

Industry Essentials: A 30-Minute Overview

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Agenda For Today's Session

- The Birth of an Industry
- An Industry Snapshot: Today's Landscape
- Who's Who in Promotional Products
- Defining Promotional Products and Their Uses
- Top Industry Buyers
- The Distribution Channel
- Questions

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The Birth of An Industry

It all started with a burlap book bag ...



... and an innovative newspaper publisher, Jasper Meek.

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The Birth of An Industry

His idea caught on, and quickly!




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PPAI: The Industry's First Trade Association

- In 1903, industry leaders met to form the National Association of Advertising Novelty Manufacturers
- The name changed eight times over the years

A Century of Logos




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PPAI: The Industry's First Trade Association

- Today, PPAI serves 15,000 member companies worldwide.
- More than 80 full-time staff professionals
- Headquarters in Irving, Texas
- Trade shows, education, certification, legislation, publications, research, product safety, money-saving products and programs, industry awareness



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An Industry Snapshot: Today's Landscape

In 2017, promotional products industry sales were \$21.3 billion, up 9.3% over 2016.

Year	Sales (\$ Billion)
2008	\$18.1B
2009	\$15.6B
2010	\$16.6B
2011	\$17.7B
2012	\$18.3B
2013	\$19.6B
2014	\$20.0B
2015	\$20.8B
2016	\$21.3B
2017	\$23.3B

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An Industry Snapshot: Today's Landscape

- 31,606 U.S. industry companies
- 510,000 U.S. industry jobs
- 15,000 PPAI member companies worldwide

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Who's Who In The Promotional Products Industry

Distributor/Promotional Consultant

- A distributor/promotional consultant develops solutions to marketing challenges through the innovative use of promotional products and is a resource to corporate buyers, marketing pros and others wanting to increase brand awareness, trade-show traffic, employee retention and more.
- There are more than 21,000 distributor/promotional consultant firms in the industry

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Who's Who In The Promotional Products Industry

How Distributors Go To Market

- Personal sales calls
- Cold calls
- Referrals/Networking
- Websites
- Catalogs; print and online
- Trade shows
- Advertising/Direct Mail
- Digital and email marketing
- Social media



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Who's Who In The Promotional Products Industry

Supplier

- Suppliers manufacture, import, convert, imprint or otherwise produce or process products offered for sale through promotional products consultants.
- More than 3,500 supplier firms in the industry.



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Who's Who In The Promotional Products Industry

How Suppliers Go To Market

- Websites
- E-commerce
- Catalogs; print and online
- Trade shows
- Sales reps
- Multi-Line reps
- Advertising
- Digital and email marketing
- Social media



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Who's Who In The Promotional Products Industry

Business Services Companies

Companies that support the day-to-day needs of distributors and suppliers

- Technology companies
- Consultants
- Publications
- Artwork Providers
- Decorators



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Who's Who In The Promotional Products Industry

Multi-Line Rep

An individual or company contracted by one or more suppliers to market their products and services to distributors.

- An extension of the supplier
- Compensated by the supplier
- No charge to distributor
- Represent multiple lines
- Cover geographic territory
- Rep supplier at trade shows
- Provides samples, ideas and troubleshoots order problems



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Defining Promotional Products and Their Uses

What is a promotional product?

- Useful tangible items imprinted with an advertiser's name, logo or message.
- Increase brand awareness among the intended audience.
- Cause the audience to take action.
- Allow recipients to interact with a brand on a physical level
- Helps to create a memorable brand experience.

And recipients say 'thank you!'



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Defining Promotional Products and Their Uses



Promotional products work!

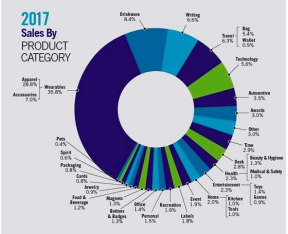
- 88% of promotional product recipients remember the name of the advertiser on the product.
- 85% of the recipients do business with the advertiser.
- 83% of people like receiving them.



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Defining Promotional Products and Their Uses



2017 Sales By PRODUCT CATEGORY

Apparel 28.8%, Accessories 7.0%, Pens 3.6%, Bags 5.4%, Drinkware 8.4%, Writing Instruments 6.6%, Technology 5.6%, Travel 6.3%, Medical & Safety 2.0%, Sports 2.0%, Bags & Wallets 0.9%, Food & Beverage 1.2%, Pet 0.5%, Stationery 0.5%, Paper 0.5%, Office 0.5%, Personal 0.5%, Other 0.5%, Promotional 0.5%, Stationery 0.5%, Paper 0.5%, Office 0.5%, Personal 0.5%, Other 0.5%, Promotional 0.5%

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Defining Promotional Products and Their Uses



Top 10 Products

1. Wearables 35.8% (apparel 28.8 & accessories 7%)
2. Drinkware 8.4%
3. Writing Instruments 6.6%
4. Travel 6.3% (bags 5.4% and wallets .9%)
5. Technology Products 5.6%



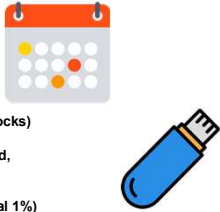
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Defining Promotional Products and Their Uses

Top 10 Products

- 6. Automotive 3.5%
- 7. Awards 3%
- 8. Time Products 3% (calendars, clocks)
- 9. Desk 2.8% (USB drive, mouse pad, business card holder)
- 10. Health 2.3% (beauty 1.3%, medical 1%)

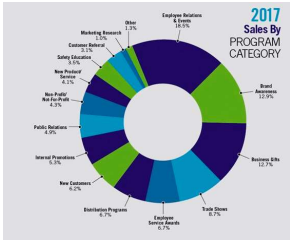


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Defining Promotional Products and Their Uses

2017 Sales By PROGRAM CATEGORY



Program Category	Percentage
Retail Address	12.7%
Employee Relations & Events	18.5%
Brand Awareness	12.9%
Business Gifts	12.7%
Trade Shows	8.7%
Employee Service Awards	6.7%
Marketing Research	3.5%
Customer Education	3.5%
Safety Education	3.5%
New Product	3.5%
New Product	3.5%
Public Relations	3.5%
Internal Relations	3.5%
New Customers	3.5%
Education Programs	3.5%
Employee Service Awards	3.5%
Trade Shows	3.5%
Employee Relations & Events	3.5%
Brand Awareness	3.5%
Business Gifts	3.5%
Trade Shows	3.5%
Employee Service Awards	3.5%

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Top 10 Program Uses for Promotional Products

- 1. Employee Relations & Events 18.5%
- 2. Brand Awareness 12.9%
- 3. Business Gifts 12.7%
- 4. Trade Shows 8.7%
- 5. Employee Service Awards 6.7%



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Top 10 Program Uses for Promotional Products

- 6. Distribution Programs 6.7%
- 7. New Customers 6.2%
- 8. Internal Promotions 5.3%
- 9. Public Relations 4.9%
- 10. Nonprofit 4.3%



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Top 10 Program Uses For Promotional Products

- 1. Business Services: HR/recruiting, consulting, research
- 2. Education: Schools, colleges/universities, tutoring services
- 3. Financial: Banks, credit unions, tax prep, accountants, investors
- 4. Manufacturing: Production, durable and non-durable
- 5. Healthcare: Pharma, labs, hospitals, vets, dentists, optometrists



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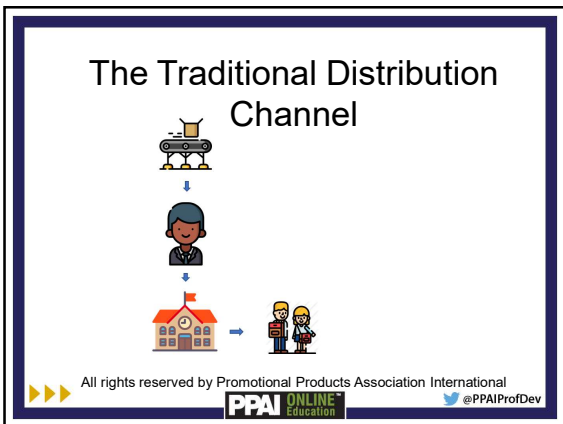
Top 10 Program Uses For Promotional Products

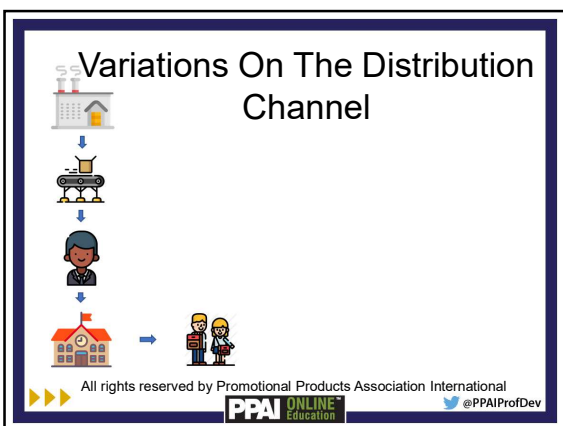
- 6. Construction: HVAC, architects, engineers, plumbing, electrical
- 7. Insurance: Health, life, auto, property & casualty, claims administration
- 8. Technology: IT, service providers, data processing, records management
- 9. Nonprofit: Charities, business associations, foundations
- 10. Agriculture: Ranches, farms, farm co-ops, seed companies, machinery producers, etc.

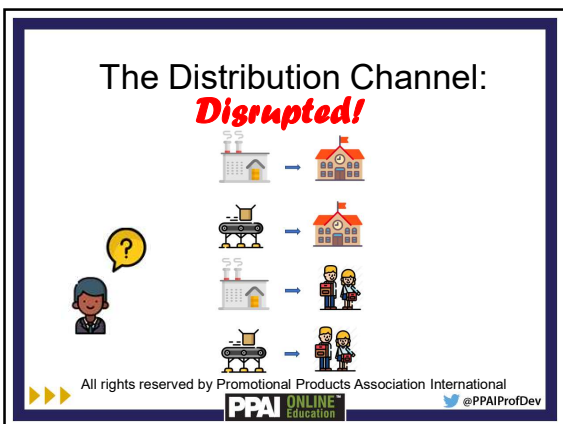


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Follow Up Questions?



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