

## GIVE IT AWAY NOW

You can't avoid the \$17.8B promo-product industry

By **WILLOW DUTTGE**

THAT CNN COFFEE mug you sip from each morning and the logo T-shirt you got at your company picnic, and all those other trinkets sent out as marketing campaigns are part of an ever-growing \$17.8 billion dollar industry.

An industry, in fact, that outshines the \$3.5 billion spent on outdoor advertising, the \$8.3 billion funneled into Internet display ads and \$15.9 billion heaped on cable TV ads, according to TNS Media Intelligence estimates of 2005 spending.

The Advertising Specialty Institute, a Trevese, Pa., company serving the promotional products industry, reported promotional product sales jumped 5.1% in 2005, it's the third year of increase.

According to ASI, most orders of branded items from distributors average less than \$1,000 because they are purchased by smaller businesses. Many prominent agencies, however, such as Draft, Carlson Marketing and Ogilvy's 141 Worldwide often bypass services like ASI and go directly to suppliers in attempts to manage cost or to have a unique product produced.

Spending is up for a variety of reasons. Timothy M. Andrews, president of ASI, said marketers are looking to use

promotional products to maximize return on investment.

So how does a mouse pad produce good ROI? Jay Farrell, CEO North America for 141 Worldwide, said it can be easily quantified with promotional products if there

is a call to action. For example, a direct mail campaign that includes a premium could get up to a 30% response rate, Mr. Farrell estimated.

### Promo products that have popped up in 2005-2006...

It's not just shirts and mugs: Promo spending keeps growing



### Most unique promotional products

- Toasters that burn logos on bread
- Plant that grows with logo on it
- Vibrating soap embossed with a logo



- The before-and-after plastic surgery mug
- Roses with logos on the petals

Mr. Farrell, whose agency works with clients including Kraft, SC Johnson and Unilever, said marketers are also increasingly using promotional products stamped with URLs to drive traffic to their Web sites. The product can drive people to the Web site and the Web site keeps them coming back, he said.

Others said the old-fashioned giveaways offer other benefits in a changing new-media world. Tina Manikas, chief global retail and promotion marketing officer for Draft, said there is a general increase in promotion and retail marketing because the efficacy of traditional channels like TV has gone down.

"When you use promotional products, where you have a company logo and theme and a message you are trying to get across, guess what? You have an interactive experience, which is much more effective than advertising," said Jim Schroer, president-CEO of Carlson Marketing.

Commerce Bank uses promotional products to extend its brand and chooses useful items meant to communicate convenience and delight, said Ron Mendoza, VP-merchandise. Branded items include dog bones, a kids' magic wallet, T-shirts and pens—20 million pens, in fact, will be distributed in 2006. Commerce Bank spends about 10%, or \$5 million, of its annual marketing budget on promotional items.

## ...More promo products from over the years

The giveaways march on with new twists decade-by-decade

### T-shirt, the walking ad

ASI estimates in 2003, 465 million T-shirts were produced. That is enough to clothe everyone in the U.S., Canada and Mexico. Most popular size: Men's Large



### New-product trends by year

#### Mid-1990s

Mouse pad

#### 2000

Stainless steel desk accessories

#### 2001

Translucent desk accessories, thanks to the iMac

#### 2002

Caps with picture of the American flag

#### 2003

Bobble-head dolls

#### 2004

Carabiner clips

#### 2005

USB memory sticks and MP3 players

#### 2006

Energy-saving crank LED flashlights



"The return on investment is in overall growth and that you see [the pens] in part of your every day life," he said.

But when people are given so much of this stuff, it takes some talent to make sure that \$18 billion doesn't end up in somebody's basement.

#### RELEVANCY KEY

The salespeople at Halo Branded Solutions, Sterling, Ill., help marketers choose the right strategy to use promotional products. "If you give somebody a T-shirt that is flimsy and fades in one wash, your logo, your advertisement, your company will be associated with that cheap and flimsy product," said Terry McGuire VP-marketing at Halo, who advises that products should be useful, long-last-

ing and appreciated by the recipient.

They also must be relevant, such as the items used by top-tier advertising agencies as part of larger, themed and unique marketing campaigns.

For example, to go along with the "Milk Your Diet, Lose Weight" campaign for the Milk Processor Education Program, Draft gave out milk-white water bottles shaped like women's curves at events and through MilkPEP's Web site.

Experiential agency Jack Morton used promotional products to support Bank of America's move into the New York market. For 13 days 75 people canvassed areas of New York and handed out approximately 285,000 key chains, 60,000 bags of peanuts and free subway passes.