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**PPAI & ASI**

# 10 REASONS WHY PROMOTIONAL PRODUCTS WORK!



## Promotional Consultants: The Rock Stars Of The Marketing World

Need 1,000 screen-printed T-shirts for a concert? Done! How about 500 whistles to hand out at a marathon? No problem! Promotional consultants develop solutions for all types of marketing challenges. From increasing brand awareness to growing tradeshow traffic, promotional consultants are experts in the field of promotional products and can solve any marketing dilemma you may have. There are more than 32,000 consultant firms in the industry!

## It's A Bird. It's A Plane. No! It's A Promotional Product!

From lip balm to a wireless mouse to paper airplanes, promotional products come in all shapes, sizes and colors. In many cases, it's even possible to obtain custom items that aren't usually found in promotional product catalogs. If you can see it and touch it, it's most likely available as a promotional product. This allows you to customize a marketing campaign so that it's more relevant to a specific demographic you want to target.



## Business Is Booming

Every day you hear about a new endurance race, a new music festival or a new community event. Today's consumers expect brands to reach them on a personal level. What better way to connect with consumers at these events than with promotional products? In 2012, advertisers spent more than \$19 billion in products purchased through promotional consultants.

## Spread The Word

Promotional product incentives produce valuable referrals from satisfied customers. A university study indicated that accompanying a request for referrals with an offer of a promotional product incentive drew as many as 500% more referrals as an appeal letter alone. The results speak for themselves!



## Enhance Marketing Campaigns

Adding a promotional product to the media mix generated favorable attitudes toward a print ad in all cases. The use of a promotional product as the advertising medium alone achieved maximum impact, up to 69% increasing brand interest and 84% in creating a good impression of the brand.<sup>5</sup>

## Positive Impact On Brand Image

Recipients of promotional products have a significantly positive opinion of a business through:

- Increase in positive overall image
- More positive perception of the business
- Higher likelihood of recommending the business
- Higher likelihood of patronizing the business

Source: PPAI Study: Promotional Products Impact On Brand/Company Image Conducted by Georgia Southern University



## Gifts That Keep On Giving

58% of respondents keep a promotional product anywhere from one year to more than four years. Even if the recipient uses the item only once per week, that's a minimum of 52 impressions made over the course of a year with the possibility of more than 208 during a five-year window.

Source: PPAI Study: Effectiveness of Promotional Products As An Advertising Medium



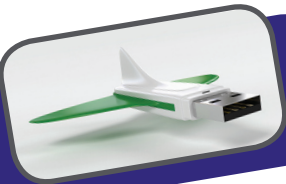
## Endless Array Of Options

With over 3,900 suppliers in the industry, there are hundreds of thousands of promotional products that can fit any budget. Having a variety of options allows for greater flexibility when planning out a marketing campaign of any size.



## Quick Turnaround Time

Often times, new marketing opportunities arise out of the blue and require quick action. Luckily, promotional consultants usually have a list of products that can be turned around quickly to meet your needs. There are even products that can be shipped within 24-hours of placing an order!



## Fun And Handy

People love receiving promotional products, there's no denying it. Whether it's a little boy playing with a yo-yo from the local bakery to a woman carrying a tote from her nail salon, promotional products are appreciated and welcomed in all walks of life. 90.4% reported either currently owning or possessing a promotional product received within the last 24 months.

Source: PPAI Study: Effectiveness of Promotional Products As An Advertising Medium



# FREQUENTLY ASKED QUESTIONS

## What Are Promotional Products?

Promotional products—usually imprinted with a company's name, logo or message—include useful or decorative articles of merchandise that are used in marketing and communication programs. Imprinted products that are distributed free are called promotional products. Imprinted items given as an incentive for a specific action are known as premiums. Business gifts, awards and commemoratives are also considered promotional products.



## How Large Is The Promotional Products Industry?

Advertisers spent more than \$19 billion in 2012 on products purchased through promotional consultants.



## How Are Promotional Products Used In Marketing?

Since promotional products can be used alone or integrated with other media, there are virtually limitless ways to use them. Popular programs cited most often by promotional consultants are business gifts, employee relations, orientation programs, corporate communications and at tradeshow to generate booth traffic.

They're also effective for dealer/distribution programs such as co-op programs, company stores, generating new customers or new accounts, nonprofit fundraising, public awareness campaigns and for promotion of brand awareness and brand loyalty. Other uses include employee incentive programs, new product or service introduction and marketing research for survey and focus group participants.



## Who Buys Promotional Products?

The following ranks the top 10 purchasers of promotional products. Industries were ranked by distributors according to the volume spent on promotional products by each industry.

1. **Education:** Schools, Seminars
2. **Financial:** Banks, Credit Unions, Stock Brokers
3. **Health Care:** Hospitals, Nursing Homes, Clinics
4. **Not-for-Profit Organizations**
5. **Construction:** Building Trades, Building Supplies
6. **Government:** Public Offices, Agencies, Political Candidates
7. **Trade, Professional Associations and Civic Clubs**
8. **Real Estate:** Agents, Title Companies, Appraisers
9. **Automotive:** Manufacturers, Dealers, Parts Suppliers
10. **Professional:** Doctors, Lawyers, CPAs, Architects, etc.

## What Kinds Of Promotional Products Are Available?

There are tens of thousands of different types and styles of promotional products. In many cases, it's even possible to obtain custom items that aren't found in any catalog. Examples of common items include: apparel, pens, coffee mugs, calculators, key chains, desk accessories and memory sticks.





## What Products Are The Most Popular?

Of the more than \$19 billion that was spent in 2012 on promotional products, the most popular category was apparel. The top 10 categories for 2012 were:

1. **Wearables**  
(shirts rank #1 in overall apparel category)
2. **Bags**
3. **Writing Instruments**
4. **Drinkware**
5. **Desk/Office Accessories**
6. **Recognition Awards/Trophies/Jewelry**
7. **Computer Products and Accessories**
8. **Calendars/Dated Products**
9. **Health & Safety Products**
10. **Textiles**



## How Effective Are Promotional Products?

Promotional products are extremely effective in reaching and influencing people according to PPAI university research studies. Following are some examples:

### **Promotional Products: Impact, Exposure & Influence**

A survey revealed the power of promotional products by measuring how end users respond to organizations that use promotional products as part of their marketing mix. More than 71 percent of respondents surveyed indicated they had received at least one promotional product in the past 12 months. The study also showed that respondents' ability to recall the name of an advertiser on a promotional product they had received (88 percent) was much better than their ability to recall the name of an advertiser from a print publication they had read in the past week (53.5 percent).

### **Promotional Products' Impact On Brand/Company Image**

An experiment conducted by Georgia Southern University shows that recipients of promotional products have a significantly more positive image of a company than consumers who do not receive promotional products.

### **Promotional Product Incentives Produce Valuable Referrals From Satisfied Customers**

A survey conducted exclusively for PPAI by theanship School of Mass Communication at Louisiana State University indicated that, among other findings, accompanying a request for referrals, an offer of a promotional product incentive, or an offer of a promotional product incentive plus eligibility in a sweepstakes drew as many as 500 percent more referrals than an appeal letter alone.

## How Is The Industry Structured?

Promotional consultants develop solutions to marketing challenges through the innovative use of promotional products and are a resource to corporate buyers, marketing professionals and others wanting to increase brand awareness, tradeshow traffic, employee retention and more. There are more than 20,000 consultant firms in the industry.

Supplier firms manufacture, import, convert, imprint or otherwise produce or process products offered for sale through promotional consultants. There are more than 3,600 supplier companies in the promotional products industry. Go to [www.ppai.org](http://www.ppai.org) for PPAI's Association Profile.



For more information on promotional products, including promotional ideas, additional research and promotional products case studies, email [ADvocate@ppai.org](mailto:ADvocate@ppai.org).



# PROMOTIONAL PRODUCTS WORK!

## Advertising Recall:



**88%**

recalled the advertiser

**62%**

recalled the message

## Advertiser Influence:



**59%**

have a more favorable view of the brand

**85%**

did business with the brand after receiving a product



## Top 5 Buyers

Education

Financial

Not-For-Profit

Health Care

Construction

## Eight In Ten Consumers Owns A Promotional Product



## Top Reasons Why Promotional Products Work:



- Useful
- Attractive
- Informative
- Desirable
- Sentimental
- Fun

## Where Promotional Products Work:

Kitchen

**91%**

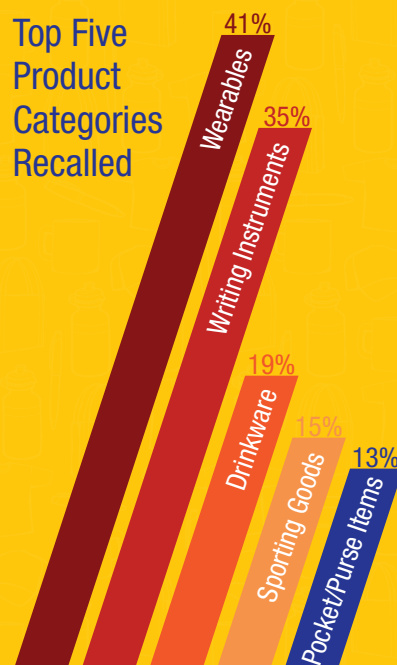
Workspace

**74%**

Bedroom

**55%**

## Top Five Product Categories Recalled



## They LOVE It!

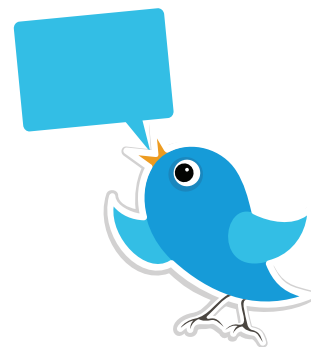
**47%**

of people keep promotional products for a year or more

Sources: Promotional Products Association International; The Influence of Promotional Products on Consumer Behavior; 2011 Sales Volume Study; Why End-Buyers Choose Promotional Products & Other Media; Effectiveness Of Promotional Products As An Advertising Medium; The Key Ingredient to Integrated Marketing

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# IT'S JUST A MATTER OF FACT



- Recipients of promotional products have a significantly more positive image of a company than those who do not receive promotional products. <sup>1</sup>
- A promotional product incentive and eligibility in a sweepstakes drew as many as 500 percent more referrals than an appeal letter alone. <sup>1</sup>

## Tradeshows:

- Including a promotional product with a pre-show mailing or an offer of a promotional product increases the likelihood of an attendee stopping by a tradeshow booth. <sup>1</sup>

## Reach:

- 33.7% of this group had the item on their person - a coveted location for advertising. <sup>2</sup>

## Cost Per Impression:

- In the U.S., the cost per impression of a promotional product is 0.6 cents, compared to prime-time TV and national magazines at 1.8 cents each and 0.7 cents for newspapers. <sup>5</sup>

## Frequency:

- 73% of those who used the promotional product that they had received stated that they used it at least once a week. <sup>2</sup>
- 45.2% used it at least once a day. <sup>2</sup>

Note: The greater the frequency of exposure, the lower the cost per impression, CPI.

## Repeat Exposure:

- 22% of participants kept the promotional product that they had received for at least six months. <sup>2</sup>

## Retention:

- 75.4% of those who received a promotional product stated that they thought the item was useful. <sup>2</sup>
- 20.2% kept the promotional product because they thought it was attractive. <sup>2</sup>

## Pass-Along Circulation:

- Sixty-six percent of U.S. respondents give away unwanted items to someone else. <sup>5</sup>

## Direct Marketing:

- The inclusion of a Promotional Product to a mail promotion increased the response rate by 50%. <sup>2</sup>
- The use of Promotional Products as an incentive to respond generated four times as many responses as a sales letter alone. <sup>2</sup>
- The use of a Promotional Product as an incentive to respond reduced the cost per response by two-thirds. <sup>2</sup>

## Repeat Business:

- Promotional product recipients spent 27% more than coupon recipients and 139% more than welcome letter recipients over an 8-month period. <sup>3</sup>
- Promotional product recipients were also 49% more likely than coupon recipients and 75% more likely than letter recipients to return and patronize the business in each of the eight months studied. <sup>3</sup>

## Referrals:

- Sales people who gave promotional gifts to their customers received 22% more referrals than sales people who did not use promotional products. <sup>4</sup>

## Generating New Business:

- One-third of U.S. consumers say they are more likely to do business with an advertiser after getting their logoed product. <sup>5</sup>

## Good Will:

- Customers who received a promotional product scored 52% higher than a letter only. <sup>4</sup>

## Demographics:

- Latino market magnet—at 54%, Latino consumers own the most promotional T-shirts. <sup>5</sup>
- Mais Oui, Parisians are far more likely to own promotional USB drives than consumers in other cities, with 27% owning them, versus 9% of U.S. consumers. <sup>5</sup>
- Bags are Big—In the U.S., 29% of consumers who own promo products own a promotional bag, with Asian consumers owning the most of any racial demographic. <sup>5</sup>
- Voters Speak—more Independents (48%) than Republicans (44%) and Democrats (39%) have a logoed shirt at home. <sup>5</sup>
- Golden Oldie—as consumers age, they're more likely to own a promotional calendar. <sup>5</sup>
- In the Office—women are more likely to own a promo desk accessory in their offices than men, by a margin of 20% to 14%. <sup>5</sup>
- Cap-Tastic—white men are the most likely demographic group to own branded caps, versus 15% of African Americans and 12% of women. <sup>5</sup>
- Cheers—Gen-Xers and older own more promotional drinkware than those under 35. Of 12 cities surveyed, Philadelphians love logoed mugs and glasses the most, with 21% of Philly consumers owning promotional drinkware. <sup>5</sup>
- You Wear it Well—higher wage earners are more likely to own a promotional jacket. <sup>5</sup>

## Conclusion:

The value of Promotional Products is in their ability to carry a message to a well-defined audience. Because the products are useful to and appreciated by the recipients, they are retained and used, repeating the imprinted message many times without added cost to the advertiser.

### Sources:

<sup>1</sup> PPAI - Georgia Southern University Study

<sup>2</sup> PPAI - L.J. Market Research Study

<sup>3</sup> PPAI - Southern Methodist University

<sup>4</sup> PPAI - Baylor University Study

<sup>5</sup> ASI - Impressions Study

<sup>6</sup> PPAI - Influence of Promotional Products on Consumer Behavior

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