

NOVEL OR JUST NOVELTY?

From undies to red noses, the industry is scrambling to create the next new promotional product. But just how effective are these toys and trinkets at the end of the day? **Bryn Taylor** finds out.

With traditional media costs blowing out, and the effectiveness of these channels on the decline, in 2008, marketers are being forced to look for more creative ways to get their message out there. While digital channels have provided marketers with myriad innovative new opportunities, promotional products are also enjoying a resurgence. Never the ‘trendiest’ marketing channel out there, promotional products nonetheless offer marketers a unique opportunity to get their product, service or brand name in front of their target audience on an ongoing basis. The right promotional product can generate affection and loyalty and be kept for years at close reach, and for marketers who get the mix of creativity and functionality just right, a powerful relationship can be established with the consumer.

“Because promotional products are tangible, their useful life is longer and more repetitive in nature than above the line marketing methods,” says Andy Galbally, founder of Chilli Promotions.

“Furthermore, consumers are embracing instant gratification more than ever – products that amuse and that are well-aligned to a brand’s proposition will facilitate better brand recall and loyalty. A well-thought out product can cut through the advertising clutter and drive your brand to the forefront.”

According to William Kestin, CEO of the Australasian Promotional Product Association (APPA), below the line advertising expenditure exceeded above the line advertising for the first time in Australia in 2007.

“This is very significant as more marketing spend is being put towards promotional products, outdoor and other ‘non-traditional’ forms of advertising.”

It’s not hard to see why. According to figures provided by APPA, 71 percent of business travellers surveyed at an international airport recently reported having received a promotional product in the past 12 months, 33.7 percent of this group had the item on their person and 56 percent said that they kept their promotional product for more than one year.

Perhaps most importantly, from a recall perspective:

- ◆ 76.1 percent of the respondents could recall the advertiser’s name on the product they had received
- ◆ 100 percent of advertisers said that adding a promotional product returned a favourable response to their campaign
- ◆ 69 percent of advertisers said promotional products increased brand interest, and
- ◆ 84 percent said it created more favourable impressions of the brand itself.

“As marketing budgets get tighter, marketers have to find more creative ways to make their budget stretch further,” says Kestin.

“Because promotional products retain the ‘message’ in the marketplace longer than traditional forms of advertising and are generally less expensive, more creative marketers are using them as an integral part of their marketing strategies.”

Recognising this, many marketers are now giving promotional products more serious consideration and allowing more time to develop interesting and effective concepts.

“Brands are smarter and more strategic now, developing custom-made items that motivate their target market and send a strong brand message,” says Fiona Novotny, CEO of MaCher.

“Some brands are introducing new technologies to their customers through incentives and packaging to reinforce their cutting edge image. The shift to more eco-friendly products is also having an impact.

“When they're not done correctly, they cheapen the brand and the consumer has a residual association with a poorly implemented product.”

WILLIAM KESTIN, APPA

CASE STUDY 1

Supplier: The Marketing Store

Client: Cereal Partners Worldwide

Campaign: Hey Gilly

To drive sales of Milo cereal in a competitive market dominated by licensed promotions, Cereal Partners Worldwide wanted a new in-pack premium that would also encourage kids from the target market to connect with cricket.

The Marketing Store developed two innovative CD ROMs featuring 'Gilly' – Adam Gilchrist, the Milo brand ambassador. The CD ROMs contained a voice activated computer version of Gilly, who could open folders, emails or favourite websites, speak back, and even give cricket tips, all via voice activation. Also included on the CD ROM were exclusive Gilly screensavers and wallpapers. This promotion was the first in Australia to use a new 'DNA' technology.

The Marketing Store produced Gilly masks and cricket cards to be handed out at launch events where there were interactive hubs for kids to watch demos. They also developed an interactive website with games and an animated Gilly. In-store presence included special motion-activated shelf talkers with Gilly's voice – another first in Australia. The promotion appealed to the target market, especially the core, which is very tech savvy. There was an 18 percent sales increase in the product during the promotion.

Packaging is becoming more reusable, which is great for the environment, but also great for brands that can capitalise on this by producing functional, stylish items that become permanent brand reminders in homes.

“Brands that have achieved strong returns on previous investments are becoming more confident in allocating more budget, which means higher quality products. In turn, this creates an even stronger campaign.”

So what makes a good promotional product? There is certainly now a much greater focus on ensuring that promotional products are functional and effectively tied to an organisation’s other marketing activities. “Design is about function and form, so it’s important to achieve both when creating a sales-accelerating item,” says Novotny.

“Having a function means having a use, which means people will interact with your brand more often and it will be considered a true value-add. Functional items keep brands front of mind and help achieve maximum exposure and coverage without ongoing costs. If it’s conflicting, it can damage other branding work.”

Michael Hanrahan, marketing director at Accure, believes that great promotional products are always part of a great all-round campaign that may involve many different aspects.

“It’s the coming together of all the different parts that makes the promotional product truly great. You can run a good promotional product campaign on its own to remind people of the brand or brand message, but, in our opinion, these never really have the chance to be iconic.”

CASE STUDY 2

Supplier: Wompro

Client: SIDS and Kids

Campaign: SIDS and Kids Red Nose Day 2007

Red Nose Day raises revenue to research and eradicate SIDS and educate the wider community. This year was its 20th anniversary. Each year the market is flooded with charity products designed to entice consumers and SIDS and Kids must try to increase donations in a short period of time.

Based on its target market, Wompro designed and developed a full below the line creative campaign. The core of the design began by developing a new character, ‘Red’, who was a retro homage to the original ‘red nose’ concept. As in previous years, the product development drove every part of the overall campaign.

Wompro implemented online market research to ensure the range was driven by consumer choice. It ensured that high perceived value resulted in highest returns. Wompro also developed all the POS boxes, packaging, posters, mobiles, banners, order forms, brochures and an online store.

Wompro delivered goods on time and met all the required safety standards. Some products have remarkably had a sell-through rate of up to 90 percent while online sales have increased from the previous year and are still growing. Three new lines were developed that will be sold throughout the year while new partners have joined SIDS and Kids. There has been interest from overseas SIDS organisations to join the Wompro model of success.

THE MISTAKES PEOPLE MAKE

APPA CEO, William Kestin

- Thinking of a promotional product as a commodity and being so busy looking for the ‘best price’ you end up selecting inferior products, many of which end up causing safety issues, recalls or, worse still, illness.
- Providing inferior artwork with no lead times and wondering why there isn’t more creativity coming from promotional products companies and why the reproduction of their logo is poor.
- Not verifying that you are dealing with an APPA member before you buy and then being frustrated when APPA can’t negotiate the problem.
- Thinking of promotional products as an ‘add-on’ and ‘give-away’ and missing the point that they’re a tool, a trigger to motivate and get a response.
- Not taking advice from a product professional.
- Thinking that tangible marketing is the same as print, television or radio. Successful creativity in our industry takes technical expertise and product response rate knowledge to be successful.



The impact on brand seems to be an increasingly great consideration for marketers. While previously, promotional products were often used to burn spare marketing budget, marketers are increasingly using them as brand builders and recognising the powerful effect they can have on an organisation’s brand.

“When done correctly, promotional products can redefine a brand or change and enhance a brand,” says Kestin. “When they’re not done correctly, they cheapen the brand and the consumer has a residual association with a poorly implemented product. The biggest minefield here is marketers who make ego-based decisions because they ‘like’ the product themselves. It has nothing to do with their target market. That’s where you need to trust a professional APPA member who does thousands of promotions a year.”

Hanrahan agrees, saying that as with any discipline of marketing or advertising, the brand’s core message should be at the heart of any communication.



QUESTION

What are three key things to remember when planning a promotional products campaign?

Andy Galbally - founder, Chilli Promotions

- ensure brand and product are in synergy
- select products with a long shelf life, and
- choose creative products that will ensure lasting brand recall.

Dorry Kordahi - managing director, DKM

- **Concept development** - Allow time for a concept development stage to work out your true needs and how the product relates to the campaign.
- **Timing** - Ensure your timelines are realistic and plan ahead to give your supplier sufficient time to source quality product within your budget.
- **Budget** - This is a critical stage in your planning. You need to be realistic about your budgetary restraints. This will assist in providing clear direction on the types of products available to you.

Michael Hanrahan - marketing director, Accure

- **Engagement** - Clients need to engage people in meaningful conversations. Trying to sweep through a marketplace with a broad brush doesn't have the same effect it used to. Spend more time conversing with those who are listening and less time on those that aren't - you'll find those not listening may just come around.
- **Experience** - Too many brands, too many choices and not enough time. Leaving an impression of the brand now means more than a two-colour pad-printed logo. If you truly want to talk with people, provide experiences that will alter perceptions and allow interaction... it's an eight-way street! This means creating touch points in different consumer environments, on different levels and driving the promotional products and campaign through the line.
- **Product innovation** - Impact value doesn't always mean 'expensive'. Trusted products delivered in the right context or in stages to build crescendo can be very effective. Creativity and brilliance is all about moulding raw ideas with imaginative delivery.

CASE STUDY 3

Supplier: Walkin' Promotions

Client: Ausfilm

Campaign: Ausfilm Business Merchandise 2007

Ausfilm's 2007 marketing goal was to promote its new website and its redesigned logo. To do this, the promotional range would have to cover three specific markets: international tradeshows (low end), Ausfilm functions locally and overseas (mid-range) and business meetings (high end).

Walkin' Promotions designed products that represented the key themes of the film industry and were distinctively Australian. The products were used at a number of events over a five-month period, including Australia, Hong Kong and Los Angeles. Highlights were a 'Moonlight' pen, perfect for film executives to make notes during screenings and the LCD film camera clock.

The range was delivered under budget, allowing further merchandise to be supplied. There was an 18 percent increase in visitors to the website over the five-month period with specific spikes after shows where products were distributed. Ausfilm won five prizes at the Association of Film Commissioners International Marketing Awards in Los Angeles for its integrated product campaign, which included the top prize for Best Advertising Series/Campaign.

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WILLIAM KESTIN, APPA

“It's useless having a product that has no link to the brand or its message especially in such a fragmented marketplace. There is a lot of talk about campaigns that go through the line and it's these that have an alignment of the brand message and medium being used. Promotional products need to be an integral part of the planning process in order to achieve alignment with the rest of marketing and advertising activities and not be just a tack-on when there's room in the budget.”

So what should marketers watch out for when planning promotional product campaigns? What mistakes are commonly made in pursuit of the perfect promotional product?

Managing director of DKM, Dorry Kordahi, concludes, “People can at times miss the point of utilising promotional merchandise as part of their campaigns. The most important thing is not to rush the thought process, don't leave it to last minute and always relate the product back to your core message.”

What other media (e.g. radio, TV), if any, were used in the program?

None. The client felt that the strength of the direct marketing campaign alone would connect with its customer base and create enough shock value to get people talking about the product and create a broader interest to non-customers.

How much was spent on promotional products?

The challenge was to develop a product that communicated the message of winning an extreme experience for under one dollar. A total of 90,000 pairs of underwear were ordered and produced at a cost per unit of \$0.99 plus GST, this included a two-colour print.

What results were achieved relative to the objective for the promotional product?

The underwear direct mailing piece is regarded by Just Car Insurance as an outright success. The underwear was the driving element of the program enabling its primary objective of a five percent response rate to date to be realised. In excess of 5000 people took the time to fill in and return the entry form/questionnaire.

Furthermore Just Car Insurance found that the promotional product achieved and went beyond the unquantifiable 'talk of the town' element with hundreds of people discussing the quirky

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nature of the product through dozens of chat rooms, blog sites and car sites. Some people went as far as posting images of themselves wearing the underwear.

A positive brand experience for the member was an equally important result of the product and can be highlighted by the positive feedback provided to the Just Car Insurance phone operators as well as many thank you emails.

Many customers rang in requesting additional pairs of undies for siblings or friends as they perceived the product as 'cool' and obviously functional and wanted to further participate in the promotion. Customers also showed initiative in their use of the product, with one example of the product being used as a car headrest.

Just Car Insurance has further established itself as a car insurance company that 'sees things differently' and understands its customer base and core target market. **M**

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