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SALES OF PROMOTIONAL PRODUCTS HIT NEW RECORD **Promotional Advertising—The Only Ad Media That Engages All Five Senses—** **Continues Upward Climb**

Irving, Texas, (June 10, 2008) Promotional Products Association International (PPAI) released the results of its annual study confirming that distributor sales of promotional products in 2007 increased 3.5 percent to \$19,440,837,547 for 2007—setting a new sales record for the industry for the third consecutive year. Distributor sales for the same period in 2006 were \$18.8 billion.

The annual study was conducted exclusively for PPAI by Richard A. Nelson, Ph.D., at the Manship School of Mass Communication at Louisiana State University, Rick Ebel, principal of Glenrich Business Studies and Michaela Mora, research consultant at Relevant Insights, LLC.

Sales of promotional products have increased by more than \$670 million in 2007. This is a stark contrast to the revenue numbers for more traditional forms of advertising. In fact, promotional products sales growth far surpassed advertising revenues for newspapers (down 9.4 percent), television (down 4.4 percent), business magazines (down 4.2 percent) and radio (down 2 percent) from 2006.

At more than \$19.4 billion, promotional products sales continue to outperform event marketing/ sponsorships (\$19.1 billion), cable television (\$17.8 billion), Yellow Pages advertising (\$14.6 billion) and outdoor advertising (\$7.3 billion).*

“This report marks the largest sales figure in the history of the industry,” said Steve Slagle, CAE, PPAI president and CEO. “Promotional products continue to grow in popularity because, simply put, they work. Promotional products are the only advertising medium capable of engaging all five senses.

“I find it particularly interesting to note that the more tangible and personally engaging forms of advertising continue to do well. Promotional products, event marketing and direct mail are on the rise, while ad revenues for more passive media —television, radio and newspaper—are showing a sharp decline. These numbers clearly support our research that proves when used as a key element in the marketing mix, promotional products effectively cut through advertising clutter to create a more positive outlook toward the ad and the brand,” Slagle continued.

Forecast For 2008

At the request of membership, PPAI added a new survey question this year. Researchers asked promotional consultants to predict how their company’s sales would do in 2008. The vast majority of promotional consultants expect sales to be up in 2008 over 2007 sales numbers—59 percent of smaller distributors (less than \$2.5 million in sales annually) and 65 percent of large promotional consultant

companies have a positive outlook for 2008. Less than 15 percent of those companies surveyed indicated that sales numbers would be less than recorded in 2007.

“The industry for the most part had a good year, considering how some of the markets many distributors rely on tanked. When we asked distributors why they fared so well, the word so many of them told us was diversification,” said researcher Ebel. “As to 2008, we think business in general is in for a hard time, due in no small part to the explosive impact of the petroleum prices and the rising costs of many imported goods. But promotional products? Might surprise the doomsayers. Just think about the myriad of applications for promotional products. What the industry provides is the epitome of diversification.”

Promotional products include useful or decorative articles of merchandise that are used in marketing and communication programs, according to PPAI. The items are usually imprinted with a company’s name, logo or message. Premiums, incentives, advertising specialties, business gifts, awards and commemoratives are also considered promotional products. Click [here](#) to view sales by product category and program category.

PPAI—The Industry’s Source For Comprehensive, Objective Industry Sales Research

PPAI’s annual report is the most comprehensive study of its kind in the industry and is conducted by independent researchers based on actual sales reported by promotional consultant companies. PPAI has researched and released industry sales data since 1965. Its figures are considered the most definitive and unbiased in the industry, employing time-tested research methodology and utilizing an objective outside source to conduct the research and compile the statistics.

To gather data for the PPAI annual sales volume estimate, a survey was sent to a sample of almost 16,000 promotional consultant companies (PPAI members and nonmembers), drawing from an estimated total number of 22,000 firms. The lists are compiled from PPAI and UPIC (Universal Promotional Identification Code) databases as well as from four other industry organizations/firms. Promotional consultant companies were asked to report their promotional products sales for the 12-month calendar year ending December 31, 2007.

Companies are divided into two groups—those with sales of \$2.5 million or more and those with sales less than \$2.5 million. Because some companies have such a large volume of business and an omission of their numbers could distort the overall statistics, a census was conducted of all companies doing \$2.5 million or more in promotional products sales. For smaller companies, a random sample of 12,500 firms was surveyed. Responses by mail, web, fax and phone produced 2,199 usable surveys, for a response rate of 13.5 percent—slightly lower than the 2006 rate.

For more research on the effectiveness of promotional products, visit

<http://www.ppa.org/Member/Sales+and+Marketing+Solutions/Research/Industry+Research/Sales+Power+Tools/>

- Promotional Products—The Key Ingredient To Integrated Marketing
- Promotional Products Impact On Brand/Company Image
- Promotional Product Incentives Produce Valuable Referrals From Satisfied Customers
- Promotional Products: Impact, Exposure And Influence
- Increase Booth Traffic With Promotional Products
- The Effectiveness Of Promotional Products In Tradeshow Settings

Promotional products are an essential element in the marketing mix. Adding your message to a tangible product turns an ordinary message into a marketing experience your audience can see, touch, hear, smell and even taste. Promotional products are the only way to make a sensible—and memorable—

impression. For more information about Promotional Products Association International (PPAI) or to learn more about the proven power of promotional products (including research and case studies), visit the PPAI website at www.ppai.org or contact PPAI at 972-258-3041 or PR@ppai.org.

PPAI—the promotional products industry’s only international not-for-profit trade association—offers education, tradeshow, business products and services, mentoring, technology and legislative support to its more than 7,500 global members. Promotional products are a \$19.4 billion industry and include wearables, writing instruments, calendars, drinkware and many other items, usually imprinted with a company’s name, logo or message. PPAI created and maintains the UPIC (Universal Promotional Identification Code), the industry’s only free identification system and universal company database.

* Expenditures for selected advertising media and promotion methods compiled for Promotional Products Association International by Richard Alan Nelson, Ph.D., Louisiana State University, and Rick Ebel, Glenrich Business Studies. Sources include Newspaper Association of America, Television Advertising Bureau, Cable Television Advertising Bureau, Radio Advertising Bureau, Direct Marketing Association, Incentive Federation, Publishers Information Bureau, Interactive Advertising Bureau, Outdoor Advertising Association of America, Point of Purchase Advertising Institute, TNS Media Intelligence.

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