

## Co-branding Assistance Program





## Background

As the retail petroleum industry became increasingly competitive, it was essential for retailers to develop other revenue streams to maintain profitability. At the same time, there was an explosion of available co-branding franchise choices, especially in the fast food sector. This presented the retailers with both great profit opportunities, and potential risks if the decision to enter into a co-branding venture was made without a solid understanding of the co-branding business.

## Objective

To create a co-branding assistance program that would:

- Explain the co-branding concept and its evolution;
- Outline assistance available to the retailers from Texaco;
- Provide site evaluation and analysis tools to assist the retailers in making the right decision on the co-brand partner;
- Summarize information on available co-brand partners; and
- Serve as an information guide highlighting issues pertinent to co-brand franchise operations, especially fast food service.

## Program Implementation

We created a comprehensive co-branding assistance and information guide which included the following topics:

- Co-branding opportunity: concept, evolution, potential rewards and pitfalls, products and services available for franchising;
- Co-branding assistance program: available site evaluation and analysis tools, co-brand application submittal assistance;
- Pre-negotiated contracts and reduced franchised fees, ongoing review of additional co-brand partners, complementary programs from Texaco (e.g., facility development financing, leasing);
- Site evaluation and analysis tools: fast food propensity report, site review scorecard, co-brand franchise comparison worksheet, checklists of decision factors to consider;
- Available co-brand partners: franchise and royalty fees, space and investment requirements, customer profile, average revenue and profit margin;
- Co-brand application form, sample correspondence, typical application process timelines; and
- Information guide: signage and floor plans, fast food service fundamentals, food spoilage/theft/portion control, labor management and scheduling, health, hygiene and safety, foodborne illness prevalence and control measures, advertising and promotion, customer service, security.
- Following the Texaco and Shell U.S. JV we were chosen as the primary marketing agency for both brands. In this capacity our responsibilities included local and regional marketing for 25,000 Texaco and Shell retail outlets including over 6,000 quick service restaurants (QSRs) and hundreds of casual dining restaurants.

## Co-Branding Assistance & Information Guide United States Version

*This comprehensive guide is designed for use by both marketing personnel and petroleum retailers. It's a must-read for any retailer contemplating adding a co-brand franchise offering to their retail marketing mix.*

*Overview of the selection process in choosing the right co-brand franchise partner.*

*Retail petroleum industry trends, co-branding concept and its evolution*





## Co-Branding Assistance & Information Guide International Version

### International Version

After the release and proven success of this co-branding assistance and information guide, Texaco International commissioned us to create a similar guide for use by its subsidiaries. Since Texaco International had an advisory role and no direct operational responsibilities, the international version would need to include an additional component covering information that the local management in each country could use to establish its own co-branding assistance program. Applicable topics in the U. S. version were revised for international use and the following topics were added:

- Local co-brand partner selection guidelines and tips, that can be used by the local management in each country to identify and evaluate local co-brand partners, in addition to the global co-brand partners available;
- Co-brand franchise pro forma analysis model and instructions.



## Online Custom LSM System

The custom LSM system provides an alternative to the 'off-the-shelf' promotions and allowed retailers to easily create custom marketing materials inexpensively to meet their specific needs.

## Example of Completed Marketing Items and POS

The custom marketing item below was completed online and printed in combination with thousands of other orders at 70% savings compared to conventional methods. Off-site distribution of marketing materials was also handled hassle free online.



Bag Stuffer / Handout



Direct Mailer



Window Sign



Outdoor