ENCYCLOPEDIA OF SPORTS MANAGEMENT AND MARKETING

COMPLEMENTARY ADVERTISING

Synonyms for complementary are harmonizing, balancing, and matching. In economics, the

definition of a complementary good, or product, is defined as a material or good whose use is interrelated with the use of an associated or paired good such that a demand for one (peanut butter, for example) generates demand for the other (jelly, for example). Other examples include burgers and fries, balls and bats (or gloves), gasoline and automobile tires, and winter coats and gloves. Note that sometimes the products are purchased simultaneously, sometimes not. If the price of one good falls and people buy more of it, they will usually buy more of the complementary good also, whether or not its price also falls. Similarly, if the price of one good rises and reduces its demand, it may reduce the demand for the paired good as well. A perfect complement is a good that has to be consumed with another good, such as right shoes and left shoes, or pencils and erasers.

Complementary marketing is recognized as agreements between two or more marketers with complementary products (such as cosmetics and toiletries) or different seasonal sales cycles (such as raincoats and winter coats, or football, baseball, and basketball teams in the same city) to promote or sell each other’s products with their own. Complementary marketing can and does occur throughout the components of the marketing mix:

*• Product*: fast food operations and their beverage suppliers.

*• Price*: shared discounts based on membership in groups. Lodging businesses partner with other components of the travel business such as airlines and rental car companies.

*• Place*: common location for the provision of the product/service. Walmart has developed marketing partnerships into its business model, incorporating food, personal services, and banking into its retail locations.

*• Promotion*: coupons and the sharing of their expense by retailers and producers.

Advertising is only one component of the promotion function, and there are numerous examples of where companies are partnering to do complementary advertising.

*• Strategic alliances*: companies cooperate to market the same product in different market segments or to market different but complementary products in common market segments.

Airlines, telecommunications industries, and professional sports leagues are areas where it is a viable strategy to market the same product in different market segments. Wedding support services (catering, photography, florists, musicians/performers, and so on) can cooperate to market their individual products/services to a common customer.

*• Affiliate marketing*: revenue sharing between online advertisers/merchants and online publishers/salespeople, where compensation is based on performance measures, typically in the form of sales, clicks, registrations, or a hybrid model. Individual travel industry providers (airlines, hotels, etc.) have begun linking to the sites of the other functional providers, in order to establish the convenience of one stop shopping.

*• Branded differentiator*: an actively managed, branded feature, ingredient or technology, service, or program that creates a meaningful, impactful point of differentiation for a branded offering over an extended period of time. Examples include Westin Hotels advertising the “Heavenly Bed,” and workout rooms “powered by Reebok,” as well as automobile manufacturers promoting an exclusive interior design line for their vehicles, such as Ford partnering with Eddie Bauer.

*• Branded energizers*: a brand or sub-brand that energizes and enhances a parent brand.

Energizers could be products, promotion, endorsers, or any source of energy attached to the brand.

Common examples are sub-brands such as Ronald McDonald House; corporate sponsorship of

music festivals and sporting events—NASCAR, almost by definition, has sponsors integrated into the car and driver public image; brand symbols such as Tony the Tiger and the Nike “Swoosh”; branded social programs like Breast Cancer Awareness linking themselves with likely (Avon) and unlikely partners (NFL and its players); and endorsement by recognized athletes of footwear and other athletic gear.