

## CLEVELAND BUSINESS

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# Promotional product specialists strong in tight times

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It may be the gift-giving season, but for Northeast Ohio companies in the promotional products trade, the tough economy and tight ad budgets have made the business about more than slapping logos on shirts, pens and golf balls.

"The industry has matured to say, 'We're not just pushing product, we're pushing solutions,'" said Brian Smith, president and chief operating officer of Proforma, a provider of custom promotional products and business forms in Independence. "The people at risk are the providers of product who

are trying to do it at the price points that will win them the business."

In its most recent industry report, the Pennsylvania-based Advertising Specialty Institute said third-quarter advertising specialty sales were down 1.6% compared with the like period in 2007. Despite the recent softening, Anne Lardner, senior communications manager for the trade group Promotional Products Association International, said domestic sales in the business reached a record \$19.4 billion in 2007.

"Over the past 20 years, there have been lots of ups and downs in the overall economy, but promotional products have consistently stayed up," Ms. Lardner said, noting

that putting a company's name literally in the hands of a specific audience "gives us an advantage in a down market because you don't want to risk your advertising dollars" going for a wider reach.

Proforma's Mr. Smith said he's forecasting 10% sales growth for 2008 and has similar expectations for 2009 despite a market where customers are trimming budgets, though he isn't seeing wholesale elimination of product giveaways.

"If someone's doing a golf outing and they used to give away three things, now they're giving away two," he said. "This is not a post-9/11 situation where things are paralyzed."

Bruce Felber, creative director

of Felber & Felber Marketing in Twinsburg, also is hearing anecdotal evidence of the industry's ability to weather tough times.

"The majority of promotional product consultants I talk to, they're telling me their business is still going strong," said Mr. Felber, who was elected in October to the Promotional Products Association International board of directors.

Mr. Felber said the term "promotional product consultants" is a reflection of his industry's move toward a more agency-minded approach that looks at promotional products as part of an overall marketing strategy.

"'Distributor' and 'supplier' are

antiquated terms," Mr. Felber said. "None of us are sitting here with warehouses full of stuff waiting to put your logo on it."

At The Shamrock Cos. in Westlake, promotional product sales account for about \$8 million in business annually, and the company is forecasting 12% growth this year, according to president Tim Connor.

Much of those sales come from companies looking to energize their sales forces, particularly in the contracting and do-it-yourself building businesses, Mr. Connor said. There's growing interest, he said, in Shamrock's higher-end, lasting premiums such as Apple iPods and Bose stereo systems. ■