

By Elise Hacking Carr

The Perfect Pair?

Assessing the value of a combined print and promotional product line

Nobody is perfect and, undoubtedly, society misses the mark on a lot of things. But sometimes, American culture produces seemingly minor gems that turn out to be some of the greatest pairings in history—pairings that make us mutter, “Why didn’t I think of that?”

Our lives are that much more enriched thanks to dynamic duos, including Hall & Oates, Laverne & Shirley, and wine and cheese. Now apply this concept to your business. There’s a new pairing that not only is making people talk, but it’s also making them some extra dollars: printed items and promotional products.

Sounds crazy, right? Don’t be so quick to judge. In our industry, more companies are opening their minds to the possibilities that can result from this pairing. The popular conclusion appears to be that this is the next natural step for print and promotional specialists, alike. iPROMOTEu is one company that abides by this philosophy.

Located in Wayland, Massachusetts, iPROMOTEu is a distributor organization of independent business owners known as affiliates. The company started off strictly as a promotional products company, but CEO Ross Silverstein eventually began to notice a progression of two like-minded industries (i.e., promotional and print) unfold and come together. In turn, he concluded that for distributors to open new revenue streams, they would need to enhance their value proposition. So, he invited Bob Schwei to join the team.

Schwei, a 10-year print industry expert, previously worked for a printing company selling packaging and presentation folders to the distributor channel. He also owned and operated a print and promotional products company, and he holds a Bachelor of Science

degree in Printing Management. Silverstein and Schwei talked over a six-month period about the potential of Silverstein’s observations, and both men identified such a move as a strategic goldmine for a distributor. This conversation led to the founding of iPROMOTEu’s print and packaging division, which Schwei serves as director.

Schwei is aware of industry critics predicting the end of print. His response to those individuals? They’re not looking at print closely enough.

“If you look at the market, print is roughly six times larger than the promotional products industry. ... If you take a walk outside and look around at everyday businesses, [you will see that] every business uses some sort of print in their daily operations,” Schwei said. “Now, can it be classified as a dying breed? Yes, certain components of it can, but again, it opens up the door for other components of print as well to help support what’s being replaced.”

Schwei believes iPROMOTEu offers affiliates several advantages. For affiliates already immersed in print, Schwei is available to evaluate current print projects, and from there determine how to maximize the efficiency of a project by selecting the most appropriate printers. iPROMOTEu offers affiliates a recommended print vendor network consisting of 23 printers, some of which have multiple locations throughout the country.

Schwei noted how important it is to soak up this vast supply of knowledge. “I believe education is the number-one tool when it comes to selling, especially in print (but in promotional as well). To do that is to give our affiliates the necessary tools they need, so that’s where a recommended network complements us well,” he said.

Continued on page 26

“They give us resale tools, samples, swatches, foil colors, prototypes, some design services and things along that line.”

Schwei practices what he preaches about education. He specializes in helping promotional products distributors that have never done print work but recognize the merging of the industries and would like to take an agency approach where they offer more of a single solution.

“I’m here to help them diversify into it and open up that revenue stream from that, which comes from strategic marketing, developing a business plan and also learning the terminology and the nuances of the industry,” Schwei said.

He pointed to Cliff Quicksell, MAS, as another advantage available to iPROMOTEu affiliates. Quicksell, a sales and marketing consultant with three decades of experience in the promotional products industry, assists affiliates with their business and marketing plans, and operates on the premise of selling on value and creativity. Schwei often works in tandem with Quicksell. He offered the following example.

When a promotional product is used as a standalone item, that doesn’t carry as much value as a business card does with print. “When you combine the two and develop a creative package that you’re able to showcase in a method or vehicle that combines both print and packaging, you then have a unique package and a unique offering,” Schwei explained.

PROMOTIONAL PROFITS

The promotional products industry is booming. According to the 2011 Estimate of Promotional Products Distributors Sales (sponsored by Promotional Products Association International and conducted by researchers at the University of Nevada and Glenrich Business Studies), the 2011 sales figures reflect an increase of 7.02 percent in distributor revenues over 2010. The increase puts the promotional product industry’s revenues at \$17,721,945,690. Based on the study, the top three product categories in 2011 were wearables (29.64 percent), writing instruments (8.99 percent) and bags (6.46 percent).

With the industry performing so well, this leads to the question: Do promotional products companies find anything beneficial about incorporating print into their product line? Gregg Emmer, vice president, chief marketing officer, of Batavia, Ohio-based Kaeser & Blair (K&B), said that while it may be a trend others are observing, he is not seeing it in the company’s extensive dealer group, which consists of more than 2,100 authorized K&B dealers (or independent business owners) nationwide. Quite simply, many K&B dealers don’t want to spend time that can be better used toward improving their promotional business. In their opinion, the true profits and true margins in printing don’t warrant the longer sales cycle, the extra time investment with clients and the lack of strong repeat business.

“You can spend three or four times as much face-to-face sales time with a client to complete a print project, which then produces far less profit. So, since all of our dealers are mostly experienced in selling promotional products, it wouldn’t make sense to introduce them to a product line that has a longer, more cumbersome sales cycle—even if it produced the same profit,” Emmer remarked.

“Now, granted, if anybody in the promotional advertising industry had the opportunity to become a sales agent for very large printing projects, it would make all the sense in the world and we do touch those from time to time.”

CASESTUDY:

The Value of Print

American Advertising Specialties NJ LLC, located in Tenafly, N.J., has been an iPROMOTEu affiliate since 2006. With roots entrenched in promotional products and decorated apparel, the company has been able to develop a diverse client base since its inception in 1999.

Something felt off to Art Silverman, president/owner, so he took a hard look at his business. “We were doing really well in the areas that we focused on to date and I’ve developed great relationships with my clients with high degrees of trust in terms of my company’s ability to provide quality service and creative solutions to their needs, the thought was: ‘Well, what else can I do for these folks to expand our revenue stream?’”

Print was the answer. But, for Silverman, there was a hurdle to overcome: printing vernacular. Silverman worked closely with Bob Schwei, director, print and packaging, iPROMOTEu, throughout the entire process.

The Job: One of Silverman’s best customers asked if his company did any print work because it was about to launch a 60,000-piece postcard mailing. This particular postcard came with some complications since a removable discount card was attached to it. Therefore, the discount card needed to be glued to the postcard itself and then be able to be removed by recipients at the client’s various nationwide network of outlets.

“Like any good sales organization, we said: ‘Sure, we can help,’ and what was great was that we were able to leverage Bob’s experience and expertise to help me write the specs for the project and identify the appropriate vendors out in the industry that could do a good job of producing this piece (and of course at a good price). Then, Bob was able to help me evaluate the quotes I received so that I could pick the right factory to provide me with the end product,” Silverman recounted.

The Result: Silverman’s customer was so pleased that the company came back two months later to do a 50,000-piece mailing.

The Advice: Silverman has no regrets about adding print to his product line. In fact, he picked up two new customers just in the last 10 weeks where he is doing exclusively print work, including postcard mailings, brochures and folders. “If they’re lucky to find somebody to work with, like I was with Bob, take full advantage of that, and then when you develop relationships with reputable printing operations that can support you both in terms of your education (regarding the vocabulary, what can be done, the best way to do things) ... I’ve got printing factories now providing me with branded collateral material that I’m going to be using in my formal introduction of print to my client base,” he concluded.

On the flip side, Emmer thinks it’s a natural extension for printers to add promotional products to their offerings. He explained that printers need to realize it’s still all about graphic communication—the difference lies in the substrate. “A printer prints on a sheet of paper, we print on an ice scraper,” Emmer said.

Furthermore, in regard to the sales cycle, nobody is better positioned than a printer, because the printer is generally the first point of contact when a business is contemplating doing some advertising. “The first person who they talk to is their printer because almost all of this stuff has some sort of print support to it or some sort of communication internally,” Emmer remarked.

“The other thing that I believe has happened for virtually every printer in the country is that in the course of doing some sort of printing, they will find out that there is intended to be a promotional component in the campaign and they have never had the opportunity

to say, ‘Well we can take care of that, too. We’ve already got your artwork, we can change it to fit that piece perfectly, you don’t have to go out and do more artwork, you don’t have to worry about approving proofs that are going to delay things—you can do it right here in my office, and we’ll take care of the whole project for you. We’ll make sure the colors are the same that we have on the printed pieces,’” he continued. “They are in the perfect place to be a full-service graphic communications source for their existing customers.”

If printers expect to gain any ground in their promotional product ventures, they must understand the concept of creative selling. Emmer stressed that people don’t buy “stuff,” they buy “outcomes.”

Printers who become active in the promotional advertising industry have to essentially relearn how to present themselves. Never go in with any assumptions because that can ultimately cost you a potential customer’s business. You might walk into their office and promote some great new product line that you think will increase their sales. What do you do if they’re primarily concerned with safety on the floor and they don’t want more sales because they have to focus on their staff? Be a consultative seller.

“Start the consultative process and say, ‘Hi, Mr. Customer. Great to see you today. What’s the most important issue you’re working on with your business?’” Emmer instructed. “If they say, ‘What’s it to you, you sell me print,’ that’s when you say, ‘Well, I’m also in complete graphic communication with promotional advertising and we (the industry) have been successful with business owners all around the country doing amazing things.’” If you’re lucky, the conversation will continue from there.

EVERYTHING TO EVERYONE

Located in Hunt Valley, Md., WebbMason recently revisited its corporate direction and made some changes. The company decided to acquire the resources necessary to reposition itself from being a “print distributor” into a single-source provider of print, promotional, interactive and integrated marketing solutions.

Doug Traxler, executive vice president, sales and marketing, believes one of the biggest surprises about WebbMason is how deeply it has moved into electronic and integrated marketing solutions for its clients. “In the same way we moved into commercial printing and then into promotional products in the late ‘90s and early 2000s, we have about an 18-month effort going where we’re building an integrated marketing solutions team and our customers are now starting to turn to us to help them build websites, develop mobile marketing solutions and e-mail campaigns, and also to help them make sense of their marketing data and analyze the data to see how effective the different channels are for them,” he said.

The company’s latest metamorphosis stemmed from the operating policies of their clients’ marketing teams. Their strengths did not encompass both new and old media. Unfortunately, in 2008 and 2009, the recession led to staff cuts and smaller marketing teams were expected to do more work and leverage all of the new ways of communicating. Customers soon turned to WebbMason.

“They asked: ‘Can you be this partner?’ and we thought, ‘Gosh, this is exactly the kind of problem we’ve always tried to solve for our clients, so repositioning ourselves to get those skill sets in-house through what’s become our interactive marketing team has really proven to be a great move,’” Traxler said.

Sound Off: The supplier perspective

We’ve heard from the distributors, but what do suppliers have to say about print and promotional products joining forces? *Print+Promo* spoke to Rebecca Tynan, creative services manager, Evans Manufacturing, Garden Grove, Calif. Here, she shares her perspective as a plastic products supplier for the promotional products industry.

Print+Promo (P+P): Are you seeing more distributors expressing an active interest in adding printed products to their promotional line? If so, why do you think this is and why is now a good time to make the transition?

Rebecca Tynan (RT): Yes, we are seeing more distributors expressing an active interest in adding printed products to their promotional lines. It is a great way to increase business and growth, and it offers a more complete marketing and sales package for their customer base. This is an ideal time to add printed promotional products because companies can grow with the growth of the economy.

P+P: Do you think adding promotional products to a product line consisting mostly of printed items is a natural extension?

RT: Yes, adding promotional products to a printed item product line is a natural extension. Writing instruments go hand-in-hand with printed materials. Companies can expand their corporate identity and marketing with items including writing instruments, drinkware and more.

P+P: Is the key to sales success to concentrate on creative selling instead of product-pushing? What types of questions should distributors be asking their customers (whether it’s promotional products or print)?

RT: The key to sales success is to find out the needs of your customers so you can customize a marketing package that will maximize their return on investment (ROI). It is beneficial to ask your customers what they are trying to accomplish and what their ultimate goals are, and then you can build a custom package based on that information and feedback. Other questions include:

- Where will the item be used?
- What is the target market?
- Are they trying to increase customer retention?
- Are they trying to build awareness for their brand?

P+P: Can you provide a case study where you helped a client with a print background become more involved with promotional products?

RT: A sign printer that we were working very closely with wanted to expand his storefront to offer printed promotional items. With his creative marketing strategies and keen attention to detail, he was able to build his business based on existing customers that were walking through his door. Business started with smaller clients, and word of mouth led larger clients to knock at his door. When you sell promotional products, you’re not an order taker, you are a promotional consultant, helping your customer build a custom package to best fit their needs. Adding promotional products to the storefront led to a 29 percent increase in business over a six-month period.

For more information, visit www.evans-mfg.com.

When asked about other trends he had witnessed, Traxler commented on the resurgence of promotional products. According to Traxler, the promotional products industry took a hard hit between 2008 to 2010. Many companies viewed promotional products similar to a “luxury marketing spend,” so they cut them from the budget in lieu of cutting staff or having the electric turned off.

“Marketers are coming back to the power of promotional products and how they’re part of an overall brand strategy, so we’re now starting to see strength return to that sector,” he commented. “They’ve always been critical, but we’re starting to see where maybe two years ago, [companies] would just send out a simple #10 package, now they’re back to maybe including a plastic card or including a USB drive. They’re recognizing that promotional products are a way to really differentiate their outreach or their brand-building efforts.”

Traxler views the print sector as a mixed bag. On one hand, products such as magazines, newspapers and operational documents are choking for air. But, overall, WebbMason thinks it’s an exciting time to be in the graphics market. Outreach marketing, retail, direct mail, direct marketing—all of these are categories he sees making a comeback.

“We think the category of print is alive and well, and as happened with the computer revolution 20 years ago, everybody said that was going to kill paper and all it did was explode the use of paper. The Internet is the same,” Traxler stated. “These product inquiries, information inquiries are generating a mailing piece or you ask for a catalog or a brochure or somebody’s going to send you a welcome kit—all of these

transactions that are happening in digital form are creating paper touch points at various places along the conversation. And if you’re able to talk to the client about the whole process, you’re picking up business that you never would’ve seen before.”

Traxler said it is inaccurate to describe print as a new source of revenue. Instead, he sees it as a more complete solution for customers. “Revenues will take care of themselves, but if you look at it simply from a product standpoint (i.e., here’s one more thing I can sell), you’re missing the mark,” he mentioned. “If you see it as: ‘Hey, every piece of printed material I ever printed for my client has their brand on it—so do all of these promotional products, it must be part of their brand strategy and that could be valuable,’ then that’s the right reason to get into business.”

And promotional products companies getting into print? Traxler described that as “tougher sledding.” He expanded on this concept. “It’s a different kind of sell. There’s many, many more product variables. It’s a more complex production environment and I just think it’s a steeper slope to climb.”

Perhaps Schwei summed it up best in his final thoughts. “Don’t look at it as an industry as a whole, whether it be the print [side] or the promotional side, but look at it in pieces, where the need lies within your client and how it can really fit into your product niche,” he said. “It is a promotional products distributor’s, as well as a print distributor’s, job to truly understand what the expectation and goals of the clients are and, in turn, to utilize their expertise in both fields to go in and effectively provide a solution.” ■

Don't Break Your Customer's Budget.

Our Badges are Reusable and Affordable!




The Budget Badges!



Item # 08803
Item # 08804

The Orlando Badges!



Item # 08805
Item # 08807

Now a part of Season Promotional



The Atlanta Window Badges!



Item # KT907
Item # KT908




Phone: 813-851-5141
www.imagerygroup.com
ASK FOR OFFICER GROUP SALES 1.000



Ad 30250 SAGE 0726 UPIC Boscon