

Ascend

GLOSSARY

Co-op Marketing

ACCRUAL. The amount of funds earned through purchases over a stated period. Usually earned on the basis of so much per U.S. dollar (or per unit) purchased.

ACCRUAL PERIOD. The period during which purchases accrue allowances

AUDIT. A process by which a claim is analyzed and a determination made as to whether a claim falls within program guidelines and, if so, how much should be paid.

AUDITING AND PAYMENT SERVICES. Companies with specialized facilities for handling auditing and payment of claims for promotional allowances. Also called "administrative services" or "third-party administrators."

CHANNEL. A group of resellers or distributors through whom a product moves. In some cases called "class of trade." A manufacturer often has several channels, each of which is used to reach different types of end-users or to sell separate categories of product.

CLAIM. The invoice from a reseller or other intermediary for reimbursement of the cost of advertising or promotion of an Ascend product or service.

COMMITMENTS/COMMITMENT SYSTEM. Advance agreement between a manufacturer (Ascend) and a reseller/distributor on what promotion will be done and what payment will be offered.

COOPERATIVE ADVERTISING. Any arrangement by which a product or service is brought to public notice over the names of both the supplier and any intermediary who comes between that supplier and the ultimate purchaser. The intermediary may be a retailer who buys a product for resale, a distributor who sells to retailers or other form of intermediaries. This arrangement results in consumer advertising as well as (frequently) other forms of promotion. The cost of the promotion may be shared by the supplier and the intermediary, or the supplier may pay all costs. The process commonly involves reimbursing retailers for advertising they create and place, but it also includes the supplier creating and placing advertising over the reseller/distributor name.

CO-OP PERIOD. The period during which a specific co-op offer is in effect.

CREDIT MEMO. An alternative to cash as reimbursement to resellers/distributors for cooperative advertising. The supplier issues a credit memo that authorizes the reseller/distributor to deduct that amount from the next payment to Ascend.

DOCUMENTATION. Evidence that permits the supplier to know the advertising or other promotion appeared/took place and that the amount claimed is proper.

NONTRADITIONAL MEDIA. Spend options (which are frequently nonmedia) not available in co-op programs prior to the 1980s, for example, sales and service training, and seminars and workshops.



PARTICIPATION. The percentage of the customer's advertising cost the supplier agrees to pay.

PARTICIPATION RATE. The percentage of eligible dealers who use a program. See Usage Rate.

PENDING. The practice of making additional payments on a claim if the reseller/distributor does not have sufficient accruals to pay in full at the time it is submitted.

PRE-APPROVAL. Advance approval for an ad or promotion given to a retailer by a manufacturer. May be approval of a media selection, an ad's concept, or both. Also called "prior approval."

RETURN ON INVESTMENT (ROI). The amount of incremental sales generated by a promotion divided by the cost of the promotion. Generally expressed as a ratio: for example, a promotion costing \$5 and yielding \$25 in incremental sales would have an ROI of 5:1.

ROLLING FUND. A type of program in which accrued funds are available to a reseller/distributor for a specified period (such as six months) after they are earned.

SLICKS. Printed material furnished to resellers/distributors or other intermediaries from which they can create their own layout for advertising a supplier's product or service. Ascend provides this material on CD.

SUBMISSION DEADLINE. The date by which a claim for co-op reimbursement must be submitted. Usually 60 or 90 days after an ad or promotion, or at the end of the spend period.

SUPPLIER. Any company that sells a product or service to its ultimate consumer through one or more intermediaries.

TEAR SHEET. In print media, the entire page on which an advertisement appears.

USAGE RATE. The percentage of available co-op allowances used.

VALUE-ADDED RESELLER (VAR). A dealer (in high tech) who specializes in "solution sales" (full service selling, including consulting, needs analysis, and bundling of turnkey packages.) Opposite of a "retailer" who, in this business, is a dealer selling "shrink-wrapped boxes."

