



## What is a Promotional Product?

Promotional products are useful and/or symbolic products that are used in advertising and communication as communication vehicles, goodwill reminders, signs, gifts and incentives. In a very broad sense, any product used to promote a business may be considered a promotional product.

There are 5 different promotional product categories:

**Advertising Specialties:** Ad specialties have these key elements,

- 1) an advertising or promotional message
- 2) placed on (or with) a useful item
- 3) given with no strings attached.

**Premiums:** Give a useful item with some strings attached, example, buy a book, and get a free bookmark.

**Incentives:** A promotional product is offered as an incentive to produce a specific action. Example – reach a sales target and get a free vacation (incentive travel programs, sales incentives).

**Rewards:** Plaques, service pins, trophies, award jewellery and other gifts that signify performance or honours can be categorized as recognition awards.

**Business Gifts:** Typically given by businesses to customers and employees, and occasionally, suppliers. In the context used here, business gifts are not extravagant gifts and trips. Gift-giving reasons cited by companies are: To thank customers, to develop business, to recognize employee performance and longevity, because customers expect them, and others.

## Top 8 uses of Promotional Products

1. Promote goodwill/image
2. Reinforce marketing of existing products, services, facilities
3. Recognize employee performance
4. Generate sales leads
5. Promote trade show traffic
6. Introduce new products, services, facilities
7. Stimulate employee sales performance
8. Stimulate employee productivity

## Best-Selling Promotional Products:

<b>41%</b> Wearables (Apparel)	<b>3%</b> Other
<b>8%</b> Writing Instruments	<b>2%</b> Automotive Accessories (incl. key tags, License plate frames)
<b>7%</b> Drinkware	<b>2%</b> Computer Products
<b>5%</b> Calendars	<b>2%</b> Leisure Products
<b>5%</b> Sporting Goods	<b>1%</b> Electronic Products, Devices and Accessories
<b>4%</b> Buttons/Badges/Ribbons/Stickers/Magnets (includes signs/banners)	<b>1%</b> Jewellery/Watches/Clocks
<b>4%</b> Textiles (includes Tote bags, flags, umbrellas)	<b>1%</b> Personal/Pocket-Purse Products
<b>4%</b> Desk/Office/Business Accessories (includes calculators)	<b>1%</b> Food Products
<b>3%</b> Travel Products and Accessories (includes picnic/party products)	<b>1%</b> Housewares
<b>3%</b> Plaques/Trophies	<b>1%</b> Tools

## History of the Promotional Product industry

The earliest imprinted promotional product was first introduced in 1789, when George Washington used commemorative buttons in his Presidential campaign. Different from the buttons used today, these commemorative buttons were sew-on; they featured the initials GW and the words "Long Live the President". Advertising calendars and wooden specialties all date back to the mid 1800's; however it wasn't until the latter part of the 19th century that a large amount of promotional products were developed and marketed. This led to the birth of the promotional product industry as it is known today.

## The Industry

Today, the promotional product industry is a \$3 BILLION industry (Association Resource Centre Inc., 2010). The promotional product industry is made up of two main business categories; distributors and suppliers. Based on research by the Association Resource Centre, the Canadian promotional product industry is composed of an estimated 6,000 distributors and 700 suppliers.

**Suppliers** make up the production end of the industry. They are firms that manufacture, import, convert, imprint, or otherwise process promotional products, which are then offered for sale through the promotional products distributor.

**Distributors** develop ideas and programs for the use of promotional products as an advertising medium, buy such items from suppliers and offer a variety of value-added services to the Promotion Buyer/Clients, including unique product ideas, creative distribution solutions and insight on the different imprinting methods, to name a few. "Promotion buyers/clients" purchase promotional products from distributors and use them as part of their promotional/advertising campaigns.

## **The Power of Promotional Products**

More than ever before, it is essential for companies to implement different marketing tactics in to their marketing mix, in order to remain competitive and differentiate themselves from the competition. Promotional products are an excellent way to promote your brand and get noticed. They are memorable, help to develop a relationship with clients and leave them with a lasting impression of your brand.

Promotional products are an effective advertising medium, in a study conducted by PPAI, research discovered that 83% of consumers could recall an advertiser of a promotional product; while a mere 7% of consumers can recall the name of an advertiser after viewing a commercial on television. Of these respondents, more than half admitted to keeping the promotional product. 20% of respondents also declared to making a purchase from the advertiser, after they received a promotional product.

More and more promotional products are being positioned, not as a pure product, but as part of the promotion buyer's promotional and marketing mix. Promotional Products advertising has proven to be much more effective in its unobtrusive, targeted, personalized approach. Due to its useful nature, promotional products tend to be kept and used, leading to voluntary repeated exposure, recognition and retention of the advertiser's name and/or message.

The use of promotional products is most effective when the target audience is specifically identified. Items can then be selected to appeal to that audience, creating a positive response and eliminating waste distribution.

## **Promotional Product Professionals of Canada**

Founded in 1956, the Promotional Product Professionals of Canada is a non-profit association bringing suppliers and distributors members, from across Canada, together. PPPC is the promotional products industry's only Canadian trade association offering Professional Development, technology and tradeshow to it more than 1,500 members.

Its mission is to lead, inspire and advance the promotional product industry through the strength of more than 7,222 companies involved in the industry and their 24,000 people across Canada. Its members offer more than 360,000 promotional items through the association's website.