

THE INFLUENCE OF PROMOTIONAL PRODUCTS ON CONSUMER BEHAVIOR



**PROMOTIONAL
PRODUCTS
WORK.ORG**

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Methodology

The PPAI Ad recall study was first conducted in 1992 with the goal of understanding how promotional products are used to support PPAI's members in their business growth efforts. The study was repeated again in 1999, 2004, and 2012. The results from the latter installment of this research are reported here.

❖ Approach

For the 2012 study, conducted November 13 - 27, 2012, data was obtained by intercept interviews with adult travelers at La Guardia Airport, N.Y. The main screening criteria to qualify into the study was the requirement of being in possession of (on their person, at home, at work or in the car/truck) at least one promotional product that they have received in the past 12 months. A verbal and visual description of representative promotional products was presented to respondents.

The survey, consisting of 22 questions, was programmed online and administered by personal interviewers using electronic tablets.

The questions included in the survey are grouped in three major areas:

- **Promotional Product Recall**
 - Types of promotional products recalled
 - Number of promotional products recalled, up to four items
 - Recall of advertisers and their message
- **Usage of Promotional Products**
 - Number of promotional products owned
 - Why, for how long and where promotional products are kept
 - How often promotional products are used
- **Relationship to Advertiser & Business Impact**
 - How promotional product are received
 - Prior familiarity with advertiser
 - Perceived advertiser intention by being given promotional products
 - Impressions about advertisers after being given promotional products
 - Business conducted with advertisers after receiving promotional products

Methodology

Sample

A total of 679 travelers were approached at La Guardia Airport, N.Y. of which 500 qualified for the survey. Travelers came from 35 states, but as expected a large proportion (37%) came from New York State, given the airport's location. A similar distribution was observed in the 2004 study at the Dallas Fort Worth Airport, with 36% of the sample coming from Texas.

Other states with more representation in the sample in this study are Florida (10%), Illinois (9%), Texas (6%), New Jersey (5%), Connecticut (4%) and North Carolina (4%). Overall, these seven states (including N.Y.) represent nearly 75% of the total sample.

The sample includes 57% men and 43% women, and the majority are between 21 and 50 years old (73%).

Most respondents (78%) were employed (full-time, part-time or self-employed). The rest included full-time students (11%), retirees (5%) and homemakers or unemployed (3%).

One in five respondents who were employed had a managerial position. The most common business sectors represented in the sample are Marketing/Advertising/PR/DM (23%), Financial Sector (9%), and Medical/Healthcare (9%). See Demographics sections for more details.

Key Findings

Recall of Promotional Products

- ❖ Seven in 10 consumers recalled receiving at least one promotional product in the past 12 months. A similar finding was observed in previous studies. Among those who recalled receiving promotional products, 70% recalled receiving two or more items.
- ❖ Recall of the advertiser and message behind the first promotional item recalled are very high. While 88% recalled the advertiser from a promotional product received in the past 12 months, 71% recalled advertisers on a newspaper or magazine read a week before, which speaks to the power of promotional products to support brand recall.
- ❖ Financial services, retailers, apparel brands and electronics manufacturers are the most commonly recalled advertisers of promotional products. The most often recalled promotional product categories include:
 - Wearables (41%): Including Shirts (22%), Caps/Headwear (11%), Outerwear(6%) Other Wearables (2%)
 - Writing Instruments (35%)
 - Drinkware (19%)

Main Takeaways

Promotional products have a high reach and potential for top-of-mind recall and are an excellent medium to increase and sustain brand awareness

Unaided brand recall is a brand strength indicator as it depends on strength and organization of memories and their accessibility. It is affected by:

- ✓ Interference of other product information
- ✓ Time since last exposure
- ✓ The number and type of external retrieval cues

Promotional products can be used to minimize time gaps in exposure occasions and provide external cues to help brand recall. They should be provided on a regular basis, have a clear connection to the brand, and should be relevant to the consumer.

Key Findings

Usage of Promotional Products

- ❖ Eight in 10 consumers own between one and 10 promotional products, six in 10 keep them for up to two years, and about half (53%) use a promo item at least once a week or more often
- ❖ The main reason for keeping a promotional product is **usefulness**. Ranking higher in usefulness are Computer Products (100%), Health & Safety Products (100%), and Writing Instruments (91%)
- ❖ Sporting Goods/Leisure Products/Travel Accessories (24%), Housewares/Tools (21%) and Wearables (23%) are more often kept because of their perceived attractiveness
- ❖ The top categories of promotional products kept because they can be used for contact information reference are Buttons/Badges/Ribbons/Stickers/Magnets (33%), Electronic Devices & Accessories (29%) and Computer Products (23%). However, promotional products are not often used for contact information reference. Only 35% have ever used promotional items for this purpose
- ❖ When it comes to frequency of use, Calendars/Planners (85%), Computer Products (85%) and Electronic Devices & Accessories (82%), take the top 3 spots
- ❖ Most promotional products are kept at home (54%) or on the person (24%). Promotional products that are not worth keeping are either filed away and ignored (42%) or given to someone else. Only one in 5 trashes non-wanted promotional products.

Main takeaways

Promotional products are often present and used in consumers' daily life. By providing useful promotional products (not only as references for contact information) that can be integrated in consumers' life in an organic way, advertisers can increase their reach and potential for creating and maintaining brand awareness.

Promotional products should be thought as "gifts for family and friends" to extend their relevancy beyond target users to facilitate passing them to others and thus increasing their reach.

Key Findings

Relationship with Advertiser & Business Impact

- ❖ Nearly six in 10 consumers received promotional products from a business establishment or at trade shows, conferences or conventions.
- ❖ Consumers were well aware of the advertisers' intentions: to advertise or promote a product, a business or a cause (55%). Promotional products are also given away to thank consumers for their business (16%) or to directly drive sales as purchase incentives (10%).
- ❖ Most consumers (88%) were familiar with the advertiser before receiving promotional items. Advertisers were able to cause the most favorable impression among consumers who were familiar with them. However, regardless of awareness, promotional products had a positive impact on impressions about the advertisers.
- ❖ Before receiving the promotional products, about half of the consumers had done business with the advertiser (55%). After receiving the promotional products, 85% did business with the advertiser.
- ❖ Advertisers were also able to increase their business even among those who hadn't done any business with them before (11%).

Main Takeaways

It is undeniable that promotional products have a positive impact on attitudes and behavior. The use of promotional products has a strong correlation with both customer acquisition and retention. Advertisers should use this medium in a strategic way to foment loyalty, create awareness and increase new trials.

Advertisers and promotional products distributors should monitor cultural and socio-economic trends to be able to anticipate which items could be more appealing, useful and easily integrated in consumers' daily lives. Such items would create and support favorable impressions about the advertisers and provide cues for brand recall when purchasing decisions are made.

Detailed Findings

Recall of Promotional Products

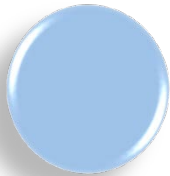
How many have received promo products?



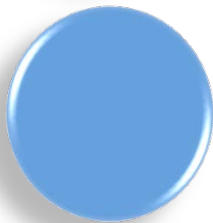
73% of consumers have received promotional products in the past 12 months

This finding is similar to that of other studies conducted by PPAI in past years: 2004= 71%, 1999= 72%, 1992= 62%

How many promo items are recalled?



30% recalled only 1 promo item



38% recalled 2 promo items



20% recalled 3 promo items



12% recalled 4 promo items

What is recalled about promo items received in the past 12 months?



88% recalled the advertiser



62% recalled the message

71% of those who read a newspaper or magazine a week before recalled an advertiser

Most frequently recalled advertisers



14% Financial Services



9% Retailers

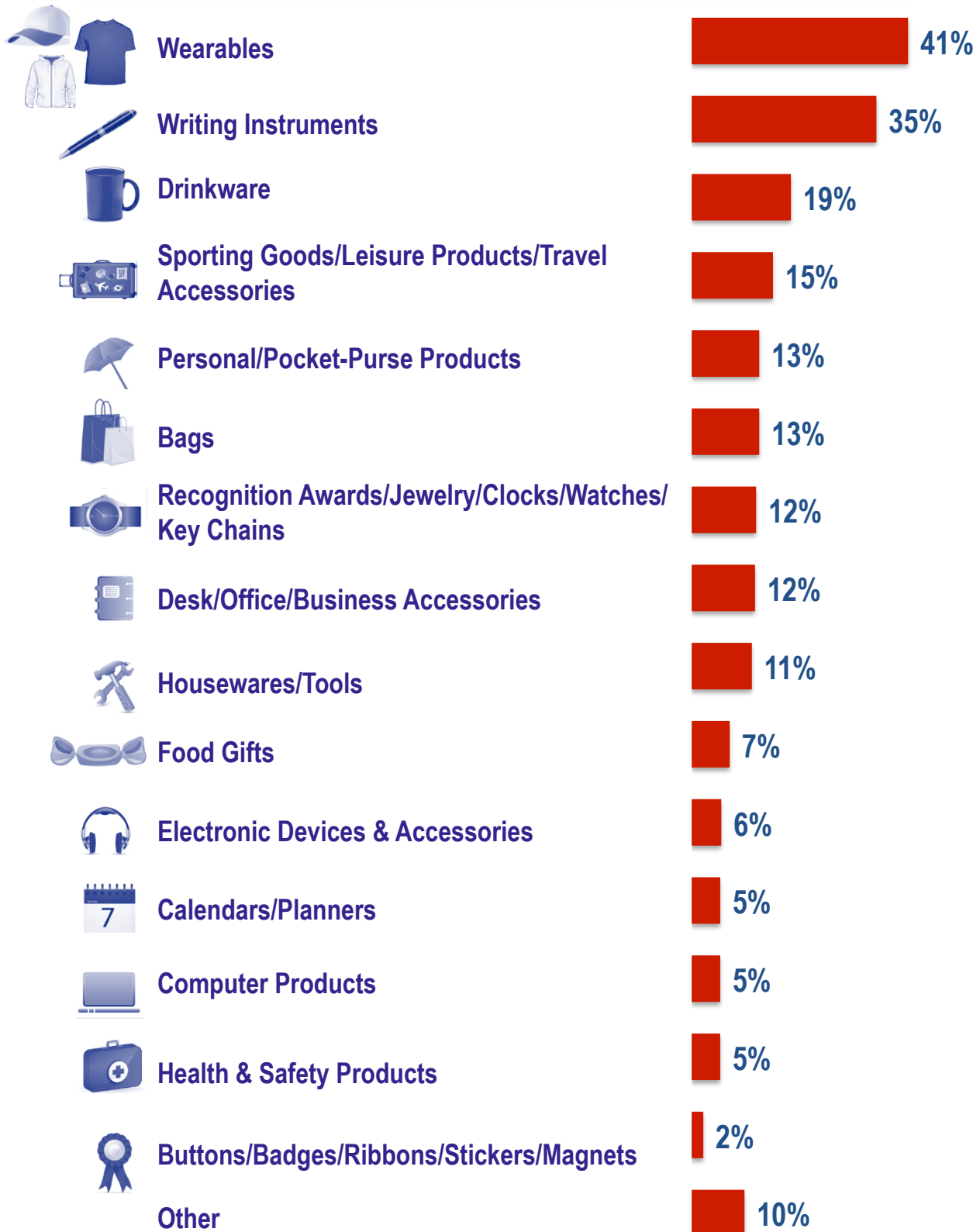


6% Apparel Brands



5% Electronics Manufacturers

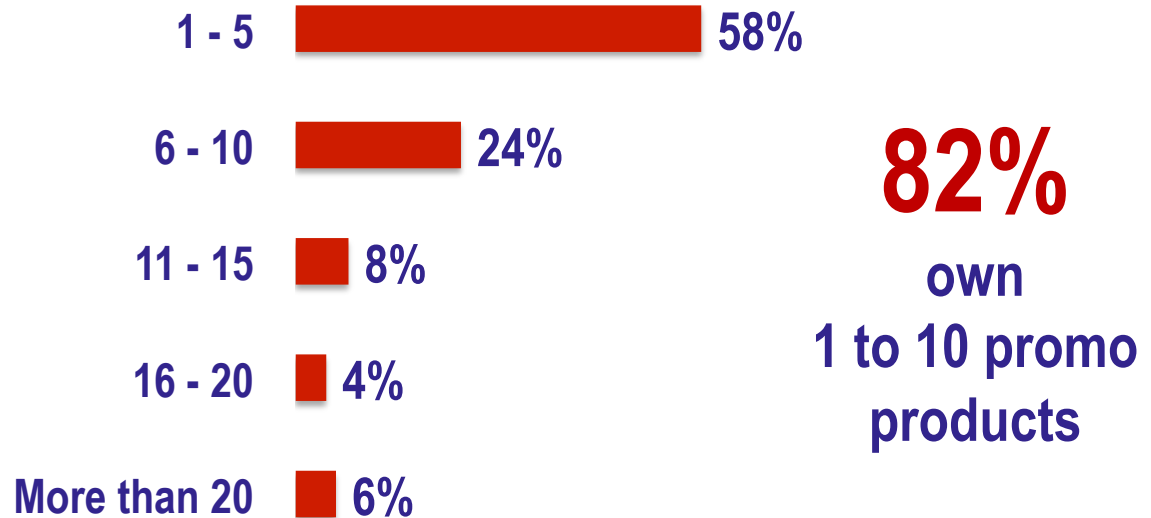
Which promo items received in past 12 months are recalled?



Respondents were asked to recall up to 4 promotional items received in the past 12 months

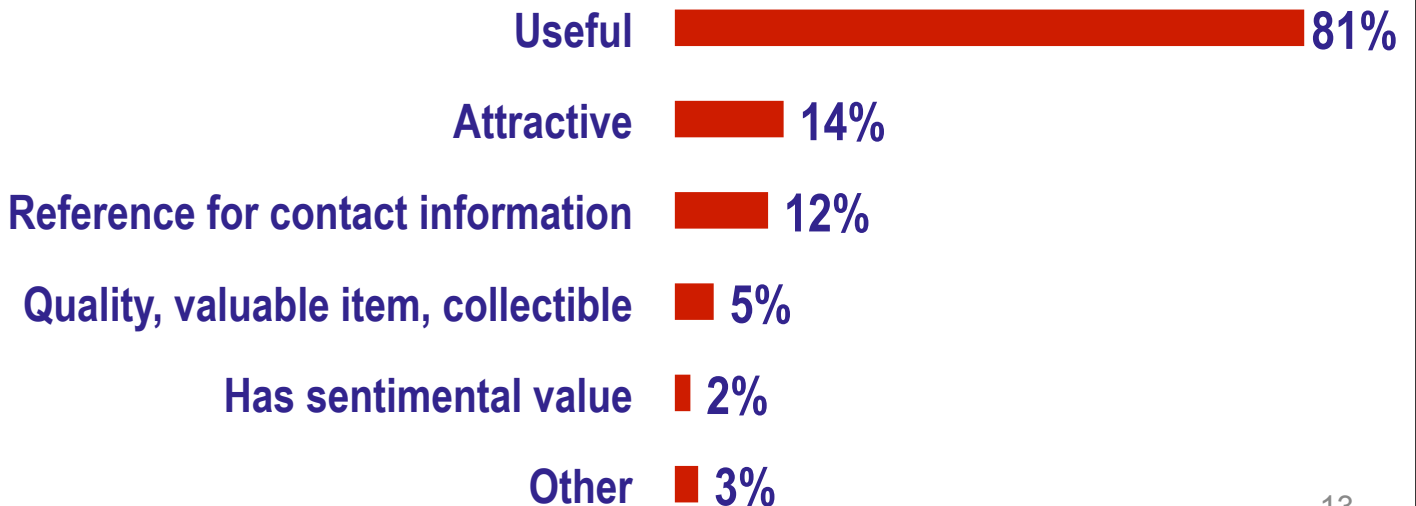
Usage of Promotional Products

How many promo products are owned?



Why are promo products kept?

Usefulness is the most common reason to keep a promotional item



Why are promo products kept?

Top 3 Most Useful Categories



100% Computer Products



100% Health & Safety Products



91% Writing Instruments

Top 3 Categories Kept Because of Attractiveness



24% Sporting Goods/Leisure Products/Travel Accessories



21% Housewares/Tools



19% Wearables

Top 3 Categories Kept Because of Contact Information Reference



33% Buttons/Badges/Ribbons/Stickers/Magnets

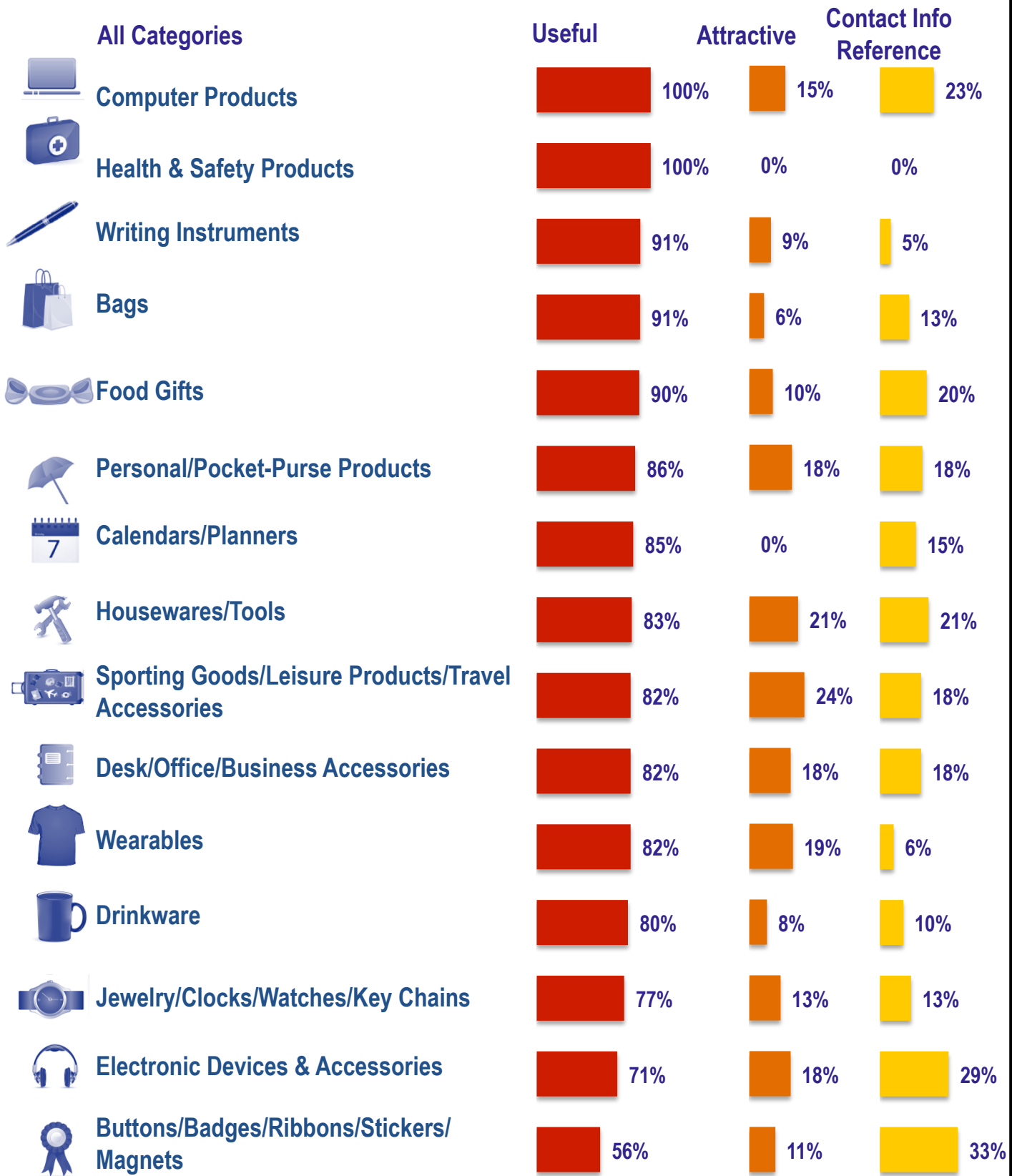


29% Electronic Devices & Accessories



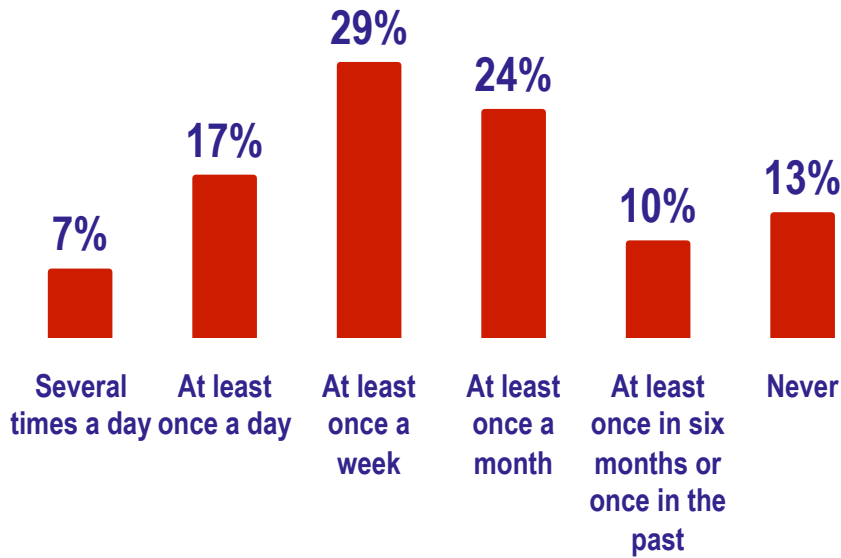
23% Computer Products

Why are promo items kept?



Respondents were asked to evaluate the first promo item they recalled

How often are promo products used?



53% use promotional products once a week or more often

Used once a week or more...

Top 3 Categories Recalled



Writing Instruments

60%



Wearables

38%



Drinkware

50%

Top 3 Categories Most Frequently Used



Calendars/Planners

85%



Computer Products

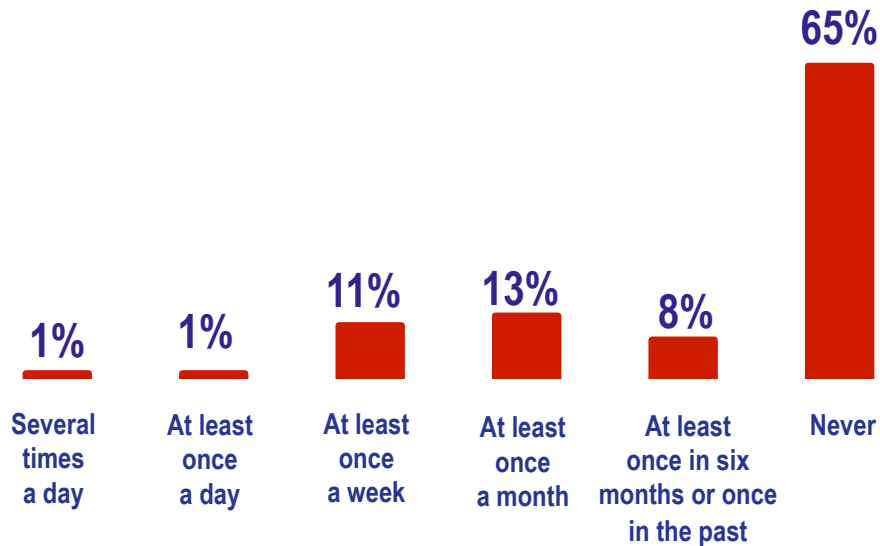
85%



Electronic Devices & Accessories

82%

How often are promo products used for contact information?



35%
Have ever referred to promotional products for contact information

Categories Often Used for Contact Information Reference*



65% Electronic Devices & Accessories



57% Jewelry/Clocks/Watches/Key Chains



54% Computer Products

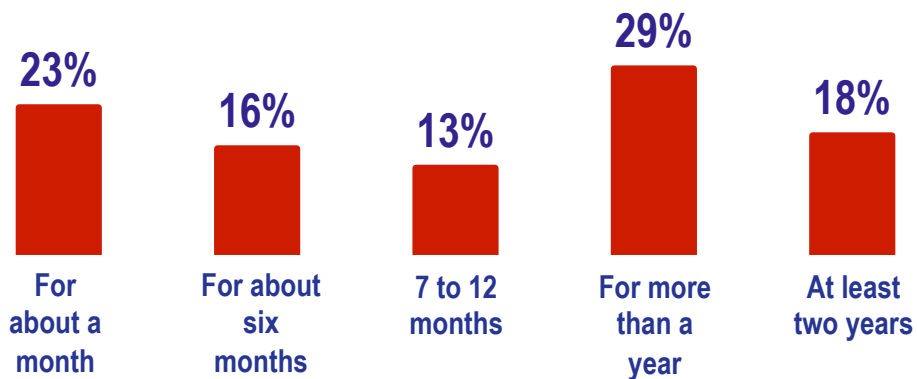
*At least once in the past or more often

For how long are promo products kept?

47% keep promo products for more than a year

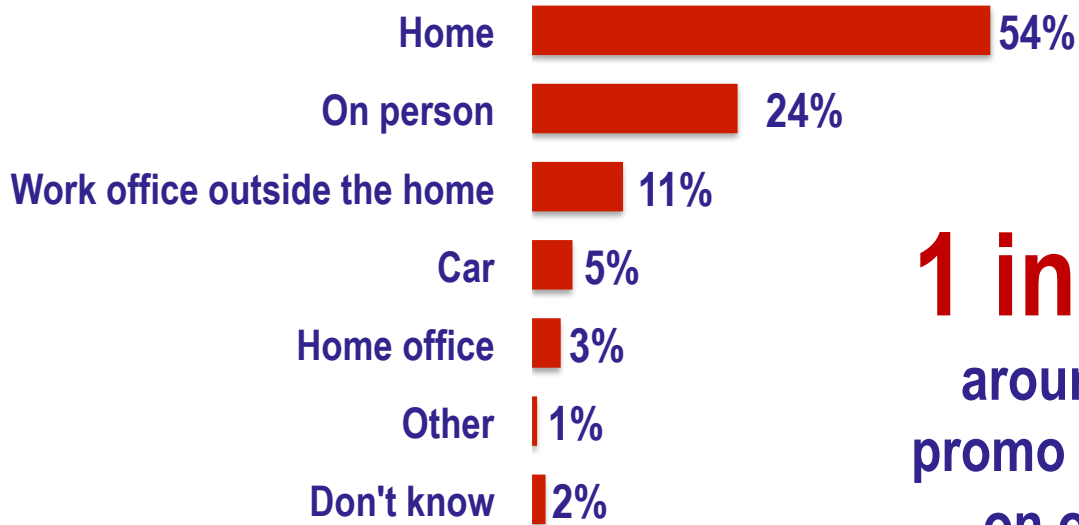


Time Among Those Keeping Promo Products for Up to 2 Years



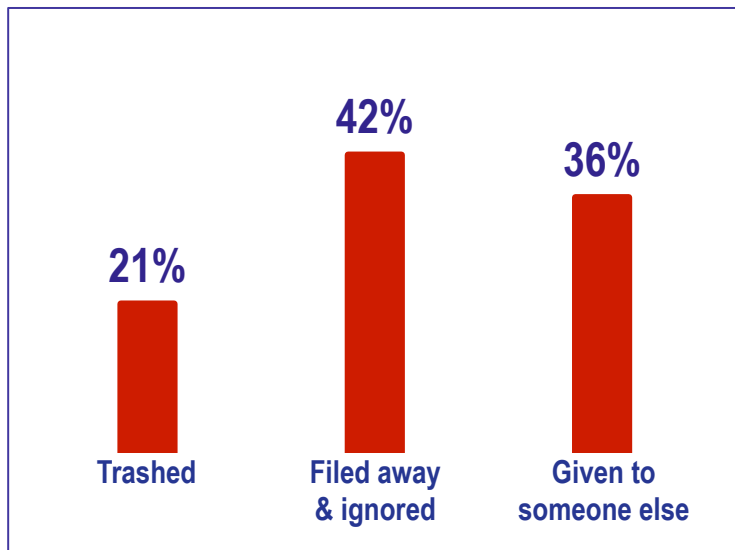
40% say it depends on the product

Where are promo products kept?



1 in 4 walk around with promo products on or with themselves

What happens to items not worth keeping?



Many discarded items continue to promote when given to someone else

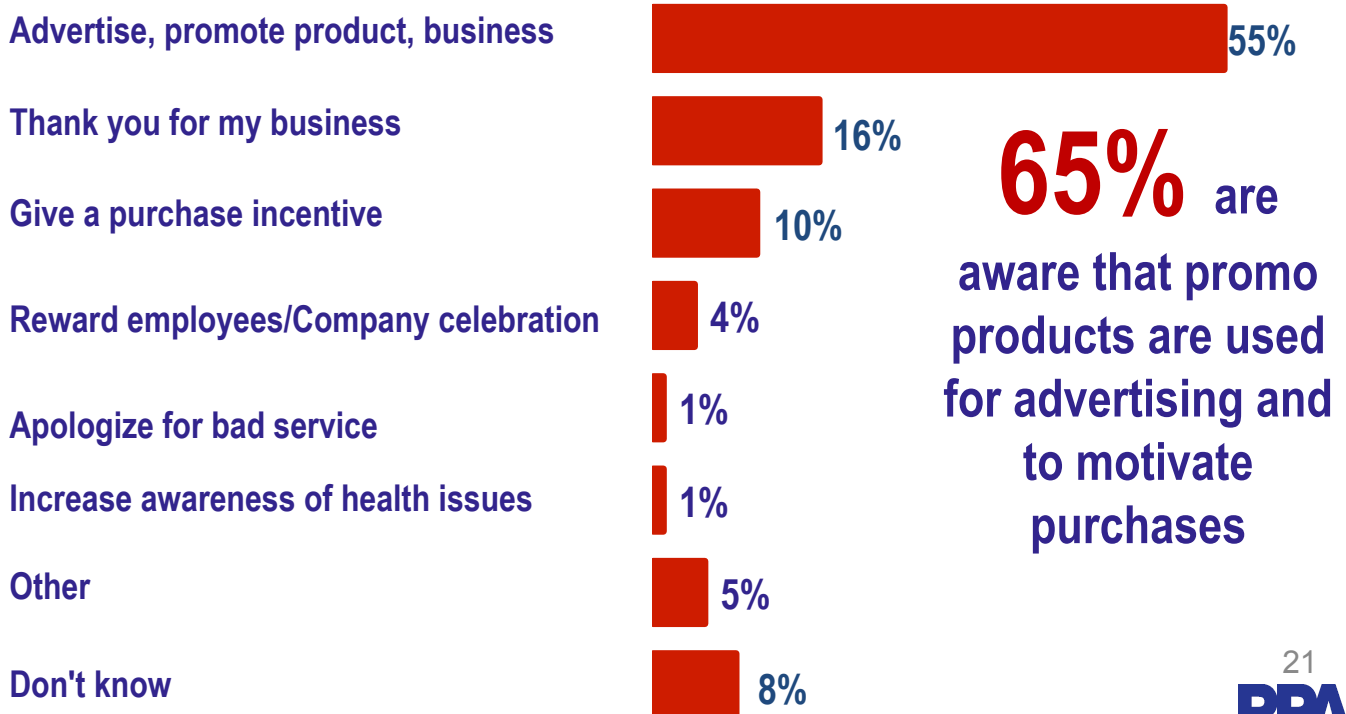


Relationship with Advertiser & Business Impact

Where are promo products received?



What was the advertiser's intention?



Impact on perceptions about advertiser

88% were familiar with the advertiser before receiving a promotional item

Impression of Advertisers After Receiving Promo Items

59% had a more favorable impression of the advertiser after receiving a promotional item



22%
Significantly
More Favorable



37%
Somewhat
More Favorable



37%
Neutral



1%
Somewhat
Less Favorable

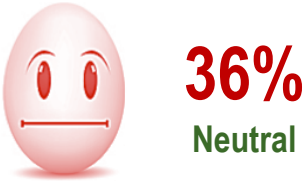
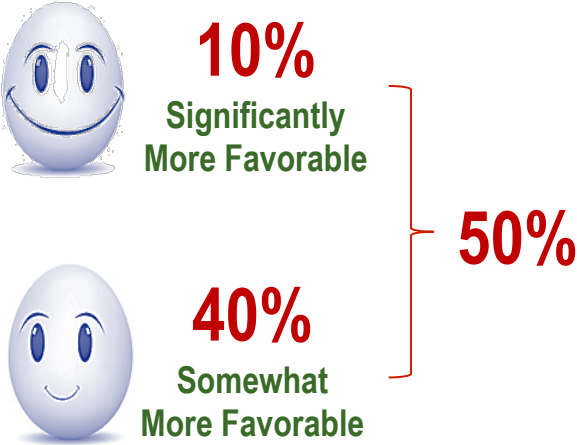
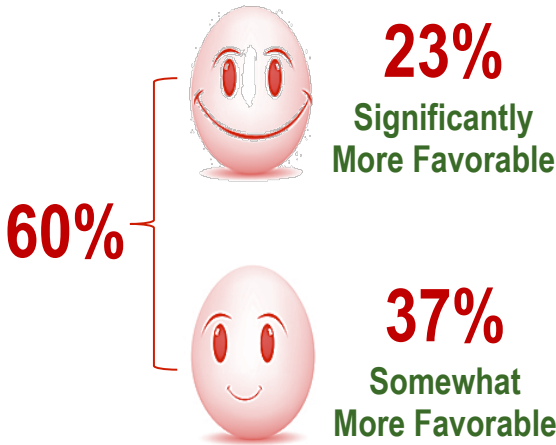


0.4%
Significantly
Less Favorable

Impact on perceptions about advertiser

Impression of Advertisers After Receiving Promo Items

Promotional products improve the impression of the advertiser among both familiar and unfamiliar consumers



Business Impact

55%

Had done business
with the advertiser
BEFORE receiving
promo item

of
these



85%

Have done business
with the advertiser
AFTER receiving
promo item

45%

Had **NOT** done
business with the
advertiser **BEFORE**
receiving promo item

of
these



11%

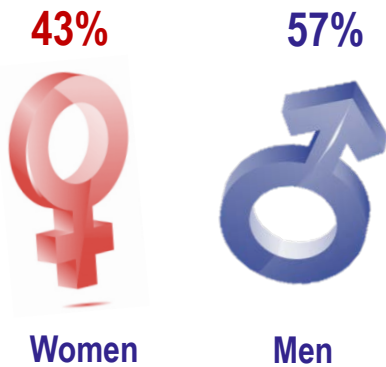
Have done business
with the advertiser
AFTER receiving
promo item

**Promotional products have a positive correlation
with customer retention and acquisition**

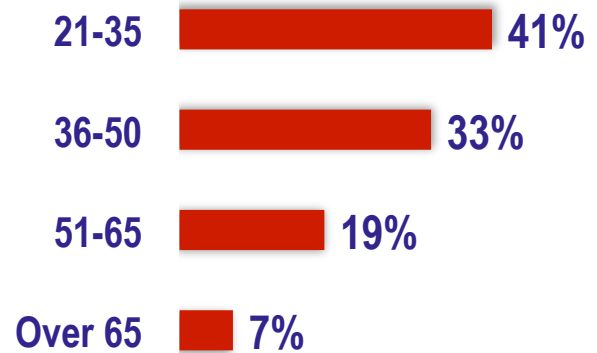
Demographics

Demographics

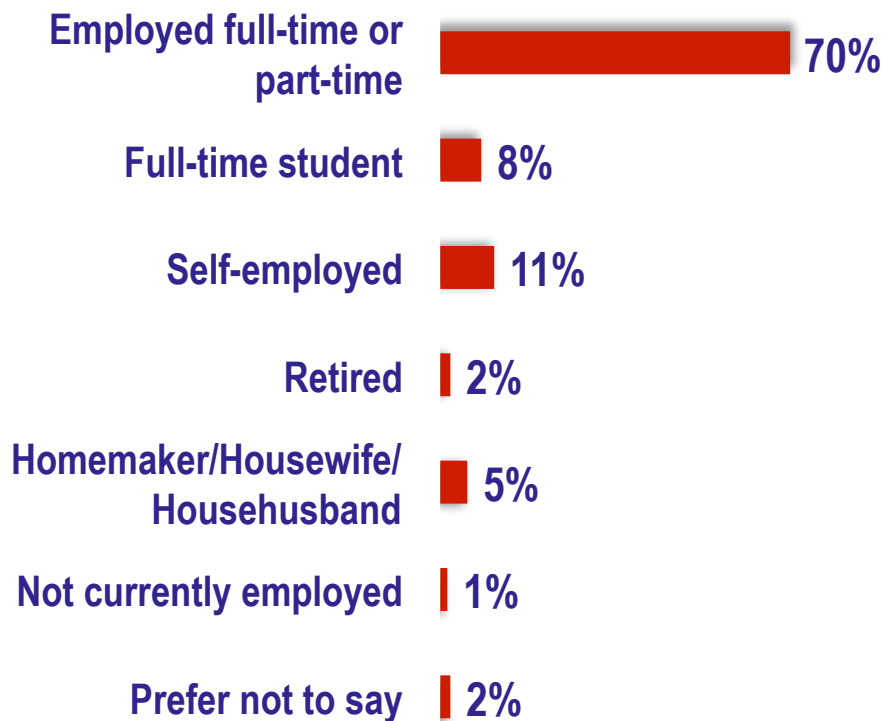
Gender



Age



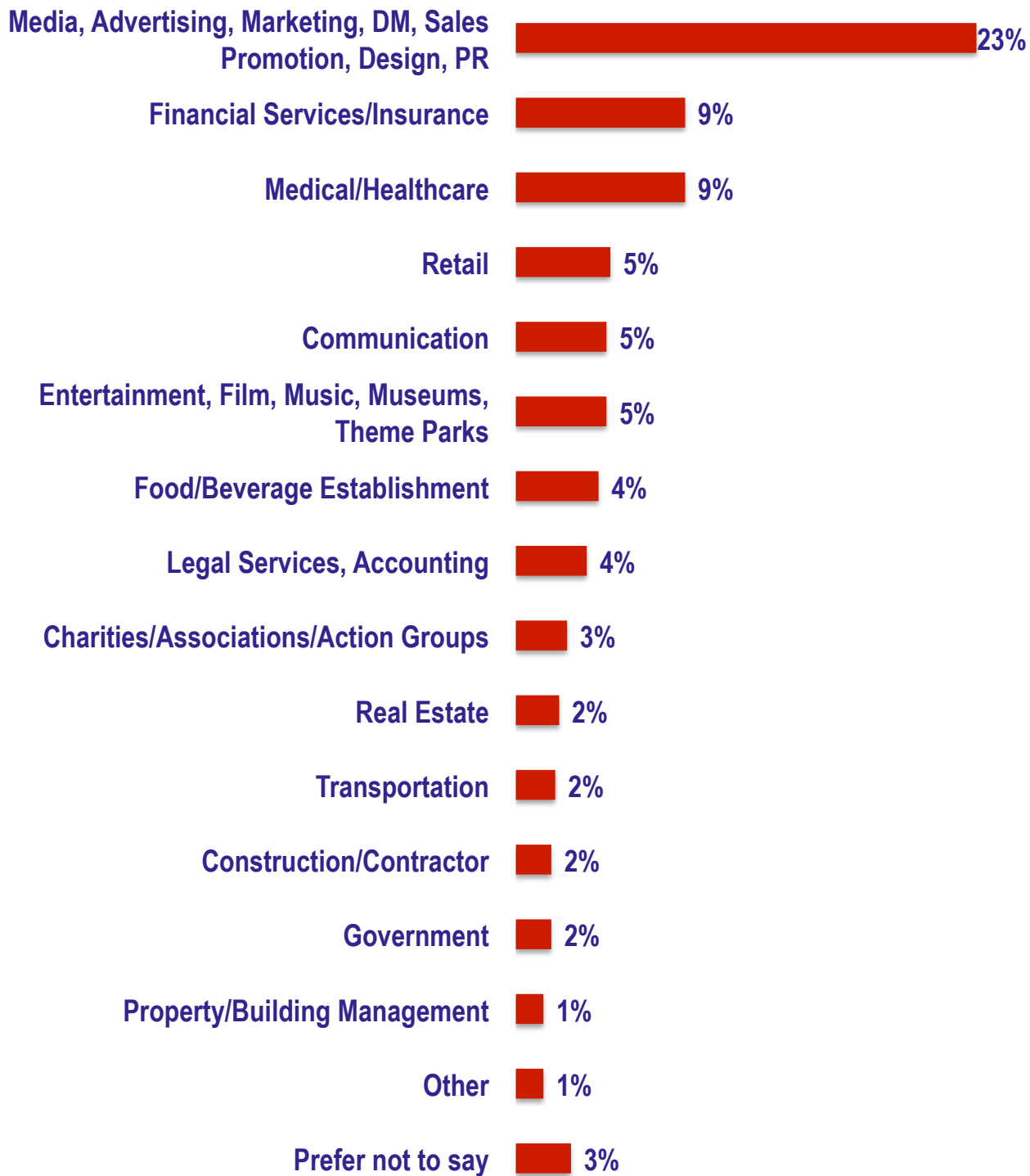
Employment



Base: All Respondents=500

Demographics

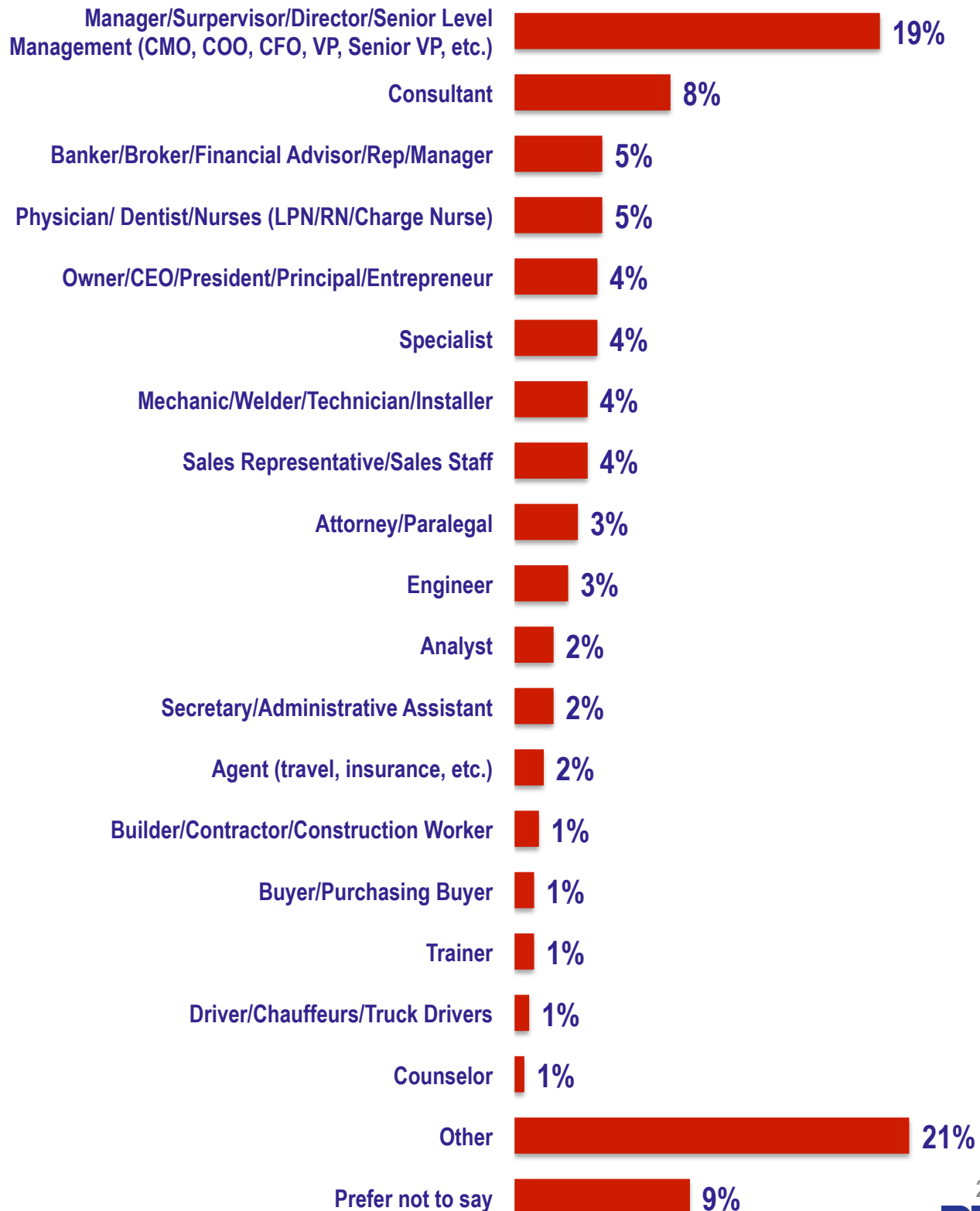
Business Sector



Base: Full-time, part-time or self-employed=440

Demographics

Job Titles



Base: Full-time, part-time or self-employed=440