

**Buyer Survey**  
**Coop Advertising**

- Usually 5% of sales (coop allowance)
- New coop rules are based on packages vs. % of sales.
- With large accounts, the figure is negotiated up-front.
- Automotive Marketing Survey:
  - 60% suppliers give coop \$ over that earned.
  - 27% suppliers sometimes give coop without any proof of performance.
  - 43% suppliers sometimes give coop up-front.
  - 46% sometimes pay production costs.
- Trend: Coop as a % of sales to an up-front Promotional Allowance. (No proof of performance)
- 8-10% of sales for large retailers & wholesalers is very common.

Parts Proliferation example:	Air Filters	1980	95% coverage = 56 part numbers
		1991	95% coverage = 140 part numbers
		1995E	95% coverage = 185 part numbers

**Problems Caused by Parts Proliferation** (Hurdles that Canadian Co.s must overcome in sell-in)

1. Reduce the no. of suppliers, especially those with small lines
2. Need better margins
3. Drains cash flow by carrying high inventories
4. Inventory Management nightmare
5. Reduces productivity
6. Adds cost

Largest single cause of parts proliferation is import parts.