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Marketing and promotions decision makers often face the difficult task of determining how to best spend their promotional dollars. The outlet or tactic that will give you the biggest bang for your buck is not only difficult to anticipate, but for many businesses, it seems a shot in the dark. Will a logo-imprinted pen keep potential clients thinking about you when they use it? Would a logo-printed flash drive help them choose you for their business needs? Will a pullover fleece in your corporate colors, emblazoned with your visual identity pull in casual viewers and pique their interest? Will it support employee retention if given as an incentive? Is radio advertising the key? Maybe a magazine ad? Social media campaign? Content marketing strategy? Trade show booth? Direct mail campaign? How about a small plane flying a banner over the city?

The wealth of options can be nice to assess, but overwhelming. And without access to solid research aimed directly at your target audience, it may be hard to know how you can best reach your target demographics. Not only are you considering advertising in its traditional sense: television, radio and print, but



you're also likely considering options outside the box. Perhaps ironically, research shows many businesses reap long-term rewards because of items that actually arrive in a box: promotional products. And while promotional products may not be the right choice for everyone, they have been found to be cost-effective for specific, targeted needs.

What are promotional products?

Also known as promotional merchandise, promotional gifts, business gifts, giveaways or even swag, promotional products are merchandise—often customized—that companies give away to promote their corporate identity, logo, an upcoming event, their brand or a specific product. Promotional products may also be used as incentives for employees, as morale-building tools or as an ice-breaker and conversation-starter at trade shows and other events, when showcasing or educating the public on the products and services your organization provides. Political candidates often use specialty items imprinted with campaign-related information or slogans. In addition, nonprofit

organizations may use them for fundraising incentives or rewards, or to raise awareness about a particular cause. These items are often printed with the organization, cause, individual or event's visual identity, and perhaps a tagline, a slogan and contact information....depending, of course, on the size of the proverbial canvas.

Although some reports indicate the first promotional product was a commemorative button aimed at the Presidential election of George Washington in 1789, the concept didn't really take off until the mid-1900s. Today, promotional products are widely used and just as widely varied, including items such as pens, water bottles, hats, clothing, pill holders, hand sanitizers, jewelry, office accessories, glassware and much more, even including large, high-value items. Take for example Mary Kay® cosmetics, and the iconic pink Cadillac® vehicles they issue to their best representatives. You may also recall news coverage of the so-called "swag bags" celebrities receive at events such as the Academy Awards®. Those gift bags, all told, can equal hundreds of thousands of dollars in freebies from many different companies eager to promote their products to potential clientele who are known influencers. The 2012 Academy Award swag bag reportedly contained an ordinary bottle of Purell® hand sanitizer in an extraordinary gold sleeve encrusted with jewels, so the well-heeled can sanitize in style.¹ While your organization might never have a budget to give away such finery, those who have the means are delighted to get their products into the hands of the rich and famous, with the hopes that the rest of us will follow suit.

Yet the question remains: when it comes to raising awareness of your cause or growing your business, are promotional products the best way to go? Some estimate businesses spend more than \$20 billion a year giving away items with their logo imprinted on them.² But how does the effectiveness of these items compare to say, traditional advertising? How does the expense of promotional products compare with the expense of other forms of promotion? What are the benefits and the drawbacks of choosing promotional products? And what choice is right for you and your marketing dollars?



Let's take a closer look.

¹ Time Staff. "What's In the 2012 Oscars Swag Bags?" *TIME.com*. N.p., 26 Feb. 2012. Web. 15 June 2012. <<http://newsfeed.time.com/2012/02/26/whats-in-the-2012-oscars-swag-bags/>>.

² Mueller, M. P. "The Surprising Power of Promotional Products." *You're the Boss Blog*. N.p., 18 July 2011. Web. 15 June 2012. <<http://boss.blogs.nytimes.com/2011/07/18/the-surprising-power-of-promotional-products/>>.

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Research on the effectiveness of promotional products

Two substantial studies on the effectiveness of promotional products offer a bit of insight into consumer behavior. What they found can help answer some crucial unknowns for organizations looking to better understand the efficacy and enduring influence of promotional products. In short, each study looks at the return on investment you can anticipate when you invest in promotional products.

Promotional Products Association International study

In 2009, Promotional Products Association International (PPAI®) launched a study fielded by MarketTools®, Inc., to determine how consumers react, act and respond when they receive promotional products. PPAI is the only international not-for-profit trade association for the promotional products industry. In the study, researchers sampled a group of more than one thousand consumers who remembered receiving a promotional product within the past two years. Those who did not remember receiving anything within that time period were screened out of the sample, leaving 44% of the initial survey group.

The first part of the study was entitled, “Effectiveness of Promotional Products As An Advertising Medium.” In it, researchers focused on the action and relationship recipients have with the promotional products they receive. The findings were significant.³

- 94% of participants could recall a specific promotional product they had received in the past 24 months.
- The majority of them—89%—also remembered the advertiser represented by the item.
- 83% said they enjoyed getting promotional products.
- 48% wish they received promotional products more often.
- 69% typically keep the promotional products they receive.

To advertisers who purchase promotional products, the reaction to the product is far from the only factor. To be an effective form of promotion, the product is best when it is used regularly, kept nearby for fast reference and inspires some



³ Promotional Products Association International. PPAI Study Confirms Effectiveness of Promotional Products When Compared to Traditional Media. PPAI. N.p., 23 Feb. 2010. Web. 15 June 2012. <<http://www.ppai.org/press/ppai-study-confirms-effectiveness-of-promotional-products>>.

sort of positive action. The PPAI study found encouraging news on all fronts. First, the study noted that consumers most often kept promotional items that they deemed useful in the kitchen or the office. The items they found most useful and preferred from promoters included:

- food baskets
- MP3 players
- clocks and watches
- digital picture frames
- luggage

The second part of the PPAI study, entitled “Promotional Products and Other Media” offered valuable comparison between promotional products and mainstream media, evaluating the efficacy of each. Researchers found that promotional products, online advertising and print campaigns have one significant drawback when compared to television advertising: reach. However of the forms of advertising facing this shortcoming, promotional products were found to be the only media that showed significant strength in both recall and reaction of the consumers surveyed. Specifically, with promotional products, while more than 80% could recall the organization advertised, 75% also remembered the product or service being promoted. And a full two-thirds could recall the specific product, the advertiser and the message being promoted.⁴

The study also measured the actions consumers were motivated to take after receiving a promotional product or viewing an ad. The findings: consumers were more likely to make a purchase after receiving a promotional product than after being exposed to other types of advertising.⁵

Each form of advertising also had a different effect on the consumer’s perception or opinion. More than half of the people who had received promotional products had a positive impression of the organization. That compares to 33.2% who saw the ad in print, 27.7% who saw a television commercial, and 11.9% who saw the advertising online.

One of the concerns advertisers have related to promotional products is that consumers who receive them may not keep them long enough for them to be effective. As a business owner, government employee or non-profit team member, you want to ensure the promotional merchandise you buy have staying power.



⁴ “The Effectiveness of Promotional Products as an Advertising Medium.” PPAI Research (2009): n. pag. Print.
⁵ Promotional Products Association International. PPAI Study Confirms Effectiveness of Promotional Products When Compared to Traditional Media. PPAI. N.p., 23 Feb. 2010. Web. 15 June 2012.
<<http://www.ppai.org/press/ppai-study-confirms-effectiveness-of-promotional-products>>.

PPAI
Research
Benefits

The PPAI study looked into consumer behavior related to promotional products, and found that nearly 60% of consumers said they used the promotional product they received several times. A small percentage also shared it with their friends: 7.6% let a friend use the item, and 4.4% passed the product on to someone else.

The consumers surveyed remembered a wide variety of advertisers, suggesting that promotional products may be an effective tool for any number of industries. They included non-profit organizations, financial institutions, universities, delivery services, drugs and medical companies, weight loss and fitness companies and much more.

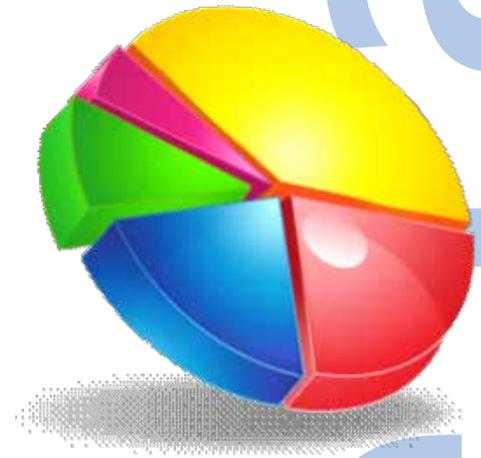
The conclusion of this industry-sponsored study is that most consumers like and want promotional products, are likely to keep them and more likely to patronize your business as a result of them.

Advertising Specialty Institute (ASI®) study

Likewise, the promotional products' industries for-profit organization also commissioned a study to determine the effectiveness of promotional products. The study examines similar trends and measures consumer experiences: "Advertising Specialties Impressions Study: A cost analysis of promotional products versus other advertising media."⁶ Interviewers surveyed 465 businesspeople in several locations: New York, Chicago, Los Angeles and Philadelphia, then issued an online panel survey specifically related to non-wearable promotional products. All told, the survey sample included 678 completed responses, most of them (84%) from business professionals.

The numbers for the ASI study were slightly less significant than the results issued through the PPAI report. For example, fewer respondents illustrated instant recall, though the figure of 84% is still noteworthy. In addition, fewer respondents felt that freebies would make their impression of an organization more favorable: 42%.

The ASI report may also help companies who are examining their options among the wide selection of promotional products. In it, consumers reported that they kept promotional products because they were considered useful. Among the most widely recalled advertising specialty items were writing instruments, with 54% of respondents possessing them. They were followed by shirts, caps and bags. In fact, in the study, bags were reportedly most frequently used, by an average of nine



⁶ Advertising Specialty Institute. *Advertising Specialties Impressions Study: A Cost Analysis of Promotional Products versus Other Advertising Media*. Rep. N.p.: n.p., 2008. Print.

times every month. What makes this figure significant is the ripple effect. Because consumers use these bags so frequently and in public, each bag averages 1,038 impressions per month.

Why are impressions important?

To measure the effectiveness of using promotional products, many companies will calculate the Cost Per Impression, or CPI. This shows how much it costs you to reach each individual consumer with your messaging. Research shows the average CPI of an advertising specialty item is \$0.004. And, according to the results of the ASI study, organizations get a more favorable return on the money they spend on specialty items/promotional products than on any other popular mode of advertising.

How is this calculated? Respondents in the ASI study who owned shirts, caps, bags, recognition jewelry and other wearables were asked to estimate how many people they came into contact with while wearing or using the specialty item. On average, bags were estimated to have been seen by the most people, at 111 per use. Shirts came in second, at 84, and caps/hats came in third, at 79, just beating out recognition of jewelry. For overall impressions, caps came in behind bags, making an estimated 476 impressions per month. And among non-wearable promotional products, writing instruments garnered the most impressions, with 363 per month.

Researchers point out that the cost per impression of promotional products is low when compared to other advertising and media. In fact, researchers say prime time television is nearly five times more expensive in terms of CPI.

For a broad picture, these can be compared to the cost per impression for other media. The CPI for prime time TV is \$0.019, as is the CPI for a ½ page black and white newspaper ad. Syndicated day TV and spot radio rate comparably, at \$0.006 and \$0.005 respectively. And billboards fold in at \$0.003.⁷

Consumer retention of promotional products

When compared to the PPAI study, the ASI study also shows slightly less favorable numbers for the length of time consumers hang on to specialty items. In that study, the average length of time apparel was kept was about seven months. Bags and other wearables were kept slightly longer: nine months. In general, more



⁷ *Ibid.*

than three-quarters of all promotional products had been owned by the user for less than one year. For consumers who don't plan to keep a promotional product they receive, about 1/3 throw the item away, and 20% say they are likely to put it away and never notice it again. A little over half of them said they would give the item to someone else.⁸

If the influence of a promotional product can be measured in terms of how often the item is used or referred to, writing instruments would be a natural choice for many businesses. In the ASI study, 40% of the writing instruments were used twice a day, being used an average of 64 times per month, more than any other item. Meantime, recognition awards and trophies wrapped up the bottom of the list. Nearly two-thirds of those who had recognition awards never look at their award or trophy.

Advantages and disadvantages of promotional products



Of course no promotional solution is a panacea, and this is true of promotional products as well as other advertising channels. Business experts say there are a number of advantages to using promotional products, among them:⁹

- There are a wide variety of options, so chances are good you can find a promotional product that is of interest to your audience, while still relevant to the primary products or services your organization provides. In addition, the wealth of options allows you to choose items that are within your organization's allotted budget.
- Research shows customers and potential customers enjoy getting free gifts.
- Promotional products can be used for a variety of purposes. When attending trade shows and other events, giveaways help attract visitors to your booth and open the door to conversation. Promotional products can also be donated to charitable events as door prizes, silent auction items or general giveaways. Promotional products can also be given to employees, to boost morale, incentivize improved performance or for team building.
- Buying in bulk lowers the cost per impression—the more you buy, the

⁸ *Ibid.*

⁹ Cruz, Anna. "Pros and Cons of Promotional Products." Bizcovering. N.p., 19 Aug. 2009. Web. 15 June 2012. <<http://bizcovering.com/marketing-and-advertising/pros-and-cons-of-promotional-products/>>.

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better your possible return on investment.

- Promotional products can have a far higher value than their actual cost. Someone seen wearing your logo and tagline on a hat or shirt, in essence, becomes a walking billboard for your organization.

But no marketing and promotion solution is right for everyone. Organizations must also consider the potential shortcomings or downfalls of using promotional products.¹⁰

Product perception

- Items which are cheaply made and fall apart or don't work may reflect poorly on your organization. It's important to distribute quality items to ensure a favorable opinion of your organization.
- Items which are not related to your industry, or not relevant, may be confusing to the people who receive them. Not only will they likely have difficulty associating the merchandise with the products and services you offer, but you also risk watering down your brand.
- Promotional products with a low perceived value by consumers will likely have less staying power and influence on purchasing behavior than items with a high perceived value. Experts suggest that promotional products, to be effective, should have at least a five- to 10-dollar perceived value. This can be a cost prohibitive figure for smaller businesses.
- Styles and trends are ever-changing. That florescent green sweatshirt color that's hot this year may not translate well next year.¹¹
- Similarly, targeting your market, and what they value, can be difficult.



Planning challenges

- To reap the benefits, you have to distribute the items. If you and your staff aren't handing out the products, and if you don't have a plan for distribution, they won't do any work.
- Reduced pricing kicks in typically when you buy in bulk. Businesses needing only a small number of specialty items may have to pay a higher price per item.
- Recipients may not hang on to or use the promotional item.
- Because the process of imprinting or engraving takes time, ordering promotional products on very short notice may not be possible. Some

¹⁰ Cruz, Anna. "Pros and Cons of Promotional Products." Bizcovering. N.p., 19 Aug. 2009. Web. 15 June 2012. <<http://bizcovering.com/marketing-and-advertising/pros-and-cons-of-promotional-products/>>.

¹¹ "How to Choose a Promotional Product." How to Choose a Promotional Product. N.p., n.d. Web. 16 June 2012. <http://www.basicexpressions.com/How_to_Choose_a_Promotional_Product.html>.

items can be turned around in a few days, others may take weeks. Items which arrive late represent missed opportunities for a particular event. Also keep in mind that there are high and low seasons in the promotional products industry. If you order holiday gifts for clients at the same time other companies do, your order turnaround may take longer.

- Using promotional products without a plan for the promotion, distribution and measurement of results can render the entire effort ineffective.
- Estimating sizes for clothing in the appropriate numbers can be a challenge.
- Consumers may receive many of the same popular item at once, so there is a possibility of saturating some audiences with specific items.¹²

Product limitations

- For some businesses, it can be challenging to find an appropriate promotional product.
- Some items have limited space for your organization's logo, tagline, slogan or contact information. Your marketing messaging will be limited on items like pens and key chains.¹³ There may also be limitations on the logo size and colors that can be used.
- Promotional products will not influence consumer behavior in everyone. In fact, the ASI study reported that nearly three-quarters of respondents said that receiving the promotional products would not change the likelihood of them doing future business with the advertiser. At the same time, 24% reported they would be significantly or somewhat more likely to do business with the advertiser.¹⁴
- Some items, like food, may have a limited shelf life or present allergen problems.



Choosing the right promotional products

If the benefits outweigh the drawbacks or shortcomings of promotional merchandise for your organization, you'll want to consider your options. But how

¹² Pleshette, Lyve A. "Advantages and Disadvantages of Various Advertising Mediums." *Advantages and Disadvantages of Various Advertising Mediums*. Powerhomebiz.com, 2004. Web. 16 June 2012. <<http://www.powerhomebiz.com/vol118/admediams.htm>>.

¹³ Mark8ryt. "Advantages and Disadvantages." *Advantages and Disadvantages*. N.p., n.d. Web. 15 June 2012. <<http://www.mark8ryt.com/advantages-and-disadvantages.html>>.

¹⁴ Advertising Specialty Institute. *Advertising Specialties Impressions Study: A Cost Analysis of Promotional Products versus Other Advertising Media*. Rep. N.p.: n.p., 2008. Print.

can you choose the right merchandise items to promote your business? An article in the New York Times®, “The Surprising Power of Promotional Products,” by M.P. Mueller,¹⁵ offers the following suggestions.

1. Items that you giveaway should be gifts consumers can use as they are making decisions related to the products or services you provide. You want your organization to be on the tips of their tongues when the discussion turns to their relevant organizational needs. The article does point out that golf-related gifts are the exception to this rule, due to the volume of business that happens on the golf course.
2. Your promotional product should not only support your marketing message but also set your organization apart from the others. The New York Times article illustrates the effectiveness of this tactic with a real world example. An organization that creates antivirus software put its logo on boxes of condoms, and sent them to IT industry professionals with this message, “Protect yourself, protect your computers.” The organization capitalized on its target demographics: the field of Information Technology is dominated by men. The outcome? The organization was happy with the results. While most organizations may not feel comfortable pushing the envelope quite that far, this demonstrates the importance of differentiating your organization from your competition through your promotional products.
3. Look for ways to personalize your promotional products. While you certainly want to share your logo and other pertinent information, your target audience wants to see their name, more than your organization’s name...in fact, more than anything else. Branding your giveaway merchandise with both your visual identity as well as your customer’s name can get the item noticed and earn it a place of honor in the user’s daily activities.
4. Invest in promotional products that offer lasting usability. The greater the shelf life of the item you’re giving away, the greater the return on your investment into your promotional products.



¹⁵ Mueller, M. P. “The Surprising Power of Promotional Products.” *You’re the Boss Blog*. New York Times, 18 July 2011. Web. 16 June 2012.
<<http://boss.blogs.nytimes.com/2011/07/18/the-surprising-power-of-promotional-products/>>.

In addition to Mueller's suggestions, other industry experts say it's important to choose items that are perceived by your audience to be of a high value, likely a higher perceived value than you are even paying. In the ASI study, for example, the respondents who received wearables were more likely to keep the item if they felt it was attractive.¹⁶ Make sure the items you order are a quality product, and know that the quality of the gift will remain an enduring reflection of your organization. For example, if you give out cheap pens that stop working quickly, they will only be a frustration to the user, and will wind up in the circular file quickly. You may also want to consider whether it will be possible to get something in return for your gift from the person who receives it, or their extended circle of influence. For example, can this individual offer referrals? Are they likely to use the product in the presence of others who should be exposed to your advertising? Are they likely to pass it along to a decision maker who might subsequently become interested in your organization's offerings? Researchers say it is human nature to feel beholden to someone who gives you something for free, regardless of where you are in the world. What will the recipient of your gift be willing to give in return?



In order to realize success, it's important to first define the objectives of your initiative. Why are you giving something away? Are you thanking recipients, driving sales by offering a gift with purchase or maybe trying to increase conversions by getting visitors to stop by your trade show booth? Who are you giving the gifts to and what do they love? You will need to consider your promotional products budget and the number of items you wish to purchase, as well. In addition, you'll always want to consider your organization's brand, ensuring that your giveaway is aligned with your brand or the theme or focus of what you're promoting.

Here are some practical Do's and Don'ts, as suggested by Brightideasforbiz.com.¹⁷

Do:

- Use colors that are eye-catching when you brand your promotional products.
- Ensure the colors fit with your brand, but stand out.
- Imprint your tagline and web site address as well as contact information, when possible.



¹⁶ Advertising Specialty Institute. *Advertising Specialties Impressions Study: A Cost Analysis of Promotional Products versus Other Advertising Media*. Rep. N.p.: n.p., 2008. Print.

¹⁷ Piper, Ally. "How to Choose the Right Promotional Products for Your Business?" *How to Choose the Right Promotional Products for Your Business? Bright Ideas for Biz*, 09 Mar. 2011. Web. 16 June 2012.

<http://brightideasforbiz.com/2011/03/how-to-choose-the-right-promotional-products-for-your-business/>.

- Choose a freebie that can be used all year, and isn't season-specific.
- Utilize top performers for CPI, like bags, pens and calendars.

Don't:

- Choose a promotional product that will be stored in a drawer or cupboard.
- Make your gift too personal. Remember that this promotional product represents your organization.
- Have only one type of promotional product. Consider getting a mix of items instead.
- Hand out cheap looking gifts. Remember, it's your reputation that's at stake.
- Make short-lasting products, or one-time-use items.

By approaching your promotional products from a strategic perspective, you stand to strengthen your brand, build a relationship with the recipients and potentially pave the way for future business.

Staying power

Another PPAI research study, this one sampled at Dallas Fort Worth International Airport, showed that 35% of those surveyed kept their promotional products for at least two years.¹⁸ Of the sample group, 55% kept their promotional products for more than a year and 86% held on to the promotional merchandise for six months or more. The numbers are slightly better than the ASI study, yet both indicated this trend strongly. How can you ensure that the promotional products you purchase have that sort of staying power? It's helpful to look at why these consumers reported holding on to the items. More than two-thirds of those surveyed found the item to be useful. More than 20% thought the item was attractive. And 1% referred to the item for information they needed.



It's easy to focus tightly on these statistics, and to even get bogged down by them. Yet from a big picture perspective, it's important to note that in this study, more than half of recipients reported that their opinion of the advertiser was more favorable after receiving a promotional product.

¹⁸ "A Lasting Impression: A Study of American Consumers Reveals Promotional Products as an Effective Advertising Medium." PPAI.org. Promotional Products Association International, 2009. Web. 16 June 2012. <http://www.exhibitoronline.com/adtrack.asp?page=www.ppai.org/NR/rdonlyres/BA94A823-E0A8-4E32-A2BC-6D3912D4D45A/0/09EffectProProAsAdMed_PowerTool.pdf&sc=newsitem>.

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So, how do you order what's right for your business and your customers? First, establish your budget, keeping in mind how much each recipient is worth to you and your bottom line. The quality and price point for the gifts you select should be reflective of how much you value the recipients. Then, be sure to purchase specialty items that are appropriate for your target market as well as reflective of your organization's brand. Remember, the cost of imprinting rises according to the number of colors you choose. So, avoid choosing three colors for your t-shirts, and instead, purchase more shirts with that money to stretch your budget. Lastly, buy promotional products that have a lasting effect. As mentioned previously, purchase products your target audience will find useful, as research shows when they find it useful, they will keep it longer. This is a wise use of your money.

With these tips in mind, you'll not only work within your budget, you'll show your target audience that you understand their needs, value their relationship and hope they will continue to entrust you with their needs.

Pondering promotional products

The decision of whether or not to invest in promotional products for your business is not to be taken lightly. Though marketing and promotional dollars for most organizations are limited, many will appreciate knowing there are low-cost solutions that still reap results. Perhaps after examining the benefits and shortcomings of promotional products, you will decide to invest your promotional money elsewhere. However, if you do decide to explore your promotional merchandise options, you will find no shortage of choices. Once you take into consideration your organization's target market, their interests, your budget and the relevant gifts that could become everyday useful items for potential customers, the hardest work is done. All that remains is to endear yourself to your customers, employees or potential clients, with the perfect, practical gift.



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