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What are promotional products?

You probably personally use at least one every day - maybe that mug you drink your coffee from or the calendar you used to schedule meetings or the sweatshirt you wore this weekend. Everyone has at some time been given something with a logo on it.

That's because promotional products are powerful tools that can solve your marketing, public relations and internal problems and motivate your targets, be they consumers, businesses, volunteers, benefactors, employees, communities, etc., toward your objectives and enable you to achieve your goals.

What "promotional products" means
Different terms you'll hear for promotional products
How promotional products are purchased
What's in the future?

In its simplest form, the term promotional product is a catch-all phrase for products that are used to affect a behaviour or convey a message. But they are really a sophisticated tool. Some examples of the different ways to use promotional products are to motivate your salespeople, thank your board of trustees, introduce a new product, get your dealers to load up on more product, reduce on-the-job accidents....

Promotional products usually, but not always bear an appropriate logo, slogan or saying, known as the imprint. There are many different ways a product can be imprinted, depending on the material from which it is made.

Some common methods of imprinting include printing, screenprinting, embossing, embroidery, hot stamping, pad printing, etching, engraving, die-casting, etc. The message itself can be as simple as a company logo or as complex as a mission statement.

By their nature, promotional products are usually sold in quantity and imprinting is rarely done on a single item. And because promotional products are generally purchased in quantities, they usually cost less than the recipient thinks they do, giving them a higher perceived value. How a promotional product is packaged can enhance its perceived value even more.

Certain products have traditionally been used for promotional purposes, and are the products most typically associated with this market. Some of these products include calendars, mugs, pens, T-shirts, bumperstickers, keytags, etc. But there is really no limit to the type of product that can be used to communicate a message.

Today, there are literally hundreds of thousands of promotional products, including many high-value items like clocks, crystal, china and watches. Additionally, automotive accessories and desktop products are very popular.



Why use promotional products

Promotional products offer long-term benefits, such as motivation and recognition, that extend way beyond the idea of goodwill.

Years ago, when companies purchased promotional items, there was often a feeling of bribery attached to the gift. The idea was, I'm giving this to you so that when you need something, you will come to me for it - sort of an understanding of an obligation down the road. In a sense, it was a way to establish "goodwill" with a business partner.

Today, businesses are smarter. Promotional products are no longer just thought of in terms of the goodwill they yield, but in the solutions they provide. Businesses are no longer willing to just spend on advertising, every penny that is expended has to be calculated to produce a return on investment.

This doesn't mean that companies don't have goodwill in mind when deciding how to spend their advertising budget, it's just that goodwill is not enough. Goodwill is the constant. It's always a part of it. It is the one basic starting point for every promotion.

If you give a promotional item with a basic message, the goodwill is the basic starting point. A program is nothing more than getting the particulars in place to get the message delivered.

Getting that message delivered cost efficiently is where promotional products work best. All other advertising involves waste. Promotional products are a targeted medium so the goodwill and the message get to the very person for whom it was intended.

If half of your advertising was wasted, then that means the half that did get to the potential customer has a heavier burden on it to meet the goal of the return on investment. With promotional products, since most can be directed, the burden of the return is far less.

How to use promotional products

Promotional products are designed to increase awareness and business. You use them to reward, remind and inspire, both internally to employees and externally to customers and prospects.

- How promotional products can be used
- How well promotional products work
- How cost-effective promotional products are
- How Promotional Products Can Be Used
- Motivation/Incentives
- Recognition/Service Awards
- Traffic Building
- Event Marketing
- Safety Programs
- Product Rollouts
- Point-of-Purchase
- Direct-Mail Marketing
- Employee/Community/Customer Relations
- Clubs/Fraternal Identification
- Cause-Related Marketing
- Brand Awareness
- Fund Raising
- Souvenirs/Remembrances



Motivation/Incentives

Imprinted products are often used to motivate sales teams toward more sales, production workers toward greater efficiency, credit departments toward more collections, etc. But they can also be used as incentives to get store managers to give you better shelf space for your products, dealers to load up on your product so they actually have to push it, consumers to purchase more of your product, delinquent library-card holders to return books and so on.

Recognition/Service Awards

Employees, customers and vendors are recognised for years of service, performance, volume or frequency of business, etc.

Traffic Building

Be it retail, business-to-business, associations ... everyone has a need to draw customers. This may be to your store in general, for a specific promotion, to your tradeshow booth or to your special event.

Event Marketing

This might be a client golf outing, industry awards banquet, grand opening, building dedication, open house or anniversary, or you may be sponsoring or co-sponsoring a sporting event, concert, etc. Promotional products serve as thank-you gifts, media attention-getting devices and so on.

Safety Programs

Whether it's getting production workers to reduce their number of accidents, drivers to improve their on-the-road record or foremen to ensure that safety procedures are being followed, imprinted products promote the theme and message of safety programs, which can reduce insurance premiums.

Product Rollouts

Promotional products can be used to garner attention for your new products within the trade and to consumers, by helping to gain media exposure and/or providing replicas that your salesforce can use to demonstrate your new products.

Point-Of-Purchase

Promotional products can be used as advertising materials, used as displays or as parts of displays in retail stores to draw attention to your product.

Direct-Mail Marketing

Using promotional products with sales letters can decrease the cost of securing a sales appointment by 65 percent, according to a 1992 study by the Silver Marketing Group for the Promotional Products Association International. The same study found that the inclusion of a promotional product with a sales letter yielded nearly twice the response of a letter with only a business reply card, and offering an "expensive" clock increased the percent response four times.



Employee/Community/Customer Relations

From building goodwill in the community to calming the waters after a crisis, companies, municipalities and organisations have used promotional products to inform, educate, thank, remind and apologise.

Clubs/Society Identification

People are usually proud of their affiliations and enjoy wearing, carrying and displaying products bearing their club or organisation's logo, colours, slogan, etc.

Cause-Related Marketing

From the "fur is not a fabric" movement to promoting breast cancer awareness, cause-oriented groups, organisations and charities use promotional products to promote their messages, and many companies will support those causes or market their own products and services through them.

Brand Awareness

In an ever-cluttered marketplace with too many consumer choices, brand marketers are relying more and more on promotional products to garner brand loyalty.

Fund Raising

From libraries to charitable organisations, fund raising is often a huge undertaking that can last anywhere from a few months to an entire year or be ongoing, encompassing multiple requests for donations. Promotional products are sometimes used in those requests or used as incentives/rewards for donations, often on a scale.

Souvenirs/Remembrances

You might be commemorating your company's 100th anniversary by giving employees a gold-toned hammer-shaped keytag, representative of your company's number one product, or you might give community volunteers brass railroad spikes to thank them for their backbreaking work on refurbishing the town's railroad station. Souvenirs and remembrances are used to mark myriad occasions.

How Well Promotional Products Work

Commonly known as the number-one vehicle for carrying an advertising message, promotional products actually offer more of a response mechanism than other standard media. Not all companies track their results, but some do.

Using imprinted products such as gloves, caps, keytags, etc., as a way of promoting its "Call Before You Dig" seminars on maintaining safe working practices in cable line areas, AT&T generated a 95-percent success rate in scheduling seminars, which, within a year, translated into a 100-percent decrease in underground cable cuts.

As a way of improving response to its customer-satisfaction surveys, a manufacturer/servicer of electronic document-processing solutions included a piece of foreign currency and a customised description with them. It generated a 43-percent response.



A Nabisco co-op promotion offering imprinted NFL merchandise with proofs-of-purchase garnered increased market share of 1.5 points and a \$200 million increase in sales volume for the advertised brands.

The Kirby Company used promotional materials to assist its dealer system in illustrating the benefits of a new home-care system. Those who used the materials achieved a 50-percent higher closing rate than those who didn't.

For the grand opening of a new branch, a well known bank used a wide selection of promotional products as gifts to walk-ins and as incentives for opening new accounts or making deposits to existing accounts. Deposit amounts exceeded the bank's original goal by a staggering 225 percent, and new accounts beat the goal by an equally impressive 209 percent.

Utilising an incentive of two school-locker magnets, each featuring images of four top rock music artists, Warner Bros. Music, in a co-op with HMV, a chain of record stores, achieved sales of 50,000 CDs or tapes of those artists in a one-month period

How Cost-Effective Are Promotional Products ?

Promotional products are used every day, often several times a day. They are looked at, written with, put on and involved in a whole list of other basic activities that allow for multiple direct or subliminal impressions of the imprinted ad messages.

By taking the general cost of a product (exact cost can vary because of quantity, intricacy of imprint and number of colours in imprint, and possibly other specifications) and dividing it by the number of exposures the imprint receives, you can get a general idea of your cost per impression (CPI). Here's some examples:

Notepads

The recipient of a 50-sheet notepad will have a minimum of 50 exposures to the message, which is imprinted on each sheet. If any of the notes are passed on, or kept, the number of exposures can double and triple. The CPI for a £1 notepad works out to be .02 pence per sheet for 50 impressions.

Mugs

The message on a coffee mug will be seen as often as 10 times a day. For a £2.50 mug, the CPI works out to be less than three-tenths of 1 cent throughout the one- to two-year life span of a mug.

Watches

People will look at their watch an average of twice an hour. If there are 16 waking hours in a day, they'll look at their watch - and, therefore, have an impression of any message on the watch face - 32 times. For a basic £12 watch, the CPI for one day is .37 pence. With a three-year warranty, the number of impressions would be 35,040, which makes the CPI .0003 pence.

Calendars

The recipient of a calendar will be exposed to the message on it two to three times per day at home and five to six times per day at the office. Working with the figure of three times daily (365 days per year), there would be 1,095 impressions. Dividing this figure into a £3 calendar brings the CPI to .002 pence.



Playing Cards

During one hour of a game of rummy or bridge, the players will be exposed to the message printed on the cards more than 500 times. At the cost of £3 per deck, the CPI for playing cards works out to be .006 pence each hour.

The Art of Business Gift Giving

Corporate gift giving is serious business. As part of a well considered program, it can help establish or enhance critical relationships and become a cost-effective means of recognising activities that benefit the business. This article describes the many issues to consider if a corporate gift program is to succeed.

Definition

According to many surveys, most business gifts are given to major clients. After that come employees, then prospective clients. Reasons for gift giving range from thanking long-standing customers for their business to recognising a valued employee for working on a weekend. The general reason is the same: to affirm relationships and enhance the personal connection between giver and recipient.

Gifts differ from incentives in that they are offered with no explicit preconditions for performance. They differ from ad specialities in that they do not contain any blatant imprints or advertising. That doesn't mean there's no bottom-line benefit to be derived from corporate gift giving. For some companies, it's an essential part of marketing strategy.

Just about everyone agrees that, done correctly, gift giving is a cost-effective way to build a feeling of partnership with valued associates.

Research

Although there's hard evidence relating corporate gift giving to increased business activity, it won't exactly give you the confidence to make specific return-on-investment projections in your marketing plan. Chances are you won't be expected to come up with that kind of hard data anyway.

The Promotional Products Association International conducts regular surveys of corporate gift givers and recipients. A recent one shows that vendors who gave were twice as likely to increase their chances of being contacted by customers as those that didn't have a gift program.

Harry & David, a gourmet food company that's a big player in corporate gifts, routinely sends gift packages to some 25,000 customers who spend more than £500 a year with the company. Company research, comparing a control group of 5,000 prime customers receiving gifts with a similar group that didn't, revealed that the former increased their purchases by much more than the latter.

Even if your company isn't up for that kind of research, it doesn't mean you can't have a strategy. As long as you do it right, gift giving will help to build the relationships that are the lifeblood of your business.

Gifts V Incentives

To recognise what an effective gift strategy is, it helps to understand what it isn't. Start by making the distinction between corporate gift giving and incentive award programs. Though gifts and incentive awards often involve similar types of recipients, they are different on both strategic and practical levels. Incentives are awards for achieving defined levels of activity, such as sales quotas, safety improvements, or good attendance.



In contrast, gifts are more or less spontaneous, given not as part of any defined exchange between giver and recipient. The gift recipient doesn't consciously set goals in anticipation of a reward, whereas the incentive recipient does. It's tempting to view gift and incentive programs in the same light. After all, you want to know that you're getting your money's worth from any business investment, and most givers want to motivate the recipient in one way or another.

But be careful. Leaving customers or employees with the impression that they're being bribed can do more harm than good. Instead, look at gift giving as a subtle, long-term process of relationship-building, following the basic guidelines described in this article.

The Ethics of Giving

Before giving any gift, you should know if either the giving or receiving company has policies regarding gifts. The most extreme are the no-gift policies that became popular in the late 1980s, partly as a result of scandals involving gifts and partly as a reaction to the perceived excesses of that decade.

More common are restrictions placed on the value of a gift or on situations in which gifts may be given. Ask the potential recipient if his or her company publishes an ethics handbook or has any policy on receiving gifts. If so, then follow it to the letter.

A few words of advice:

Giving gifts during a bidding process is a definite no-no, even if a holiday happens to fall during this time.

Lavish gifts, such as cars and luxury vacations, are suspect and should be used only after careful consideration.

Even when there isn't a stated restriction, be careful not to create the wrong impression with a gift. Anything that might embarrass your recipient or lead to a reprimand can sabotage a valuable relationship.

The Etiquette of Giving

Even when not committing egregious errors that may get someone fired, be sure to use finesse if you want to get the most out of your gift program. There is an art to effective giving, so consider the following major areas before you go shopping:

Appropriateness

Care should be taken that the gift is appropriate to the business relationship. This has less to do with the pound value of business transacted, or even the amount of time one has been doing business with the recipient, than with the closeness of the relationship.

If a client seems aloof and excessively businesslike, don't try to loosen him or her up with baubles. It can backfire. With a new relationship, don't get too personal or too lavish with the gift. Frequency of giving generally should be restricted to major holidays and special occasions. Again, be sure to avoid the impression that you're bribing the recipient.



Personality

It's great when a gift has personality, but the real issue is whether the gift reflects the personality and interests of the recipient. Is she a sports car nut? Does he have an obsessive relationship with his sailboat? What's her favourite colour?

Try to find out these kinds of things discreetly because when you do (and your gift reflects it), the impression is that you care about the person and have taken the time to understand their style and taste.

Timing

The most popular times for giving, of course, are holidays, but the true champions of corporate gift-giving know that other times of the year can have a more profound personal impact on the relationship.

For instance, birthday gifts are bound to impress, since they show that you've bothered to learn a thing or two about the recipient. Important dates, such as the anniversary of a new job or the day you initiated a business relationship, may be good occasions for a gift.

You can also mark such events as a promotion, the birth of a child, or completion of an important project. Whether you stick to established holidays and impersonal occasions or get into the personal life of the recipient depends on the nature of the relationship. It may seem slightly presumptuous, or even intrusive, to choose the wrong occasion for a gift.

Presentation

Special care should be taken in preparing the gift. Invest in some nice wrapping paper, and take the time to compose a personal, hand-written card. This can be as important as the gift itself, since your message to the recipient conveys your intentions and sincerity. Then there's the issue of whether to mail or present in person.

Mailing can reduce any feelings of obligation on the part of the recipient, and it can provide some unexpected pleasure in a routine work day. If the relationship warrants it, mailing to the person's home may add a personal touch, particularly when the gift commemorates a personal occasion like a birthday.

Customising

To logo or not to logo, that is a key question. For many businesses, customised gifts keep the company name in the minds of recipients. When the item is a practical one that is likely to be used every day, such as a calendar, coffee mug or tote bag, this amounts to free daily advertising. But there is a tackiness quotient to consider.

They may make great trade show premiums or leave-behinds, but customised items should never be considered for personal, deeply heartfelt gifts. In general, avoid obvious self-promotion when giving expensive gifts or any time you want to leave the impression that the gift is coming personally from you.

What to Give

There are thousands of corporate gift possibilities-far too many to describe here-but let's look at the pros and cons of some favourites: Food items are very popular as corporate gifts. They tie in well to many holidays and can be taken home and enjoyed with friends and family. But sometimes gourmet baskets take on a generic aspect.



Many of them get no farther than the receptionist, to be picked apart by various office personnel passing through. If you want to win hearts and minds through the stomach, you must be creative and thoughtful. All very well to consider giving those tender mail-order filet mignons. Just make sure your recipient isn't a vegetarian.

Liquor and wine are old favourites, but hard liquor has lost some of its popularity. Despite the stigma associated with liquor in the business world, however, it's essential to keep things in perspective. After all, if your client's pride and joy is his wine cellar or his whiskey collection, what better gift than a fine cabernet or a single malt?

Also in the sin department: cigars. They're "in" this year, and a box of stogies can make you look impressive in the eyes of a cigar aficionado.

Office-related items, such as pen sets and desk blotters are safe bets that reflect practicality and good taste. Be careful, though: A good fountain pen is quite expensive, and a cheap one is tacky. Use caution when considering art prints and other decorative items, because taste in office decor is a personal and, for many, a strategic consideration.

Tickets to sporting events and live entertainment often make great gifts. Scarce seats for popular shows and events provide a thrill and can make you a hero in the eyes of a client. Still, you should be sure of your client's preferences. Gift certificates are unbeatable, if you want to take much of the guesswork out of giving. They're available from a wide variety of companies, they offer the recipient freedom of choice, and they can be given to all types of people.

The only problem is that the dollar amount is printed on the face, which, for some people, detracts from the feeling that this is a gift with some thought behind it. Think hard before you buy. Every gift idea has a potential down side, and just because you like something doesn't mean your recipient will.

If ethics or other issues proscribe giving a material gift, consider making a donation to the recipient's favourite cause. Word of warning: Cash is out as a corporate gift, period. It's uncreative, raises ethical questions, and looks like a bribe, no matter what.