

Promotional Products Industry Overview - Part 1

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Promotional Products Industry History



Coffee Mug?



Promotional Products Industry History



- 1789 – Washington’s commemorative buttons
- 1800’s – Advertising calendars & wood items
- Late 1800’s – Birth of the industry
- Jasper Freemont Meek
 - Imprinted book bags & horse covers
- Henry D. Beach
- Thomas D. Murphy & Edward Burke Osborne
 - Advertising calendars



Promotional Products Industry History – Our Association

- 1904 – Advertising Manufacturer’s Association – 12 members
- 1912 – Promotional products recognized as media by Advertising Federation of America
- 1914 – First trade show – 32 exhibitors
- 1920 – Advertising Specialty Association
- 1928 – 132 members
- 1931 - Advertising Specialties Natn’l. Association (mostly mfgs.)
- 1953 – Advertising Specialty Guild (jobbers)
- Specialty Advertising Association
- Promotional Products Association International
- Today – 11,000 member companies world-wide
 - 2014 Industry Sales: \$ 20.04 Billion in sales

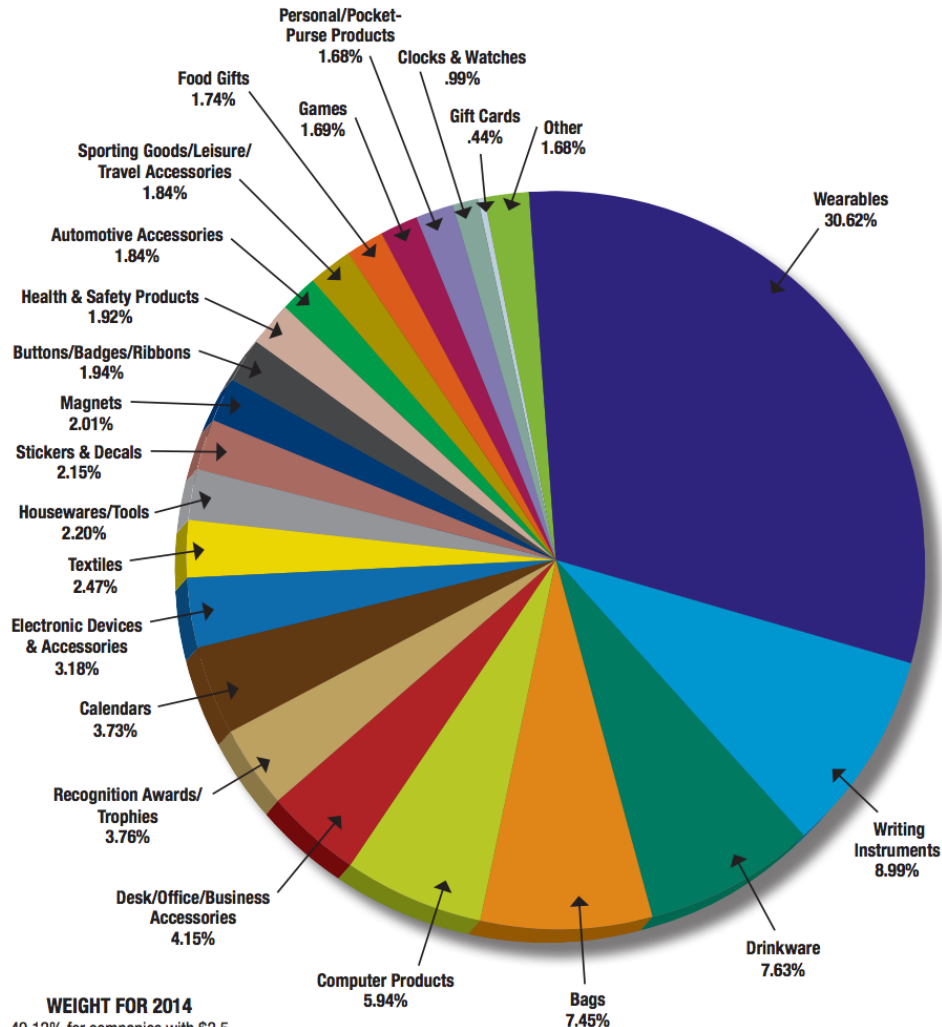


Market Research

- The action or activity of gathering information about consumers' needs and preferences.



2014 SALES BY PRODUCT CATEGORY



Top Ten – 77.92%

Category	Percentage
Wearables	30.62%
Writing Instruments	8.99%
Drinkware	7.63%
Bags	7.45%
Computer Products	5.94%
Desk/Office/Business Accessories	4.15%
Recognition Awards	3.76%
Calendars	3.73%
Electronic Devices	3.18%
Textiles	2.47%

WEIGHT FOR 2014

49.12% for companies with \$2.5 million or more in sales and 50.88% for companies with less than \$2.5 million in sales

Note: Percentages may not add up to 100% due to rounding error.



What's The Difference Between...

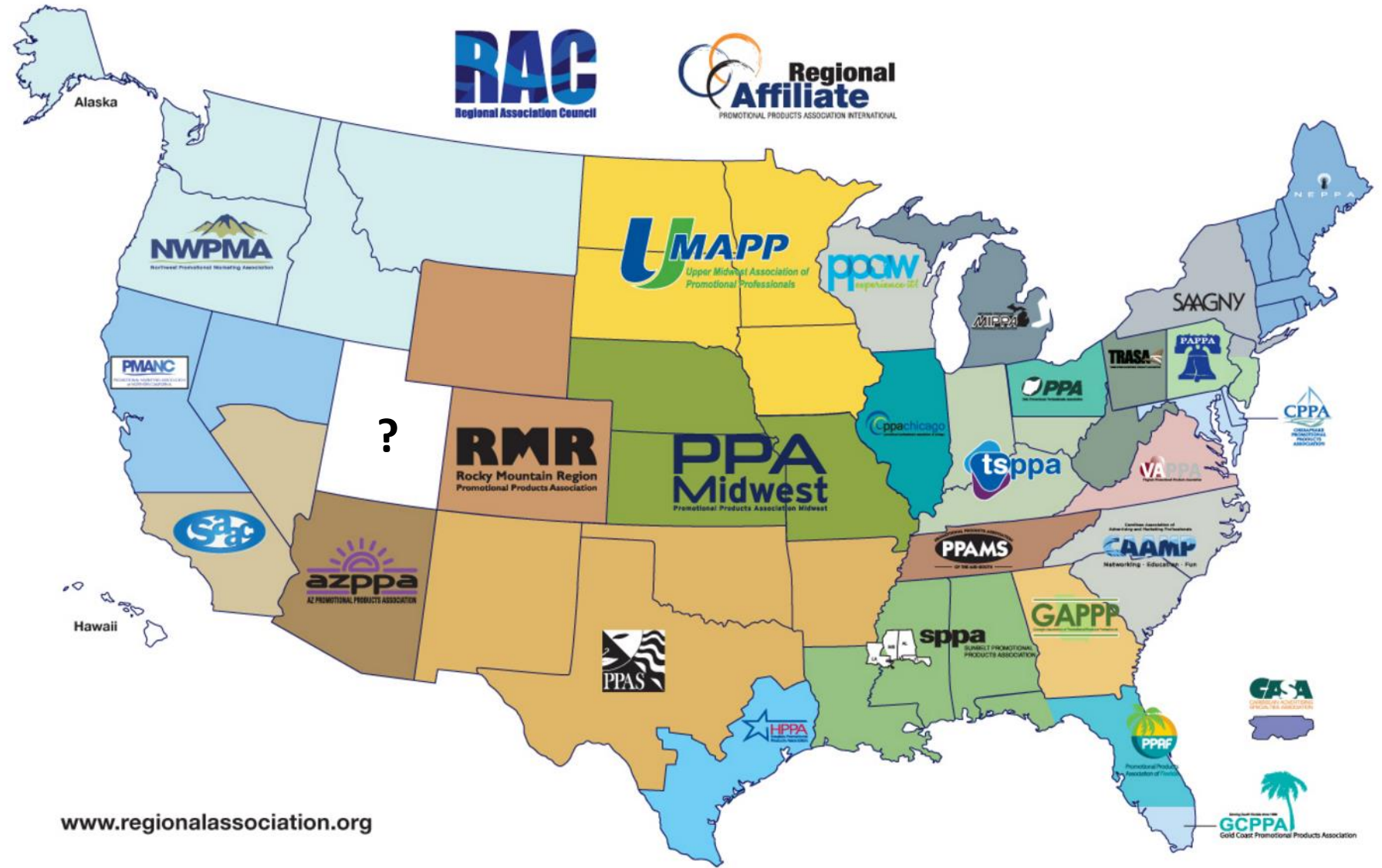
- Incentive – Exchanged for performance
- Premium – Exchanged for a purchase
- Award – Exchanged for performance
- Gift – Given “Just Because”
- Give-Away – “Thank you for being here”
- Prize – Exchanged for contest entry
- No Logo? It's not a Promotional Product!
 - One item can provide all of these functions



PPAI & Regional Associations

- PPAI – HQ in Irving, TX www.ppa.org
- 27 Regional Associations
www.RegionalAssociation.com
- PPAI's Regional Affiliate Counsel (RAC) is made up of all Regional Associations
- Many Regional Associations hold their own trade shows and Professional Development events
- Consider joining your Regional Association!





RAC
Regional Association Council

Regional Affiliate
PROMOTIONAL PRODUCTS ASSOCIATION INTERNATIONAL

www.regionalassociation.org

PPAI EXPO

January 10-14, 2016 • Mandalay Bay Convention Center, Las Vegas



Upper Midwest Association of
Promotional Professionals

"a great networking forum for promotional products sales professionals"



- Booth Show
- Room Show
- Golf Tournament
- Industry Scholarships
- Collegiate Scholarships
- Committees
- MAS/CAS Professional Development Sessions
- Holiday Party



Industry Publications/Web Sites

- PPB – Promotional Products Business –monthly
www.PPBmag.com
- Promotional Consultant – Bi-Monthly
- Promotional Consultant Today – Daily e-zine
- PPB Newslink – weekly e-zine
- PPAI Navigator – on-line
- Promotional Products Association International
www.ppa.org



History of Professional Development

- 1961 – Executive Development Seminars
- 1966 – Regional Sales Training – NY
- 1973 – Sales Institute – Dallas
- 1977 – Supplier Management Institute
- 1978 – Distributor Management Institute
- 1983 – First MAS/CAS Curriculum
- 1985 – Power of Creativity
- 1990 – President’s Forum
- 1999 – First CAS Exam
- 2011 – 50th Anniversary of PPAI Prof. Development



PPAI Certification Overview

- Possess a current UPIC (www.upic.org) login (registered email address and password)
- Presently serving in a position with a promotional products company
- Suggested TAS Courses
 - Promotional Programs, Part One and Part Two (PRO 1 & 2, 1.5 points each)
 - Advertising and Marketing Overview, Part One and Part Two (ADV 1 & 2, 1.5 points each)
 - Promotional Products Industry Overview, Part One and Part Two (PPI 1 & 2, 1.5 points each)
 - Product Safety Basics (PSB, 1.5 points)
 - Business Ethics (ETH, 1.5 points)
 - Best Practices in Supplier/Distributor Relations Part One and Part Two (BEP 1 & 2, 1.5 points each)
- The above courses can be found by visiting our e-learning platform and searching under CAS Required.
- --25 elective education credits from either CAS or MAS-level courses



PPAI Certification Overview

- 3 years of promotional products industry experience (does not have to be consecutive years)
- Possess a current UPIC (www.upic.org) login (registered email address and password)
- Presently serving in a position with a promotional products company
- 15 education credits from six CAS-required courses
 - Promotional Programs, Part One and Part Two (PRO 1 & 2, 1.5 points each)
 - Advertising and Marketing Overview, Part One and Part Two (ADV 1 & 2, 1.5 points each)
 - Promotional Products Industry Overview, Part One and Part Two (PPI 1 & 2, 1.5 points each)
 - Product Safety Basics (PSB, 1.5 points)
 - Business Ethics (ETH, 1.5 points)
 - Best Practices in Supplier/Distributor Relations Part One and Part Two (BEP 1 & 2, 1.5 points each)
- The above courses can be found by visiting our e-learning platform and searching under CAS Required.
- --60 elective education credits from either CAS or MAS-level courses
- --Passing score on the CAS Exam
- --Recertification every three years (by earning 25 additional CAS or MAS credits within the three years and submitting a Recertification Application)



PPAI Certification Overview

- 5 yrs Promotional Products Business
- Possess a current UPIC (www.upic.org) login (registered email address and password)
- Presently serving in a position with a promotional products company
- Five years of promotional products industry experience (does not have to be consecutive years)
- Posses a current CAS Certification
- 100 MAS-level education credits (there are currently no required MAS courses)
- Minimum of 1.0 Industry Service Credit* (a maximum of 15 Industry Service credits are allowed. * Volunteer service PPAI, Regional, Chamber)
- Passing score on the MAS Exam
- Recertification every three years (by earning 25 additional MAS credits within the three years and submitting a Recertification Application)



PPAI Certification Overview

- 7 yrs Promotional Products Business
- Possess a current UPIC (www.upic.org) login (registered email address and password)
- Presently serving in a position with a promotional products company and with at least seven years of verifiable promotional products industry experience
- Must currently have an MAS or CAS in good standing
- Have earned a minimum of 225 MAS or CAS education points (as it is reflected in the candidate's PPAI Certification Transcript (50 points must have been earned within the last five years))
- Submit a detailed work product which demonstrates the candidates advanced knowledge of promotional products industry concepts and business practices (click [HERE](#) for the complete MAS+ Work Project guidelines)



How Promotional Products Typically Go to Market

- Manufacturer/Supplier – Makes/Buys the item and adds the logo(s)
- Manufacturer/Supplier Rep – Contacts Promotional Consultants about items
- Promotional Consultant – Buys logoed item from Supplier
- End-Buyer – Buys logoed item from Promotional Consultant



Supplier & Promotional Consultant Relationship

- The Promotional Consultant creates strategies to accomplish their client's objectives
- In many cases, the Supplier/Manufacturer provides ideas to the Promotional Consultant
- The Promotional Consultant purchases the imprinted item from the Supplier/Manufacturer



Supplier & Promotional Consultant Relationship

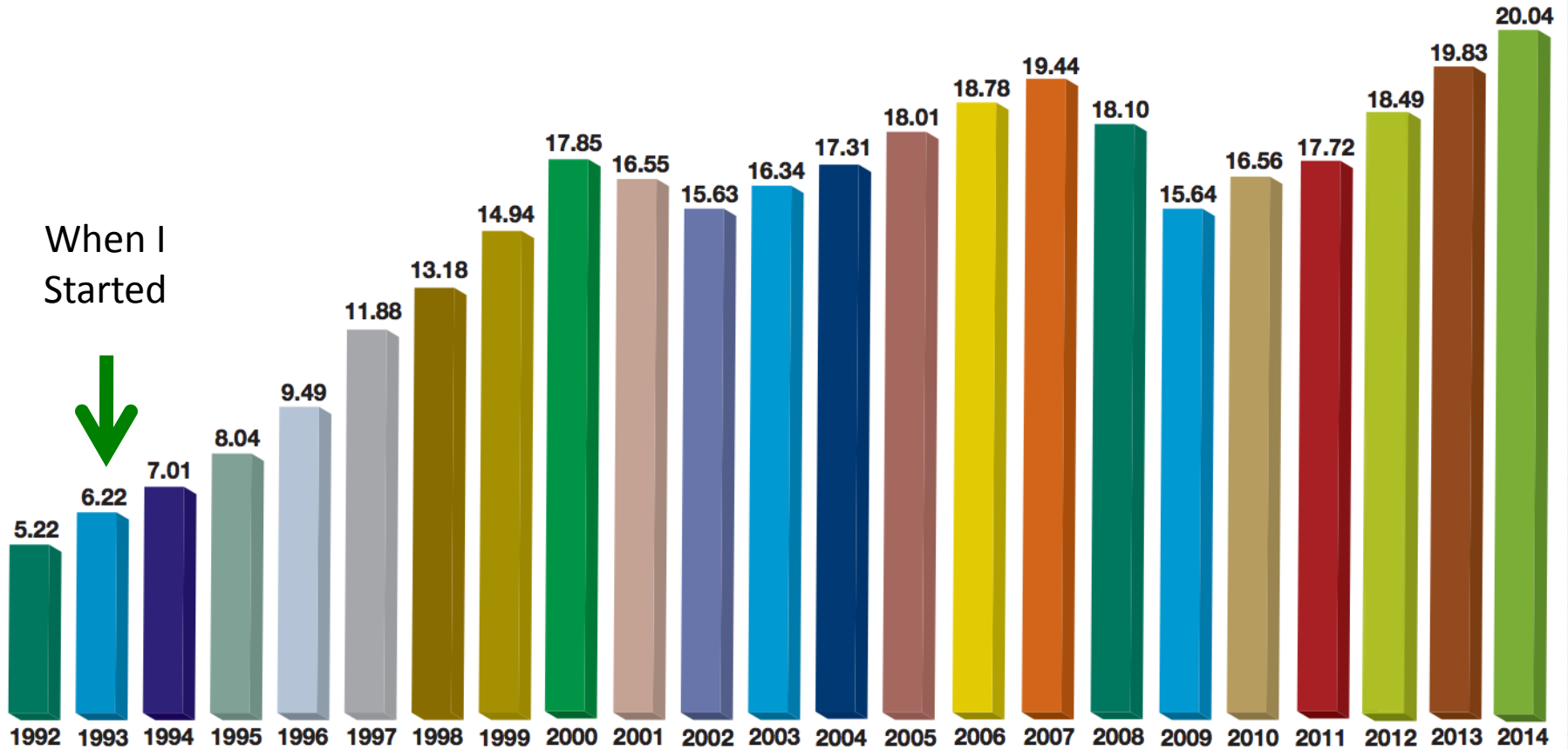
- Pay the Supplier on-time whether or not your client has paid you
- Don't "beat them up" on price
- In the rare instance that they make a mistake, don't complain, get into Solution Mode

- A story

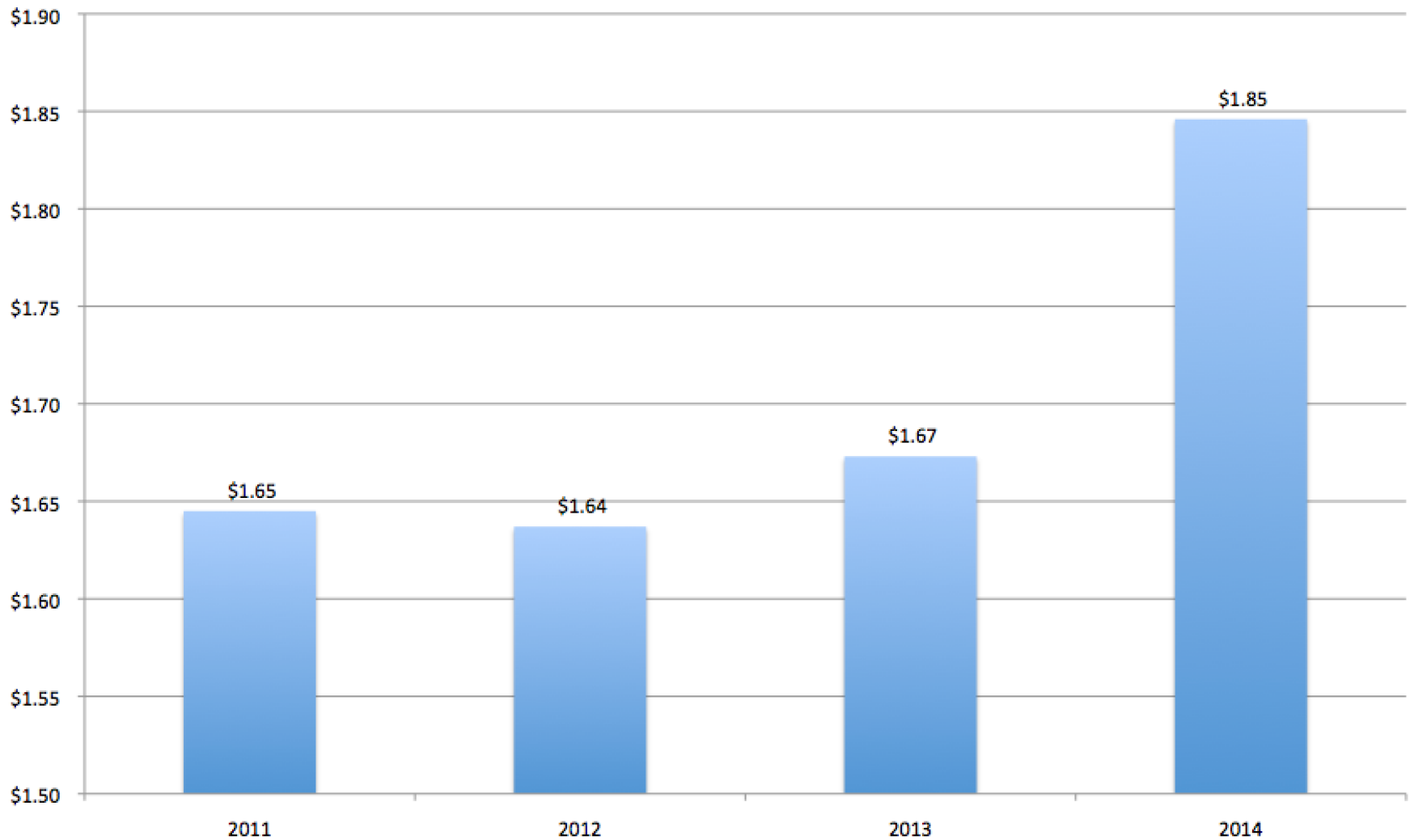


INDUSTRY SALES VOLUME IN BILLIONS





\$20.04 Billion



Promotional Products Sales by < \$250,000 Distributors 2011 - 2014 In \$Billions



DISTRIBUTOR SALES VOLUME

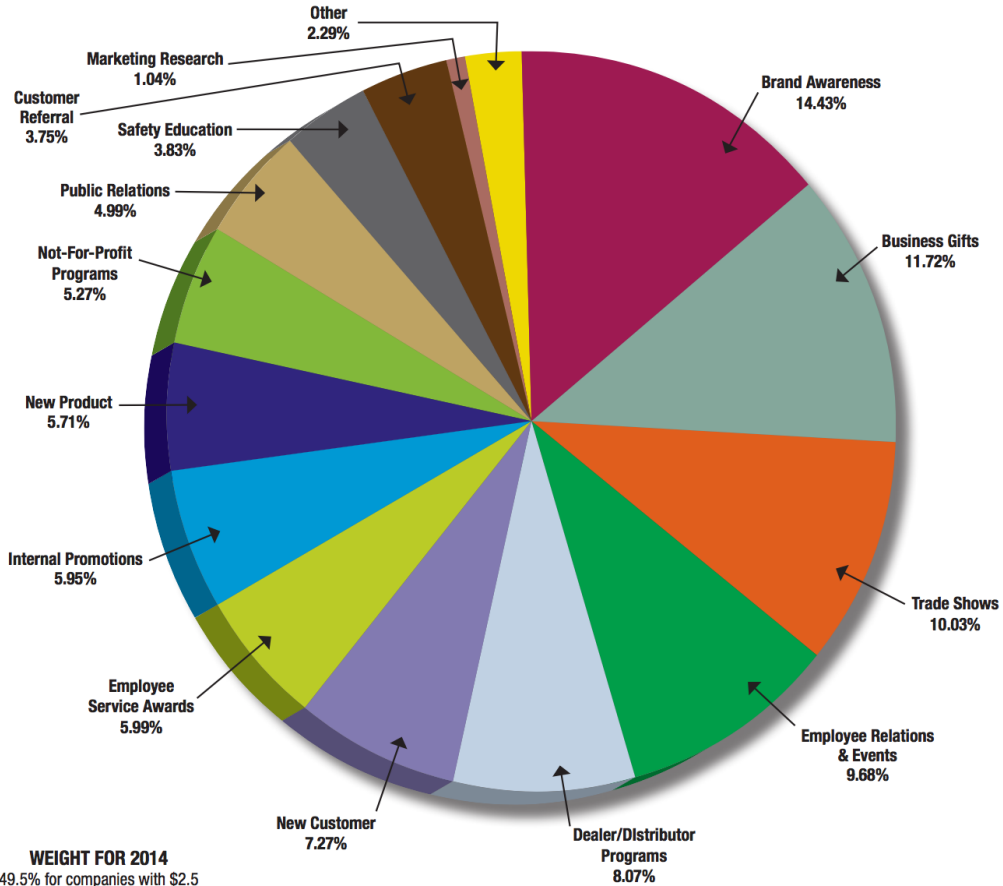
Distributor Company Size	Number Of Distributor Companies	2014 Sales Volume	% Increase/Decrease In Sales Volume Over 2013
Less than \$2.5 million	23,025 	\$9,913,592,681	-1.72% 
\$2.5 million or more	872 	\$10,128,636,250	4.00% 
INDUSTRY TOTAL	23,897	\$20,042,228,931	1.09%

Distributor Company Size	Number Of Distributor Companies	2013 Sales Volume	% Increase/Decrease In Sales Volume Over 2012
Less than \$2.5 million	22,770	\$10,087,516,005	9.90%
\$2.5 million or more	970	\$9,739,357,718	4.52%
INDUSTRY TOTAL	23,740	\$19,826,873,723	7.19%

96% of PPAI members sell less than \$2.5M/year
80% sell less than \$250,000/year



2014 SALES BY PROGRAM CATEGORY



WEIGHT FOR 2014
 49.5% for companies with \$2.5 million or more in sales and
 50.5% for companies with less than \$2.5 million in sales

Note: Percentages may not add up to 100% due to rounding error.

Top Ten – 84.12%

Program	%
Brand Awareness	14.43%
Business Gifts	11.72%
Trade Shows	10.03%
Employee Relations	9.68%
Dealer/Dist. Programs	8.07%
New Customer	7.27%
Empl. Service Awards	5.99%
Internal Promotions	5.95%
New Product	5.71%
Not-For-Profit	5.27%



Top Ten Buyers of Promotional Products

- Education – Booster Clubs, Fundraisers, Prom
- Financial – Banks, Insurance
- Not-For-Profit – Donor & Volunteer Recognition
- Healthcare - Marketing
- Construction – New Business Development
- Trade & Professional Associations – Trade Shows
- Real Estate – New Business Development
- Government – Promote Programs
- Professionals – Client Gifts
- Restaurants & Bars – Pens, Corkscrews, Openers



Why Promotional Products Work

- Promotional Products are:
 - Able to engage all 5 of the senses
 - Useful
 - Appreciated by the recipients
 - Retained by the recipients
 - Repeatedly displaying the client's message at no additional cost/impression



What Do You Do For A Living?

- I get customers for my clients
- I keep my client's web applications available and secure
- I help my patients get the most from their bodies
- I protect and manage the ideas that fuel the world economy
- I make mouths feel and look great
- We celebrate lives

