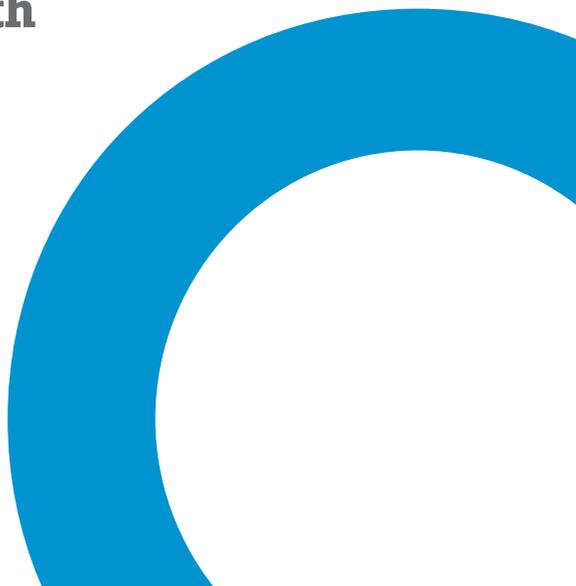
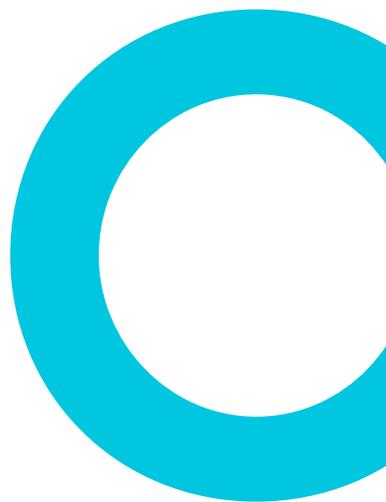
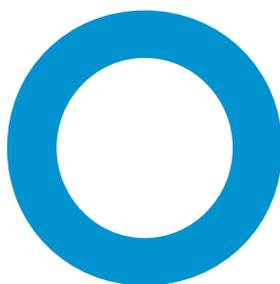


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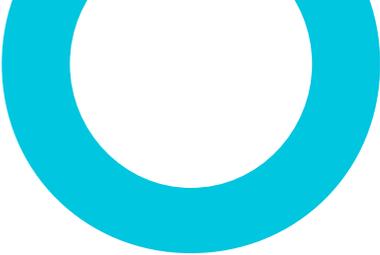
**Adding value to
your marketing with
Corporate Barter**



Why should you be looking to utilise Corporate Barter?

Barter is something most marketers should consider. It can add value to your business in a variety of ways: barter can maintain or enhance advertising spends, increase sales or create scope for experimentation across advertising mediums previously not used or heavily invested in.

Introduction.



This guide was put together to determine whether Corporate Barter can be beneficial to you and if so, how you should go about exploring the best way to utilise barter within your organisation.

Over the following pages, we explain how the whole process works. We ask who should lead the process; your barter company or media agency, your marketing team or procurement specialists and, how barter can be used to add value to your advertising expenditure.

About Miroma.

Over the last ten years, Miroma has become a leading force in the UK Corporate Barter market and is the fastest growing Corporate Barter company in the UK.*

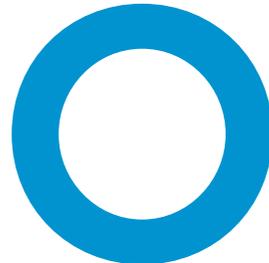
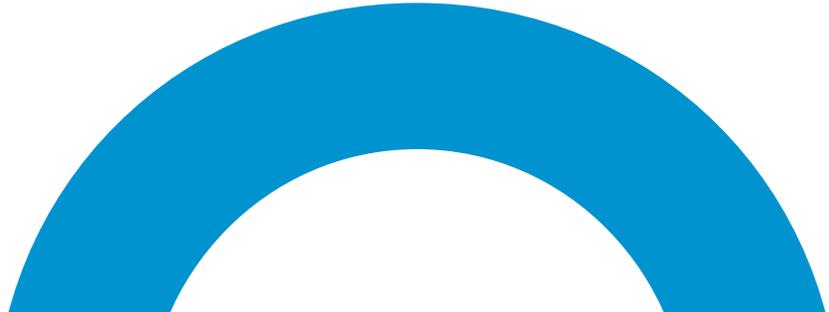
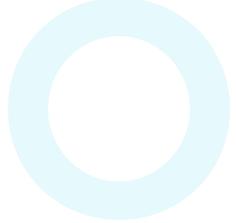
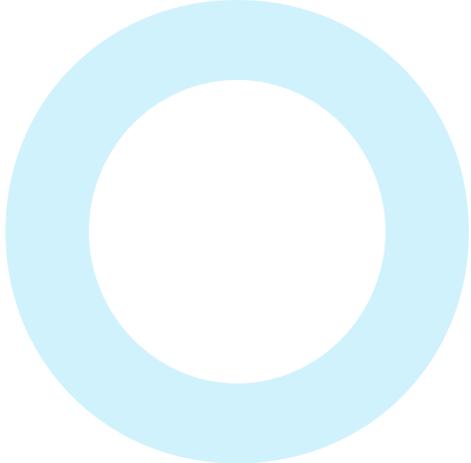
We help advertisers enhance their media budgets and we create new distribution opportunities for products and services.

Miroma puts advertisers, their media agencies and media owners in control of the Corporate Barter process.

Our clients and partners receive considered advice and ideas from seasoned practitioners with a deep understanding of media strategy and brand marketing.

It's an approach that is rapidly establishing Corporate Barter as an integral part of the marketing mix.

** Sunday Times Virgin Fast Track 100 2011*



What is Corporate Barter?

There is a common misconception that Corporate Barter is complicated both to understand and to implement, when in essence the general concept is very simple and when the right expertise is on board, it can become a seamless part of your marketing activities.

Barter allows brand owners to part pay for advertising with their own products or services (part contra model), or it enables them to receive a guaranteed return from any bartered media within their advertising expenditure (ROI/cross purchase model).

Benefits of Corporate Barter for advertisers:

- The ability to part pay for advertising using your own products or services
- To increase media spend by releasing capital tied up in products or services
- Test additional or new media channels due to the value created by corporate barter
- Create new sales channels from the corporate barter company's contacts

How do Corporate Barter companies work with media owners?

Corporate barter companies create a margin by sourcing products and services that media owners require within their procurement plans. They do this either by trading media space with them or by forward investments.

Examples of products and services supplied to media owners can include:

- Travel and Accommodation
- Conferences and client entertainment
- Staff incentives
- Energy
- Car fleets
- Marketing
- Telecoms
- Legal services
- Executive coaching
- Market research

The margin on the services the corporate barter companies' supply is transferred to the media in which they are paid.

This margin enables clients to receive added value from their booking that would otherwise be impossible to achieve.

So how does Corporate Barter work in practice?

Trading Models

There are two models of trading that Miroma operates:

PART CONTRA	ROI / CROSS PURCHASE
Using products or services to part pay for advertising	A commitment from the barter company to buy back products or services from the advertiser at the pre-agreed value as a percentage of the bartered advertising once this has run.

From the advertiser's point of view, the benefits may look something like this:

	PART CONTRA TRADING	ROI / CROSS PURCHASE TRADING
Advertising campaign cost	£1,000,000	£1,000,000
Proportion paid in cash	£850,000	£1,000,000
Proportion paid in product or service	£150,000	£150,000 Barter company's commitment to buy back product or services from the advertiser
Brand owner's cost of producing the product or service	£75,000	£75,000
Cost of campaign to brand owner	£850,000 cash + £75,000 cost of production = £925,000	£1,000,000 cash + £75,000 cost of production - £150,000 received for products/services = £925,000
Efficiency made possible by media barter	£75,000 (7.5%)	£75,000 (7.5%)

Such a deal would mean the brand owner is able to buy more advertising with pure cash; reach more expensive media channels that might otherwise be unattainable, or test new channels they would normally not look at. This benefit is achieved without any discounting on the value of the goods traded or the advertising space.

How do Corporate Barter companies make a profit?

Corporate Barter companies trade their goods and services with media owners to create a margin on their advertising inventory. Clients can then use a mixture of cash and products/services to buy this inventory. In order for barter companies to make a profit, the cash and products/services from the client must have a greater value than the products / services exchanged for the media.

How we value your products and services.

We value your products and services at their normal selling price.

The percentage of products/services and cash you will pay for your advertising is determined by the media mix and the type or product or service.

Getting the most out of Corporate Barter – 10 point process.

- 1 **Gather** key stakeholders within your business responsible for marketing, sales and procurement.
- 2 **Agree** on what products or services can be used to support future media campaigns.
- 3 **Explore** these options with a barter company and agree new product/services distribution channels. At this point, advise your media agency that you are considering barter.
- 4 **Agree** the price you want a barter company to pay for the products or services.
- 5 **Communicate** – Brief your agency as normal instructing them you wish to barter. The process remains the same across media strategy, planning and buying as it would do without barter.
- 6 **Review** – The barter company will then review the media plans and feedback to you and your media agency the estimated spend that could be traded.
- 7 **Value** – Based on the value of media that can be traded, the barter company can confirm how much value they can offer at which point you can decide whether to barter.
- 8 **Booking** – Instruct your media agency to book the campaign as normal at their agency negotiated rates.
- 9 **Payment** – The barter company are responsible for bartered media. The media agency are responsible for non-bartered media.
- 10 **Delivery** – When you are happy with the media campaign & delivery, the barter company will buy the product or service and this will be distributed in the pre-agreed channels).

...and now go back to point 1 for your next campaign.

Protecting your brand.

The protection of your brand is paramount in any barter transaction and will be a key part of your Corporate Barter agreement.

All products or services traded as part of a barter transaction should remain fully under your control:

- No product or service is used in any media channel without written client approval
- No product or service is used until after a campaign has run
- Products and services are valued at the advertiser's normal selling price

Re-marketing – the use of bartered products and services.

A good barter company will be well connected and well versed in a wide range of industry sectors.

An FMCG advertiser with time-sensitive goods will have different issues to a business in the motoring or technology retail sector and the barter company needs to understand how to react to each client's specific requirement.

A combination of strategic thinking and consultation with each client; expertise in emerging distribution channels and good connections can create an effective plan that will ensure stock is distributed in a satisfactory way.

Barter companies have placed increasing emphasis on distribution expertise and can add considerable value by opening up new distribution channels for the brand clients, based on existing relationships.

How do Corporate Barter companies work with media agencies?



Clearance.

Barter company clears product or services usage with client

Barter company inform agency of barter potential

Barter company clears client with media owner/s

Planning.

Agency creates the initial plan

Agency negotiates with media owner/s and liaises with client

Agency agrees final plan

Booking.

Client signs off plan with the agency

Agency books plans with media owner/s on barter company's account

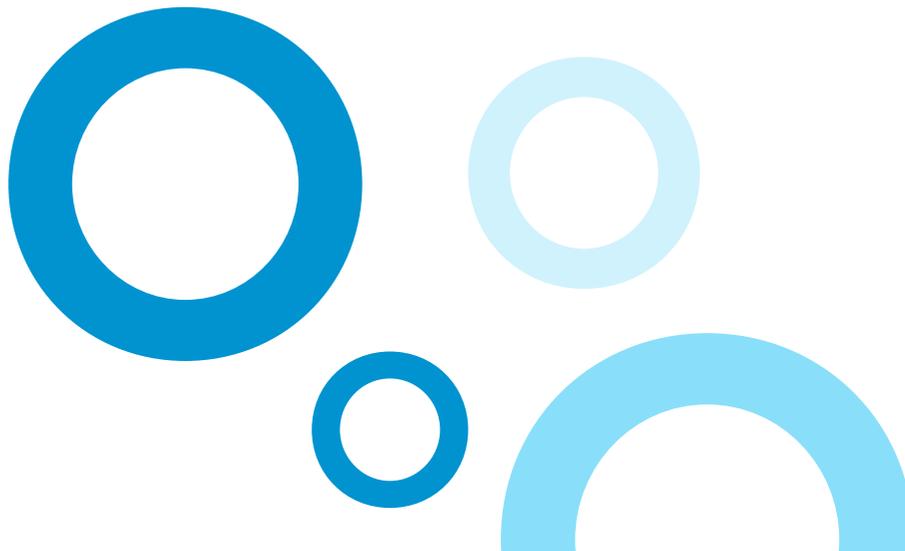
Barter company reconfirms value that client will receive

Payment.

All cash billing goes through the agency

Barter company bills agency in place of media owner/s

Barter company pays media owner/s



What a barter company should be able to guarantee.

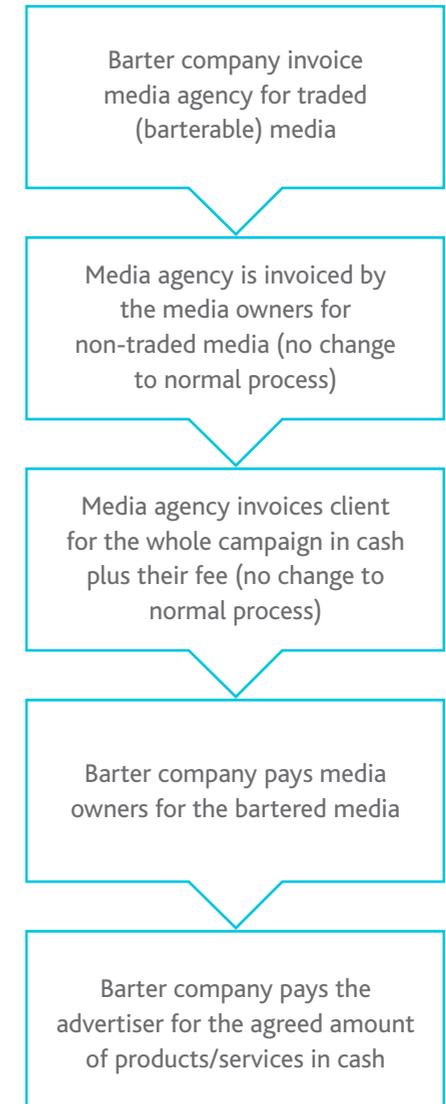
- To offer advertisers additional media value without creating extra work
- To always protect the advertiser's brand and work within their restrictions
- To re-market the products and services to the advertiser's pre-agreed specification, so that they remain in full control over distribution
- To work alongside the advertiser's media agency in a way that will complement their work
- To never put pressure on the implementation of media plans for the benefit of barter
- To only focus on media plans which offer a clear benefit to the advertiser
- To always complement the advertiser's media strategy and maximise value
- That the only thing that should change is the payment process

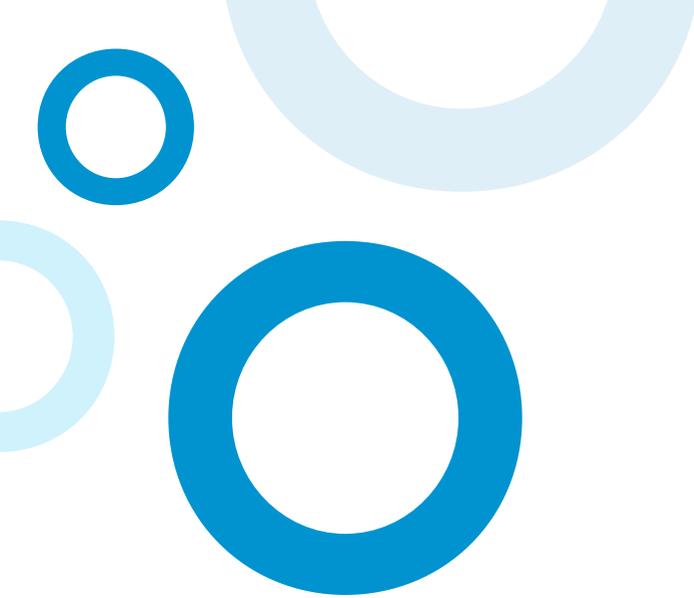
How does the payment process work?

PART CONTRA PAYMENT PROCESS



ROI / CROSS PURCHASE PAYMENT PROCESS





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Official Barter partner
of the Marketing Society



Miroma has been a Sunday Times Virgin
Fast Track 100 company for the last 4 years