Executive Summary
Promotional products are an extremely valuable mode of marketing. More than other advertising forms, promotional products inspire action and increase brand recognition, brand loyalty and brand positivity. They possess unique power as a long-lasting and economical advertising method. Once in the hands of the consumer, promotional products can last for months or years, continuing to generate attention for the brand. Compared to other media, promotional products have a lower cost per impression with a higher potential return on investment.

Staples Promotional Products understands that your business must get the most from its advertising budget. As an industry leader and your brand partner, we possess the expertise and financial strength to deliver creative promotional marketing solutions for any budget.

Money well spent: How promotional products generate returns
Especially in periods of economic uncertainty, it can be tempting to write off promotional products as frivolous expenditures. In fact, the governors of two states have recently done so, by either banning promotional products outright (California) or eliminating state funds set aside for them (New Jersey). These actions coincide with difficult budgetary considerations affecting government and businesses at all levels, making an assessment of the true worth of promotional products all the more relevant. A closer look at the return on investment potential of this unique marketing medium reveals surprising power and value that cannot be obtained as economically, if at all, through other means of traditional advertising.
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Get the customer’s attention
In a world where consumers are flooded with hundreds of advertising messages daily, breaking through the incessant marketing messages is imperative to a business’ survival. Building a brand means building a buzz, and that is impossible if potential customers cannot remember the name of your organization. Providing customers a remembrance in the form of a promotional product is an effective way to stand out from the crowd and even make your brand go viral.

As the chameleons of the advertising world, promotional products come in a variety of forms. Generally tangible, they can also be edible or audible. Some promotional products even have a scent. Promotional products are the only advertising medium with the potential to engage all five senses. As such, they have the potential to dramatically improve brand recall by creating a powerful association for the consumer, effectively linking your brand and a memorable experience. In Promotional Products Association International’s (PPAI) 2009 study on the effectiveness of promotional products, 76.2 percent of respondents could remember the product, advertiser and brand message associated with a promotional product they had received in the past two years. In a similar study, only about half (53.1 percent) of participants who had read a newspaper in the last week could remember the name of a single advertiser in it.

Promotional products are more than memorable. While they may tune out TV, radio and print ads, many consumers welcome promotional products. PPAI found that 83 percent of consumers polled said they liked receiving promotional products. Forty-eight percent said they would like to receive promotional products more often.

How American consumers feel about promotional products

Source: PPAI
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Why do consumers like promotional products? They are useful, attractive and informational. Thirty-six percent of respondents in a 2004 survey of business travelers said they kept promotional products for at least two years – that is two years of exposure on a one-time investment. More than 33 percent actually carried a promotional product in their possession at the time of the survey. For these consumers, each use of their promotional product serves as a reminder of the company it represents.

Consumers are so apt to see the inherent value of promotional products that even unwanted items can go on to work for the brand. Nearly two-thirds (62 percent) of U.S. respondents to a 2010 survey by the Advertising Specialty Institute (ASI) said they would give an unwanted promotional product to somebody else. The effect: pass-along, viral brand exposure. The tendency for consumers to place a high value on promotional products applies globally: Pass-along rates were similar for Canada (62 percent), Great Britain (59 percent) and Australia (68 percent). The U.S. pass-along figure increased 11 percent from a similar survey conducted by ASI in 2008.

Establish and strengthen customer relationships
Whether you are reaching out to new prospects or rewarding past customers, promotional products generate results. As a (usually) tangible representation of what a company stands for or wishes to express to customers, promotional products encourage interest, goodwill and loyalty toward the brand. The fact that people tend to hold onto and use promotional products for months or years multiplies the influence of the medium.

Adding a promotional product to the advertising mix increased brand interest by 69 percent and created a positive brand impression 84 percent of the time in a study of 18-to-34-year-olds exposed to pizza advertising. Action flows from those good feelings. Sixty percent of respondents told ASI they had done business with an advertiser after receiving a promotional product. Among those who had not done...
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business with the advertiser, more than a quarter (27 percent) said they would be more likely to do so in the future.

While it is obvious that consumers like promotional products, to maximize the potential of this powerful marketing method, companies must target customers thoughtfully. ASI found that preferences for promotional products and the time consumers kept them varied by gender, ethnicity and even political parties. In the U.S., shirts and caps are popular among men; women have more bags, writing instruments and health and safety products; and African Americans are more inclined to keep promotional headwear.

Whoever the items are directed to, research consistently indicates the most valued marketing gifts are useful. Sixty-nine percent of consumers surveyed by PPAI gave usefulness as the reason they would accept a promotional product.

About three-quarters of respondents from all countries surveyed by ASI gave usefulness as the reason they kept promotional products, with writing instruments receiving the most use (between 17 and 19 times per month). Attractiveness is also a factor, especially for such wearable items as headwear, shirts and jackets. The takeaway from these findings: It pays to know to whom you are marketing.
Generate more impressions for less investment

Critics of promotional products misjudge the extreme value of this advertising method. There is almost always an upfront cost for promotional products. Yet, the capacity to reach a wider audience actually makes this long-lasting medium more cost effective, per impression, than other forms of advertising. Using statistics provided by The Nielsen Company, ASI calculated the average cost per impression (in cents) for the following traditional advertising media in the U.S.¹³

- Prime Time TV: .018
- Spot Radio: .058
- National Magazines: .045
- Promotional products: .005

Of the above group, promotional products have the lowest cost per impression. To see how many impressions each dollar buys, divide 1.00 by the cost per impression. Spot radio yields about 17 impressions per dollar; national magazine ads yields about 22 impressions; prime time TV ads net about 55 impressions per dollar; while every dollar put toward promotional products equates to 200 impressions.

Depending on the specific item, the impression cost of promotional products can be even less. For example, ASI rated the average cost per impression of bags and writing instruments in the U.S. at .001. Caps and headwear average .002 per impression; for calendars, it’s .003¹⁴. Useful promotional items like these have extremely high value as marketing tools because they tend to generate repeated and third party impressions, and with each use, the average cost per impression decreases. In the U.S., bags average the most impressions per month, at over 1,000¹⁵. This figure is derived by multiplying the average number of times a bag is used in a month (5.8) with the average number of people its carrier comes in contact with (187)¹⁶. As we already know, the impressions can keep mounting for months or years, leading to short- and long-term returns on a one-time investment.
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Case Study: Cost per impression in the real world
Using ASI’s methods, it is possible to calculate exactly how much an actual Staples Promotional Products client spent per impression on one order of marketing giveaways. For a store grand opening in 2010, the client spent $3,257.10 on 2,961 tradeshow bags. That is $1.10 per bag.

To be conservative, let us assume not every bag handed out by the client went into regular use. If just 2,500 of the bags were seen 1,000 times, that is 2,500,000 total impressions. Divide the original, one-time purchase price for all the bags ($3,257.10) by the total impressions, and the client’s cost per impression is just .001. This figure could improve even more over time as the brand impressions add up.

Concluding Summary
Versatile, long-lasting and valued by consumers, promotional products possess unique power as an advertising medium. Unlike more fleeting forms of media – TV ads that end in the blink of an eye, newspapers and magazines that may be read once and discarded – promotional products can truly connect your brand and the consumer on a repeated basis. Branded calendars or notepads may be used or looked at every day. Promotional bags can become part of a consumer’s regular trips to the grocery store. Each use of a promotional product serves as a reminder – to the primary user and third parties – of your company and what it stands for. Because of this potential to make continual impressions over an extended period of time, the cost of promotional products, per impression, is much lower than other forms of advertising.

As your brand partner, Staples Promotional Products can deliver creative solutions and exceptional values in promotional marketing. We have 65 years of experience in the promotional products industry and a global network that gives us the ability to source or develop the most effective promotional products for any business budget. We bring easy to your branding initiatives.

Source Listing
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research/Documents/EffectiveMediumPowerTool.pdf


4. Ibid, Promotional.


8. Ibid, Global.


10. Ibid, The Effectiveness.

11. Ibid, Global.

12. Ibid, Global.

13. Ibid, Global.


15. Ibid, Global.