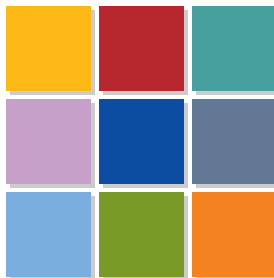


The Advertising Effect of Promotional Products

Appeal
Advertise
Affect



GWV Gesamtverband der
Werbeartikel-Wirtschaft e. V.

AS YOUR **ESCORT**

*Hans-Joachim Evers,
Chairman
Gesamtverband der
Werbeartikel-
Wirtschaft e.V.*



Promotional products are a marketing instrument. In every networked system, promotional products are also put to use in advertising campaigns. And for good reason, since people readily accept promotional products. They are happy to get them. This is an advantage that not every advertising tool can claim for itself – as we all well know.

Hence traditional TV commercials or printed advertising must struggle with problems related to a significant loss of advertising recall. The commercial break during a feature film, for instance, is seen as just that – as an opportunity to go the refrigerator or simply zap around. Promotional products, by contrast, cannot be separated from their advertising message.

It cannot be "switched off".

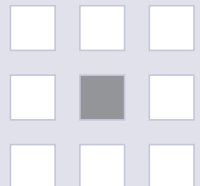
Advertisers hold this in high esteem, especially in networked advertising systems, to overcome the deficits of other advertising tools. However, this has not sunk in yet in all parts of society and politics. We still run up against the preconceived opinion that promotional products

are more like a gift than an effective advertising tool. To combat this, the Gesamtverband der Werbeartikelwirtschaft (German Promotional Product Association, GWW) has commissioned a highly respected institute to conduct an impact study. The upshot of this fundamental study was that promotional products had acceptance values that beat nearly every other advertising medium. They are therefore indispensable, especially when used as part of an effective interplay between a wide variety of different form of communication. This is a form of advertising with enormous potential, because effectiveness is convincing – and will surely convince you, as well.

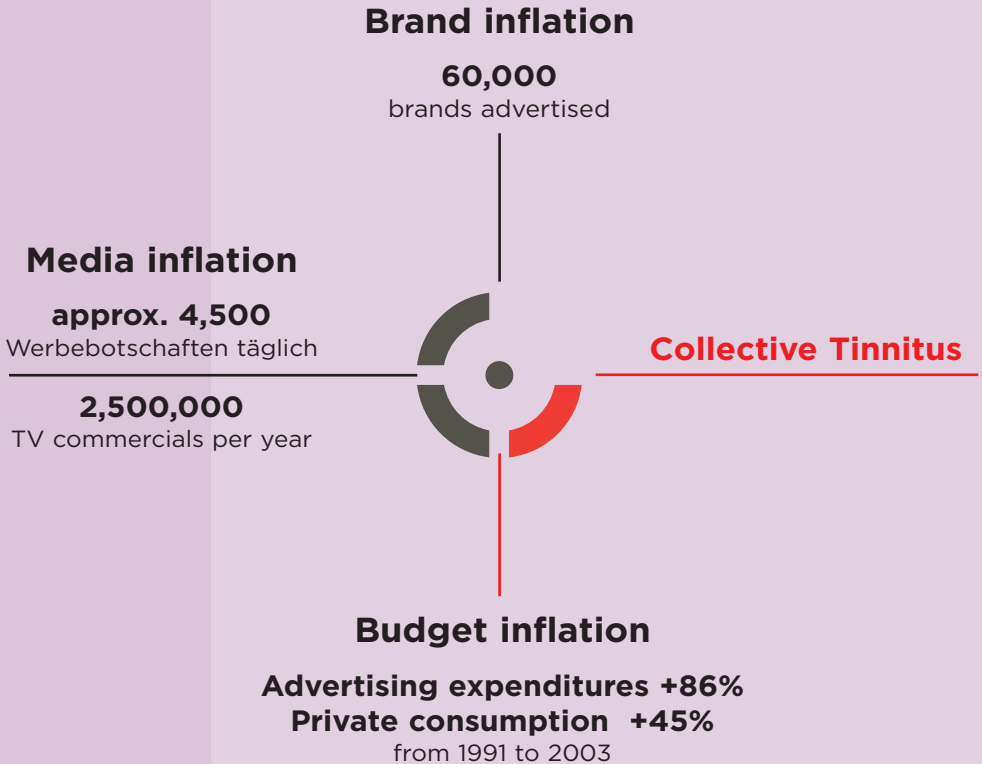
On this note,

A handwritten signature in black ink that reads "Hans-Joachim Evers".

Hans-Joachim Evers
Chairman of the GWW



ADVERTISING INFLATION IN GERMANY



Source: ZAW, dmmv, IVW; GfK

The development of advertising in Germany is suffering from high inflation. More and more brands are trying to reach increasingly frugal consumers by way of ever more media with a steadily rising resource input and under intensifying advertising pressure. The consequence is that consumers are being subjected to collective advertising tinnitus. In a nutshell, Germany is being dominated by a threefold communications inflation: inflation at the level of brands, at the level of media and at the budget level.

THE WEAKNESSES OF TRADITIONAL ADVERTISING

Some consequences of this advertising inflation – already widely acknowledged – are for one thing a growing rejection of advertising among the general populace and for another a drastic loss of effect for traditional forms of advertising in print and on TV.

"Old-fashioned commercial-break television is dead."

Bernd M. Michael, Chairman & CEO
Grey Global Group EMEA

"Seventy percent of today's TV commercials go up in smoke to no effect."

Johann Lindenberg, former Unilever boss

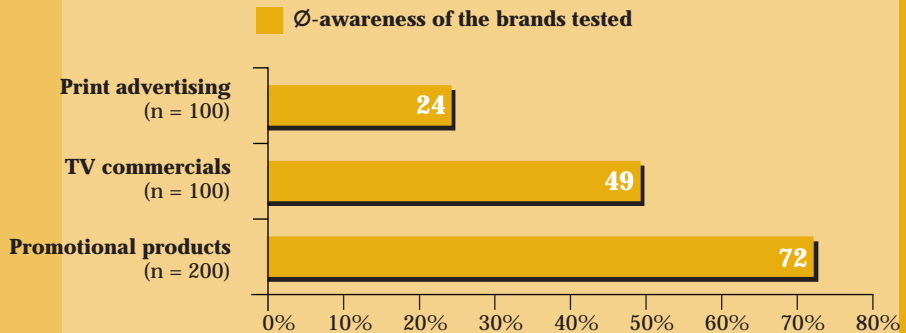
Traditional advertising is often incapable of getting over the first hurdle, perception. And when the brand message does not reach consumers, the deeper advertising effect goes entirely unnoticed. The established forms of advertising, whether they be printed ads or TV commercials, usually need the support of other advertising vehicles. These vehicles must meet with a more positive acceptance and attain greater awareness (perception of the advertising message). Networked communication is the name of the solution.

WHAT IS IT THAT MAKES AN ORDINARY PRODUCT A **PROMOTIONAL PRODUCT?**



Nearly every product can be used as a promotional product. Classic examples are ballpoint pens and calendars. New and innovative products, such as USB devices or perfume bottles, also qualify. Depending on the requirements, advertisers will choose a suitable product for an advertising campaign and put the desired message on it. This gives the advertising campaign that certain kind of buzz.

PENETRATION: UNAIDED AWARENESS



Question: Can you recall the advertising in Stern magazine / surrounding Stern TV / on the promotional products? Please try to remember: which brands or companies were advertising?

Reading example: On average, the brands tested generated unaided awareness of 72 % by advertising with promotional products.

Source: Advertising Impact of Promotional Products. Advernomics 2005

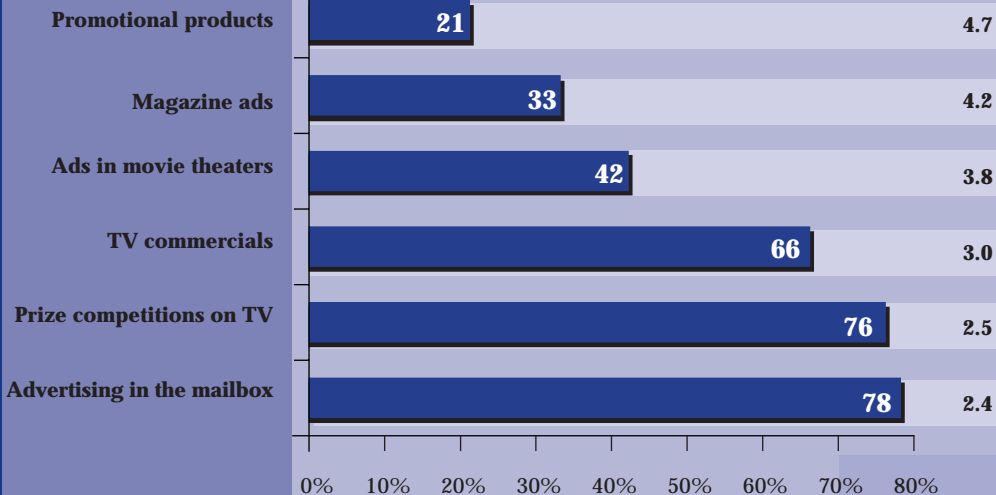
Advertising recall is the key factor determining the effectiveness of advertising. Advertising that is not perceived and whose contents are not internalized by consumers is worthless. A survey of unaided penetration (asking questions without naming brands) is the most reliable indicator for the effectiveness of advertising. It clearly shows that promotional products really are much stronger than other forms of advertising in this sense.

ACCEPTANCE OF SELECTED FORMS OF ADVERTISING

Scale from 1 (= I find them very annoying) to 6 (= I do not find them annoying at all)

■ TOP 3 BOX (n = 400)

Arithmetic mean

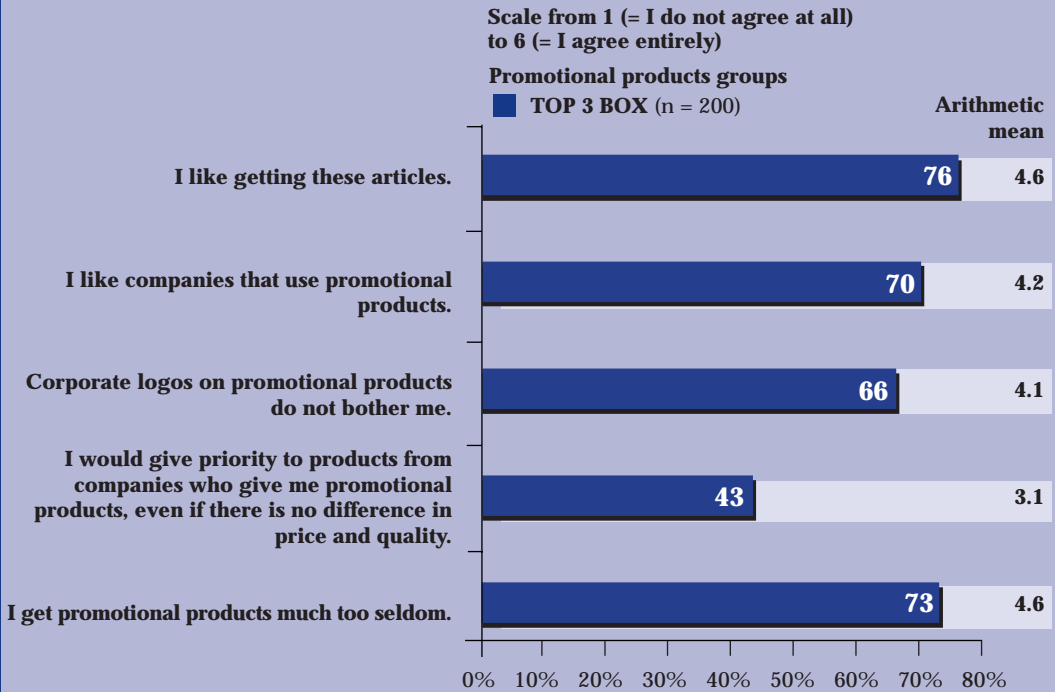


Reading example: Of those surveyed, 78 % consider advertising in the mailbox to be annoying. A mere 21 % of those surveyed consider promotional products to be annoying. With an arithmetic mean of 4.7, promotional products came off as not being annoying.

Source: Advertising Impact of Promotional Products. Advernomics 2005

When companies advertise, they choose their advertising channels with great care. Advertising media that consumers find annoying, that is, which have a low acceptance, generate a defensive reaction. This can go so far as to cause the brand or the company to be categorized as less appealing. Advertisers thus make use of the high acceptance of promotional products in order to offset the acceptance deficits of other advertising tools and to enhance the acceptance of the advertising campaign as a whole.

ACCEPTANCE OF PROMOTIONAL PRODUCTS IN DETAIL



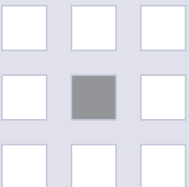
Reading example: Of those surveyed in the promotional products groups, 76 % are happy to get promotional products.

Source: Advertising Impact of Promotional Products. Advernomics 2005

A key challenge for advertisers is to design advertising that is well accepted by those it is intended to reach. As we all know, they are not always successful in their attempts. Promotional products are the best way to take this hurdle with ease. People are glad to get them (76 %). They like companies that advertise this way (70 %). And they would like to have more such products (73 %). This clearly demonstrates the great potential hidden away in this form of advertising.

Summary

- Promotional products are very well accepted and consumers are happy to get them.
- Promotional products are many times more effective than printed ads or TV commercials.
- Advertising on promotional products reaches consumers and can be deployed in a targeted manner (minimizing waste coverage).
- Thus promotional products have a good chance of making a lasting impression (the products are appealing, work well and are thus kept and used for a long time).
- Promotional products solve both core problems of traditional communications instruments – they are well accepted and their message is perceived by consumers.
- Using promotional products in a network with other advertising tools greatly enhances their chances of success.





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