



January 10-14, 2011

Professional Development January 10-11

Exhibits Open January 12-14

Promotional Products Industry Overview, Part 1

Brought to you by:



Joseph Scott, MAS
Scott & Associates, Inc.

PPI Part 1 - 1.5
Monday, January 10, 2011
8:30 am - 10:00 am

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PPAI Volunteer Central

Be More. Influential. Join These Volunteers Today.

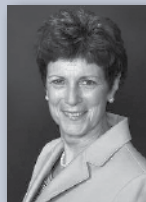
Register at PPAI Volunteer Central to help shape the Association—and the industry—through committee or action-group service. By simply completing your profile, you're already making a difference! Your information, and that of hundreds of other volunteers, like committee members Dave, Allison, Pat and Charley will help PPAI determine the wants/needs of its members. And, if you're worried about time commitments, that's all your service has to be—valuable information.



Dave Regan, CAS
The Vernon Company
Leadership Advisory Committee Chair
20 years of volunteer service



Allison Schaffer, CAS
Sound Line, LLC
LAC Recruitment Subcommittee Chair
11 years of volunteer service



Pat Dugan, MAS
Budgetcard, Inc.
LAC Recruitment Subcommittee
19 years of volunteer service



Charley Johnson, CAS
SnugZ/USA
LAC Recruitment Subcommittee
4 years of volunteer service

Want more? **Be more.** Join these industry volunteers today;
Register at PPAI Volunteer Central <http://vc.ppai.org>.

Promotional Products Industry Overview - Part 1

Presented by:

Joseph G. Scott, MAS

VP – Scott & Associates, Inc.

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

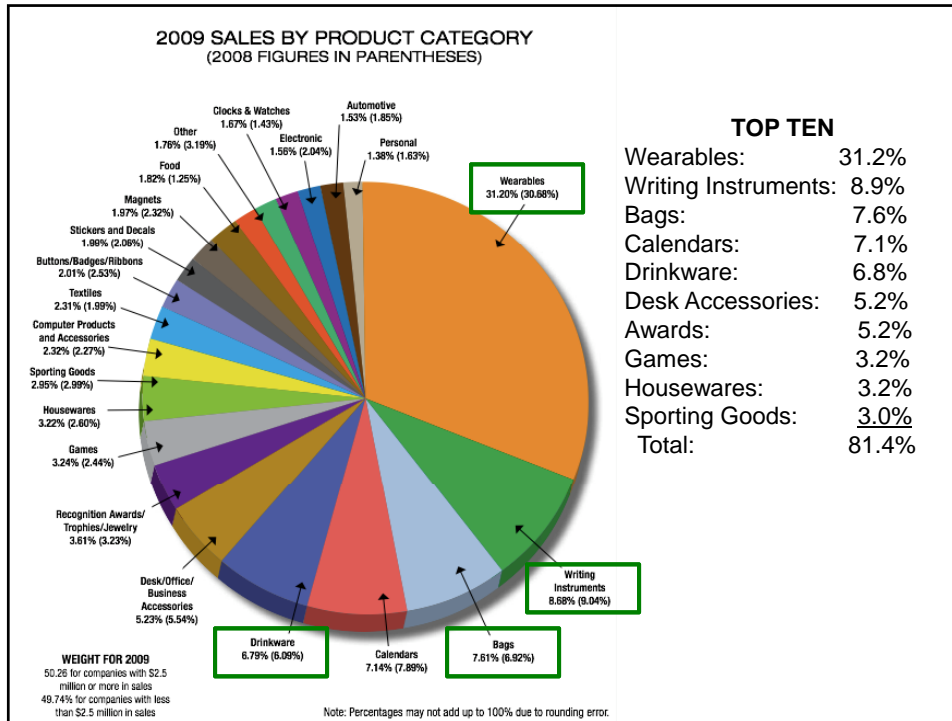


Promotional Products Industry History – Our Association

- 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 – 7,500+ member companies world-wide
 - 2009 Industry Sales: \$ 15.6 Billion in sales

Promotional Products Industry History – Company Sales Figures

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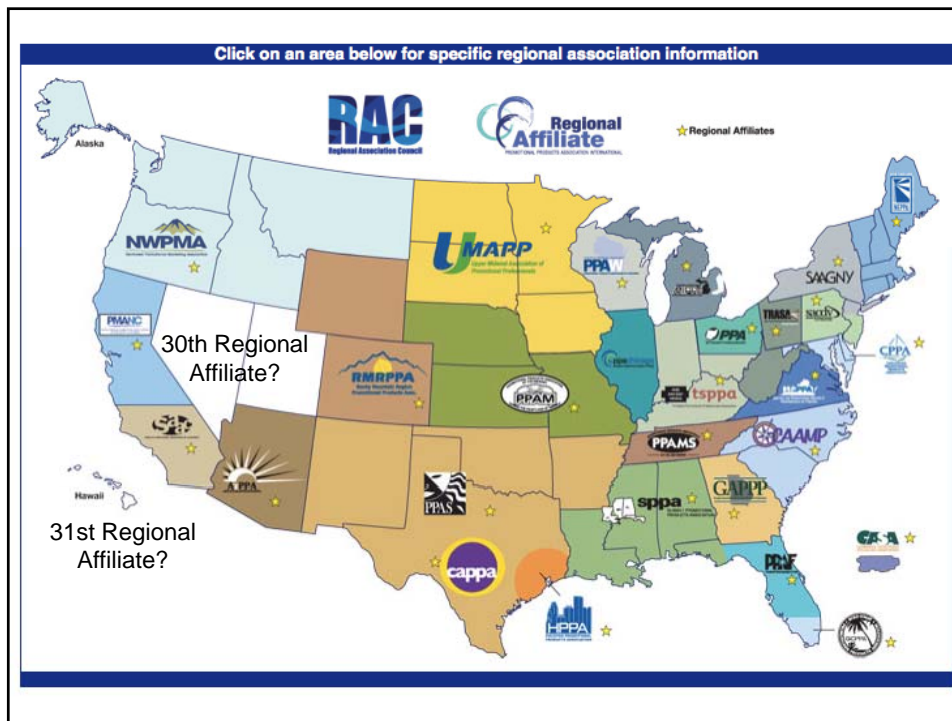


What's The Difference Between...

- 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
- 29 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!





- 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
- 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



MAS/CAS Industry Designations

- CAS - 3 yrs Promotional Products Business
 - 75 Continuing Education Credit Hours based on:
 - 15 CEUs required courses
 - 60 CEUs elective courses (either MAS or CAS)
 - 5 points maximum for industry service
 - Pass the CAS exam



MAS/CAS Industry Designations

- **MAS - 5 yrs Promotional Products Business**
 - CAS certification or CAS requirements met
 - 175 Continuing Education Credit Hours based on:
 - 75 CEUs from CAS certification
 - 100 CEUs MAS-level – no required courses
 - 25 or less CEUs from non-CEU approved courses
 - 25 or less CEUs from self-paced programs
 - 15 or less CEUs from required industry service
 - Pass the MAS exam/conduct approved workshop/
publish an article in an approved industry publication

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

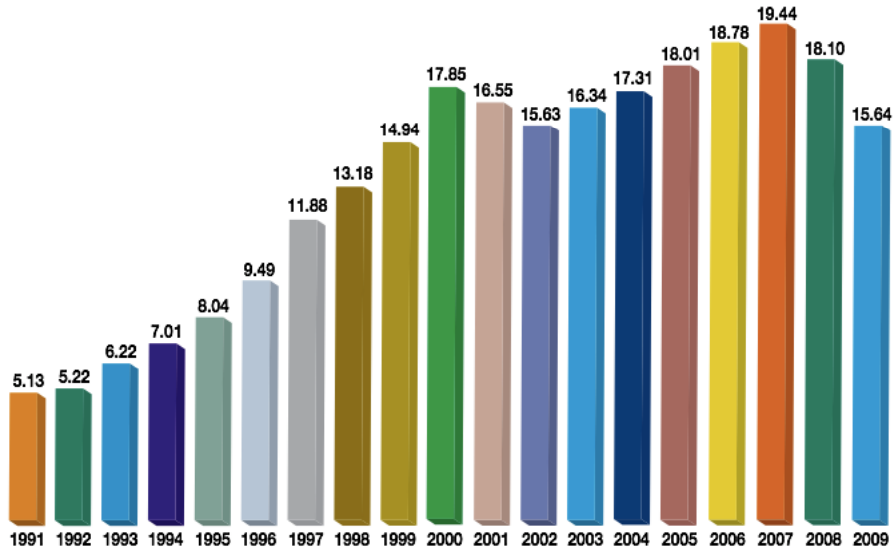
- The Promotional Consultant creates strategies to accomplish their client's objectives
- In many cases, the Supplier/Manufacturer provides ideas to the Promotional Consultant
- The Promotional Consultant purchases the imprinted item from the Supplier/Manufacturer

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



DISTRIBUTOR SALES VOLUME

Distributor Company Size	Number Of Distributor Companies	2009 Sales Volume	% Increase/Decrease In Sales Volume Over 2008
Less than \$2.5 million	21,150	\$7,778,492,878	-22.62%
\$2.5 million or more	857	\$7,860,078,590	-2.35%
INDUSTRY TOTAL	22,007	\$15,638,571,468	-13.61%

Note: 75% of PPAI's members have sales volumes of <\$250K/year

ONLINE SALES OF PROMOTIONAL PRODUCTS – A LOOK BACK

* ONLINE SALES ARE DEFINED AS SALES RESULTING FROM ORDERS PLACED THROUGH AN ONLINE STORE OR WEBSITE.

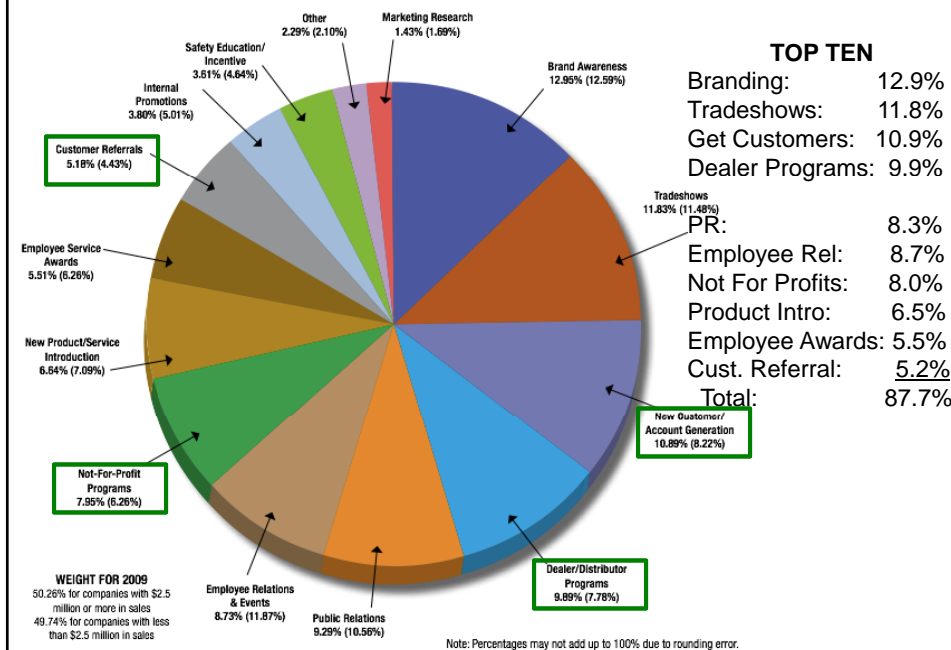
	2007	2008	2009
Total online sales of promotional products for companies with less than \$2,500,000 in sales	\$1,332,303,963	\$1,500,877,922	\$1,253,115,203
Total online sales of promotional products for companies with sales of \$2,500,000 or more	\$1,604,607,453	\$1,377,168,383	\$1,192,374,689
TOTAL	\$2,936,911,416	\$2,878,046,305	\$2,445,489,892

SEGMENTING INDUSTRY SALES BY SIZE OF COMPANY

Size Of Company	2006	2007	2008	2009
Less than \$250,000	\$1,545,182,780	\$1,334,940,007	\$1,614,791,538	\$1,449,394,342
\$250,001-\$500,000	\$1,708,237,771	\$1,679,156,396	\$1,424,289,012	\$1,141,927,375
\$500,001-\$1,000,000	\$2,309,470,772	\$2,359,786,050	\$2,480,709,538	\$1,657,285,743
\$1,000,001-\$2,500,000	\$4,071,887,677	\$4,726,981,561	\$4,532,599,412	\$3,529,885,418
\$2,500,001 or more	\$9,144,875,661	\$9,339,973,533	\$8,048,909,308	\$7,860,078,590
TOTAL	\$18,779,654,661	\$19,440,837,547	\$18,101,298,808	\$15,638,571,468

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2009 SALES BY PROGRAM CATEGORY (2008 FIGURES IN PARENTHESES)



Top Ten Buyers of Promotional Products

- Education
- Financial
- Not-For-Profit
- Healthcare
- Construction
- Trade & Professional Associations
- Real Estate
- Government
- Professionals
- Restaurants & Bars

Why Promotional Products Work

- Promotional Products are:
 - Able to engage all 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