-operation concepts, the examples show a strong dedication of both partners to the joint activities.



**Co-operations for Emission-Free Streets**  
Posted on [www.mesh-box.com](http://www.mesh-box.com) in August 2009

(...) McDonald's and Swedish electricity supplier Elforsk introduced the first charging station for electric vehicles (EVs) in Stockholm, the so called "McCharger". The idea behind this

project is quite simple and conclusive: **While eating a menu at a McDonald's restaurant one can recharge his/her car's battery.** With this pilot project both companies are able to test how well this idea is accepted and how frequent it is used by EV owners. (...)

McDonald's characterises this project as its own small contribution to a more sustainable mobility. It will certainly help the biggest fast food chain worldwide to shift its image towards dimensions like "green", sustainable and responsible, and to position itself as a company that takes care of problems evolving from climate change. If the McCharger concept is successful, further stations will be installed around South and West Sweden. Simultaneously to the one in Stockholm, another McCharger was installed in North Carolina/US, next to a newly eco-friendly built McDonald's restaurant. This step into its home market indicates high relevance of the project for McDonald's. (...)



**My Home Is my Castle and my Car Is my Spa**  
Posted on [www.mesh-box.com](http://www.mesh-box.com) in Nov. 2009

Just imagine: You are driving to work and while you are stuck in rush hour traffic, you're getting an exclusive Biotherm Spa treatment. How could that happen? Thanks to the co-operation of Renault and L'Oreal's luxury brand Biotherm and their invention of the **100% electric 'spa' concept car** called Zoe Z.E .

While driving, Zoe Z.E. vaporizers spray an exclusive active substance to rehydrate the skin, a toxicity sensor monitors air quality and shuts off the air vents if required and an electric system exhales essential oils suited to the driver's mood. (...)



This co-operational product fits our modern and urban way of life in many aspects. Today every minute spent in traffic is a wasted one. The same minute passed in a plane or train can be way more productive. As we still have no autopilot enabling us to work while driving, we can at least do well to our health, mood and beauty. (...)



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**Starbucks Gives Away Free Ice Cream on Facebook**

Posted on www.mesh-box.com in July 2009

Starbucks is giving away coupons for their newly launched Starbucks Ice Cream on Facebook - unfortunately only in the US. For a period of two weeks until July 19th 2009, users can load the **Facebook application "Share a Pint of New Starbucks Ice Cream"** and give away one out of 800 coupons per hour to their Facebook friends. If users do not get a hold of one of the 280,000 coupons, they still receive a 1\$ discount voucher which can be redeemed at any Starbucks in the US.

The new Starbucks Ice Cream, which was developed by Unilever, and the corresponding Facebook coupons are launched within the "national ice cream month" of July – created by former US president Ronald Reagan in 1984.

With this co-operation Starbucks aims to attract awareness for its newly developed ice cream. By using Facebook applications they are able to increase involvement within the target group and to gain knowledge about the target group's preferences by evaluating the reaction on this application. Facebook, on the other hand, successfully creates added value for its users.  
(...)



**Sweet Easter Bunnies**

Posted on www.mesh-box.com in April 2010

Easter time is bunny time! Well, I guess this is why Jochen Schweizer decided to co-operate with Playboy for Easter. The German event and activity company managed to get an exclusive partnership with Hugh Hefner's magazine.

Jochen Schweizer is Germany's best known company for events and adventure trips and received the award "brand of the century 2010". Activities like pilot-trainings, quad-tours, bungee jumping and many more can be booked. (...)

70% of Schweizer's customers are men, which explains why Playboy agreed to co-operate. Also, the innovative concept could help boost Playboy's sales. In 2009, the magazine lost \$20 million, and a further decline in sales is expected for 2010.

	Playboy Cover Fotoshooting	Bayern München
	589,00 €	
	Jubiläum-Produkt in 10er Packung Playmate für Casino Party	Dundesweit
	stark 799,00 € nur 774,00 €	
	Playboy Aktfotografie-Workshop (2 Tage)	Bayern München
	2.499,00 €	

By offering **three events in co-operation with Schweizer**, Playboy can commemorate itself to men between 14 and 60 years, who lately may have preferred adventurous activities to staying home and reading magazines. So dear mesh-box reader, if you have always dreamt to have a real Playboy bunny scampering around your garden or to be part of a photo shooting in front of or behind the camera, this is your chance! (...)

**CONTROVERSIAL**

So far, we presented cases of successful co-operation that received positive attention. But for different reasons some partnerships can also cause damage to the engaging companies. The following examples show that authenticity is a key element to success in partnerships, and that a perceived benefit to the customer can in fact be a malus.



**Bad Practice at its Best - What to Avoid in Partnerships**

Posted on www.mesh-box.com in Nov. 2009

(...) For their campaign “Es ist deine Zeit” („this is your time“), British communication company **Vodafone partnered with famous German bloggers**. The entire campaign (including these

blogging testimonials and a TV spot showing the bloggers in daily situations) seemed to be an innovative way of addressing the so-called “generation upload”. (...)

After the blogging testimonials, Sascha Lobo and Ute Hamelmann, commented, twittered and wrote about their newly whipped up enthusiasm for Vodafone mobiles, critics and negative reactions arose immediately in the German blogger community. Many blamed Lobo and Hamelmann for selling their values, principles and blogs for Vodafone and its money. (...)

The blogging community sees itself as a kind of counterculture that sets a high value on authenticity, integrity and honesty. For them, this co-operation was a rule break. (...)



**Product Bundling Goes Politics**

Posted on www.mesh-box.com in April 2010

(...) To fight overweight and obesity in children, politicians of the Californian Santa Clara County decided to put a **ban on a certain type of marketing co-operations: product bundling**. (...)

Toys are no longer to be included in any meal high in calories, salt, sugar or fat. The ban applies to any kids’ meal containing more than 485 calories, more than 600 mg of salt or high amounts of sugar or fat – a direct challenge to the McDonald’s Happy Meal and similar offers by other fast food restaurants.



This decision caused a raging discussion. On online platforms like youtube.com, the reactions were prompt. Users consider the ban a direct threat to American freedom and citizen’s rights. One user asks to “Fight back now before it’s 1984!” Another user claims that “Our Founding Fathers are spinning in their graves at this country under Obama.” Who knew the right to serve a meal with plastic toys was the foundation of democracy? (...)

We think the ban is an interesting first step on the path to healthy living. Let’s hope many businesses, from both the toy and the food industry, will react and co-operate responsibly in the future. (...) But what really intrigued us was the fact that now politicians have discovered the power of marketing co-operations, too. (...)



**Do Good and Talk about it –  
A Guideline for Charity Co-operations**  
Posted on [www.mesh-box.com](http://www.mesh-box.com) in Feb. 2010

(...) Ever since the tragic earthquake occurred in Haiti, we could observe an enormous increase of companies co-operating with NPOs. Don't get us wrong, we very much appreciate the effort. However, some charity co-operations lead to very controversial discussions on the web.

German brands like KIK and Pampers were criticized after announcing that they will **donate one cent per item sold**. Especially on different blogs, you could read that the bloggers disagreed about this small amount to be donated. Is it better to donate a specific amount directly to the organisation or better to link it to your products?



Others quoted that companies like KIK and Pampers join charity co-operations just to “re-hash” their image – while enjoying corporate tax benefits by donating customers’ money in the company’s name. This would mean a donation rather made by customers and not by the companies as they receive corporate tax incentives for donations.

(...)



**Pester Power – The Unbeatable Weapon  
in Children’s Marketing**  
Posted on [www.mesh-box.com](http://www.mesh-box.com) in April 2010

(...) Co-operations are the most valuable tool in children’s marketing. In fact, child-oriented industries are increasingly intertwined and product development occurs under consideration of future co-operative potential. (...)

Unfortunately, the majority of child-oriented, food-related marketing co-operations concerns HSSF foods (High in Salt, Sugar and/or Fat). Lego, for instance, teamed up with Kellogg’s in 2007 to produce the originally named ‘Fun Snacks’. The **fruit-flavoured, Lego brick shaped candy** created uproar amongst parents who had spent a significant amount of time teaching their kid NOT to swallow Lego bricks. (...)



Fast food chains like McDonald’s are amongst the most aggressive advertisers when it comes to targeting children, and many of its promotional activities are unthinkable without the support of a strong partner brand. After all, what’s the Happy Meal without the collectable toy? In Australia, the company has won the “Pester Power Award” several times already – the award is handed out annually for using marketing techniques that encourage children to pester for unhealthy foods, such as toy giveaways, movie tie-ins and celebrity endorsements. (...)

## UNFINISHED

All partnerships end. However, every now and then we see cases where co-operations are terminated before they even really started. Often, this is due to insufficient communication between partners or a lack of preparation. We chose partnership examples we followed with great interest and that we would have liked to see work out.



### Change of Directions – When Partnerships Take a Different Turn

Posted on [www.mesh-box.com](http://www.mesh-box.com) in April 2010

(...) In July 2009, the General Motors Company, freshly out of bankruptcy, teamed up with eBay to test a **new car buying initiative in California, allowing customers to bid on cars online.**

The pilot, which received much positive media attention, was seen by GM as a possibility to reduce the size of its dealership network, while eBay Motors was to gain credibility by offering OEM vehicles. According to GM's CEO, Fritz Henderson, car shopping was supposed to be made more convenient and as easy as possible for customers. (...)



In late September, just after the trial ended, GM chose not to continue the program, stating that the cancellation did not imply the test was a failure. Instead, GM decided to prioritise other marketing activities. GM's claim that the pilot was a success as it generated 15.000 leads for dealers seems a weak argument. Had it been a success, why would the program be terminated? Also the fact that no sales figures were released by GM or eBay indicate that said numbers weren't impressive.

(...)

Other co-operations start as intended, and then take a turn for the worst due to external circumstances. Such was the case in Germany in 2008, when a **partnership between Penny Markt, a large supermarket chain, and insurance company ARAG** was ended by a court order.

When the co-operation was announced in 2006, it received much press as the concept was unique and innovative. Penny was able to extent its service offering, ARAG won a new distribution channel and customers were offered a one-stop shopping experience. Unfortunately, not everyone thought well of this idea. The German Association of Financial Services sued Penny's parent company Rewe, stating that the supermarket chain had not obtained the necessary permit to distribute insurance products from the chamber of commerce. The court ruled in favour of the plaintiff – the end of the co-operation. Here, the problem was caused by insufficient preparation. The regulatory environment always needs to be considered when laying out a co-operation strategy in order to avoid legal consequences and bad publicity.

(...)





**Burger King and the San Francisco Coffee Company – The End of an Alliance**  
Posted on [www.mesh-box.com](http://www.mesh-box.com) in April 2010

It all started with promising headlines: “Burger King attacks McDonald’s”, “Burger King is heating up the competition”, “Burger King starts coffee shops”...Sadly, now it looks like the tide

turned. No moccha frappuccino will be served at German Burger King restaurants, for instance.

(...) The fast food chain announced a change of strategy: a **co-operation with the small Munich coffeehouse San Francisco Coffee Company (SFCC)** was planned to be the answer to the big success of McDonald’s McCafés. (...)



But why did the co-operation end before it even started? Apparently, the Bavarian Coffee Company wasn’t too thrilled to make concessions regarding its prices and food offering. As a result of the partnership, prices were supposed to be reduced by 10 percent, while the product range was to be narrowed. Another con was that Burger King decided to collaborate with Seattle’s Best, a Starbucks-brand, in the US - a market the German coffee seller had hoped to get into. (...)

The failure was a result of mistakes made during the planning stages of the partnership, such as insufficient communication between the partners and undefined partnership targets. It’s old news that partnerships can fail because of poor planning or implementation. Others collapse because of a lack of continuous project management. That’s why companies sometimes need a helping hand when planning, establishing and managing a strategic partnership. (...)

### So what can be learned from these examples?

The most important lesson certainly is: co-operations can bring significant advantages to the partnering companies and customers - as long as certain aspects are considered in the planning period. Otherwise, they rather cause damage. For this reason we aren’t getting tired to repeat that it is crucial to clarify certain points at the beginning of a co-operation:

- **Defining the co-operation objective**

The objectives must be clearly defined and aligned to ensure both partners work towards the same goal. Addressing new target groups, increasing brand awareness, or strengthening customer loyalty – anything goes as long as it is specified in the beginning.

- **Choosing an adequate co-operation model**

There is no „one-size-fits-all“ concept in marketing co-operations. Based on the specific objectives to be achieved, different partnership models are thinkable. If, for example, the aim is to improve the own sales performance, the co-operation model can either foresee leveraging of the partner’s distribution channels for the own products, bundling of own products with partner’s products (and distributing them via one or both partners’ channels) etc. A co-operation model is „adequate“ if it combines the partners’ strengths in the best possible way in order to achieve the co-operation objectives. Accordingly, the preferred co-operation model has a strong impact on which specific partner fits best into the concept, i.e. which partner has the most strengths in the required areas.

- **Identifying a suitable co-operation partner**

Apart from specific capabilities, the general compatibility between two partnering companies is core to the success of marketing co-operations. A helpful tool to identify an adequate partner is to conduct a “fit analysis” based on a set of specific questions depending on the kind of co-operation envisaged, like for instance: Does the potential partner have access to relevant target groups? Does the partner provide relevant communication/distribution channels? Does the partner offer added value for the own target group(s)?

• **Winning the co-operation partner**

It is important to keep in mind that identifying a partner with a strong fit to your company/brand does not fully do the job. You still have to convince the potential partner, which usually isn't an easy task at all: Each company has their own roadmap and priorities, so usually they have not really been waiting for an external co-operation idea. So, what can you do to improve your chances of successfully establishing a co-operation with the targeted partner? First of all, it is essential to specify what you can „bring to the table“ and which are your assets the potential partner could benefit from. For example, will the partner's brand benefit from positive publicity or will their image be strengthened? Will the partner gain access to new communication and/or distribution channels? ...

The better you outline the co-operation benefits from the potential partner's perspective, the more focused the discussions will be.

Answer all these questions to yourself and you'll be one great step closer to a successful partnership! However, keep in mind that this was „only“ the conceptualisation phase. It has to be followed by a careful implementation of the partnership and a thorough management of the agreed joint activities to make the co-operation a success.

*Please visit [www.mesh-box.com](http://www.mesh-box.com) for full versions of the post excerpts aggregated in this publication. To stay up to date with the latest developments in marketing co-operations, you can subscribe to the free mesh-box newsletter and receive regular updates on outstanding international co-operation examples and exclusive facts & figures.*

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