

# Four Things Marketers Should Know

## CORPORATE TRADE

*Marketers are becoming more comfortable integrating corporate trade (barter) into their planning. Here are four things every marketer should know, whether they are using it today or considering it for the future.*

### HOW DO CORPORATE TRADING COMPANIES ACQUIRE THE SERVICES THEY OFFER TO THEIR CLIENTS?

**1** Corporate trading companies make investments and trade with service providers such as media companies. At Active, we might fund an operating expense such as a new HD studio. In exchange for making this cash investment, Active receives future unrestricted media inventory and the right to purchase *additional* media inventory with a trade credit. This media inventory is used to fulfill clients' media buying requirements.

**Bottom line:** *The media company receives 0% financing and a commitment for future sales, and the corporate trading company secures premium media positions by paying differently - with a trade credit.*

### ARE THERE LIMITATIONS TO THE MEDIA THAT'S ACQUIRED?

**2** Legacy corporate trading companies purchased remnant media but today's companies are buying the same inventory that's available to agencies and marketers. They are paying the market rates; the difference is *how* they pay for it (using part cash and part trade credit).

**Bottom line:** *Media companies don't sacrifice sales and marketers don't sacrifice their plan integrity.*

### HOW WILL A CORPORATE TRADING COMPANY WORK WITH MY AGENCY AND MY PROCESS?

**3** You and your agency have already set the strategy, defined goals and developed a media plan. At Active, we work within your parameters and processes, applying trade to the media buys you and your agency have planned. All buys are approved in advance of any placement, including any added value, and proof of performance is always provided.

**Bottom line:** *You and your agency maintain the same working relationship but you gain additional value by applying trade to buys that are already planned.*

### WHAT'S THE DIFFERENCE BETWEEN INDEPENDENT & AGENCY-OWNED?

**4** Independent corporate trading companies like Active are focused 100% on trade. With as many as 1,500 contracts in place, we are dedicated to creating trading relationships that meet the expectations of clients and the needs of each media plan. Agency-owned corporate trading companies, as part of larger holding companies, are driven by a different business model.

**Bottom line:** *Independent corporate trading companies create trades that deliver measurable incremental value when applied to marketers' media plans.*