

ROGUE SPENDING

Hurts your brand and bottom line

Abstract

Do you know how much your organization spends on branded merchandise? You're not alone if you don't. "Branded merchandise" includes anything from company uniforms, giveaways, writing instruments, awards, and any other logoed items you may have or use, which help to build your corporate brand's awareness! Regardless of your company, you have at least: marketing, sales, human resources and procurement folks that are all concerned with the promotional product category of spend. This being said, it can be tricky to manage with various departments making purchases and creating items while being disconnected. The result of this can lead to lack of visibility into orders, lack of control over what products your brand is printed on and how your logo appears, and an increase in spend.



Don't let the various complications that come with branded merchandise spend programs scare you, when setup correctly and regularly monitored, your company will see benefits that far outweigh the costs. Master marketer, Seth Godin, once said, "It is impossible to market at people any more. The only choice is to market with them." Advertising that creates resonance helps consumers identify with the brand on a personal level and drive what we call, brand touch moments which provide the foundation for an enduring brand relationship. Promotional products are a proven channel for brands to generate a more favorable impression across all consumer audiences. In addition, branded merchandise helps: • Increase in brand loyalty • Increase in customer satisfaction and acquisition • Employee retention

This white paper will discuss what rogue spend is and why it's an issue for your organization. Why does it matter where you purchase your goods as long as your employees are getting everything they need one way or another? We'll also discuss how you can prevent rogue spend in the future by explaining what you should look for when partnering with a promotional product vendor.

The Problem:

One of the most concerning pitfalls of an unorganized promotional spend program for procurement is rogue spend. Rogue spend (also called “maverick spend”) refers to when companies go outside of their vendor contracts for goods and purchase through other outlets. It’s common in the promotional product space because many organizations may not have the items they’re looking for available to them, their vendors may not provide products that they like, they’ve found an item cheaper elsewhere, and the item in their company inventory is out-of-stock, and so on. While there are various reasons why people go rogue, doing so has its downsides.

The Solution

So you want to put an end to rogue spend, how do you do that? You’ll want to find partners and vendors that offer all of the solutions you’re looking for. When it comes to branded merchandise, a vendor that just ships a new box of pens to your door whenever you’re out won’t cut it. Because branded merchandise is utilized in various departments, you’ll want to make sure your vendor realizes that and has a solution that will take the various departments’ spend and collectively manage and maintain your program. In addition to taking the various buyers into consideration, you’ll want to ensure you’re getting the most out of your promotional product spending. Instead of purchasing the same tote your company has purchased for your annual sales summit year after year, partner with a vendor that goes above and beyond to source products that will elevate your campaigns. By adding a value to these items, they’re less likely to feel like giveaways or tchotchkes to end-users. Anyone can put a logo on a product, but by taking the opportunity to think about which products are best fit for a certain campaign, looking for new and innovative products to increase perceived value, you can increase your brand’s awareness and create brand touch moments that will create a relationship.



The Approach

Your corporate internal goal is to unite buyers, help you maintain control of your brand, reduce costs, save time, allowing you to monitor and track 100% of orders placed.

Your promotional products' partner is to create ease of process for your buyers and to gain visibility into spend and get reporting at your fingertips. You can gain access to all of your orders, review details and costs and use the data to help measure ROI to help make future orders more strategic. In addition, your vendor should also provide tracking; regular reports and reviews to make sure goals that were set are being met. As the program evolves over time it is important that you and your vendor evolve your solution to continue to achieve great results



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