

The Truth Is



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A New Study Gives Emphasis To
The Role Of Promotional Products
Within The U.S. Workforce

By Moumita Das

Trust. It's a powerful asset in business and essential to the effective and efficient functioning of the markets that underpin our vibrant economy.

Philosophical changes in human capital management are taking place in response to the radically shifting workforce, workplace and the very definition of work. These shifts are due, in part, to the public's declining confidence in the traditional structures of leadership. In fact, the 2018 Edelman Trust Barometer reveals a trend toward rising distrust in business, government and media, providing fertile

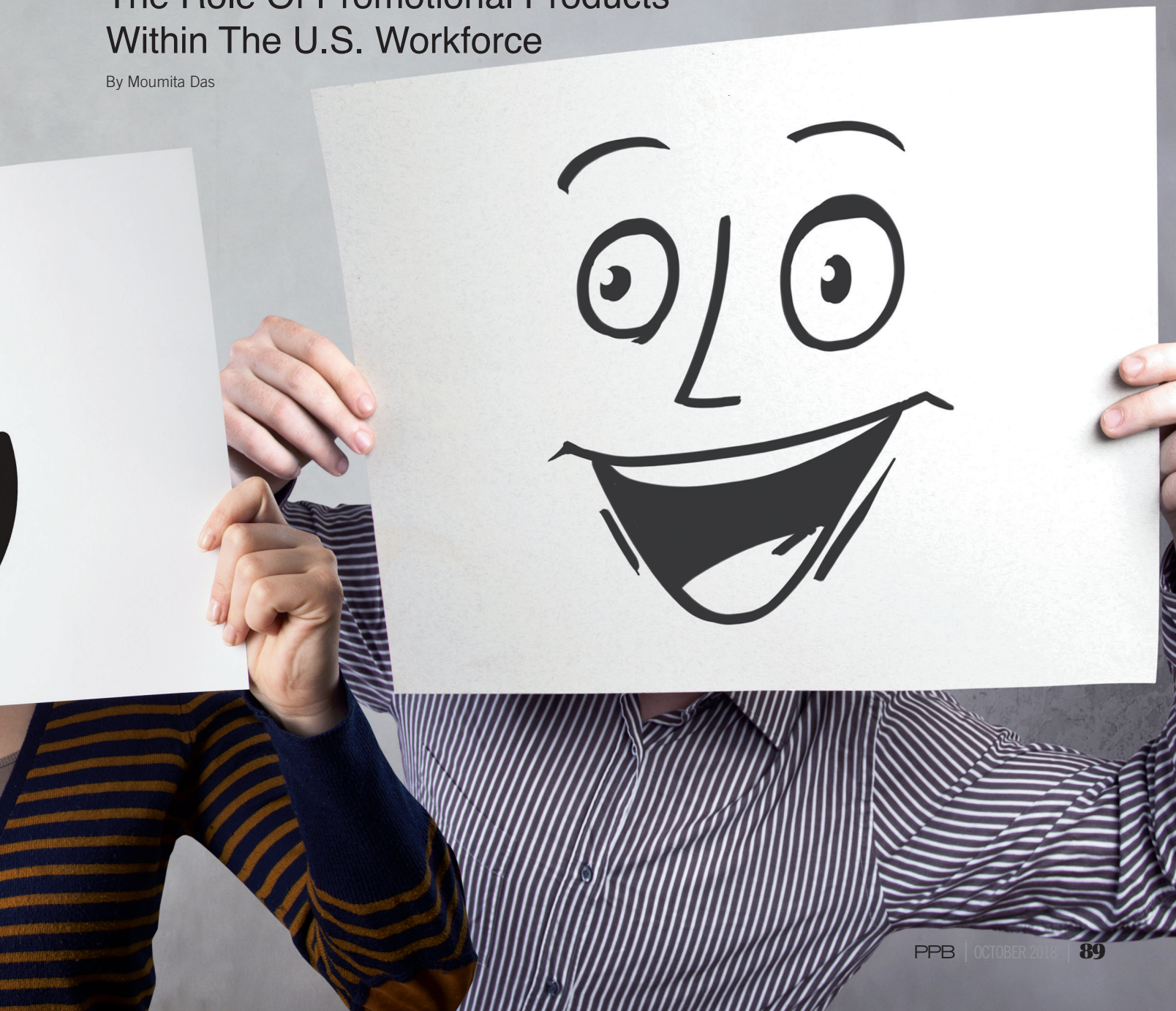
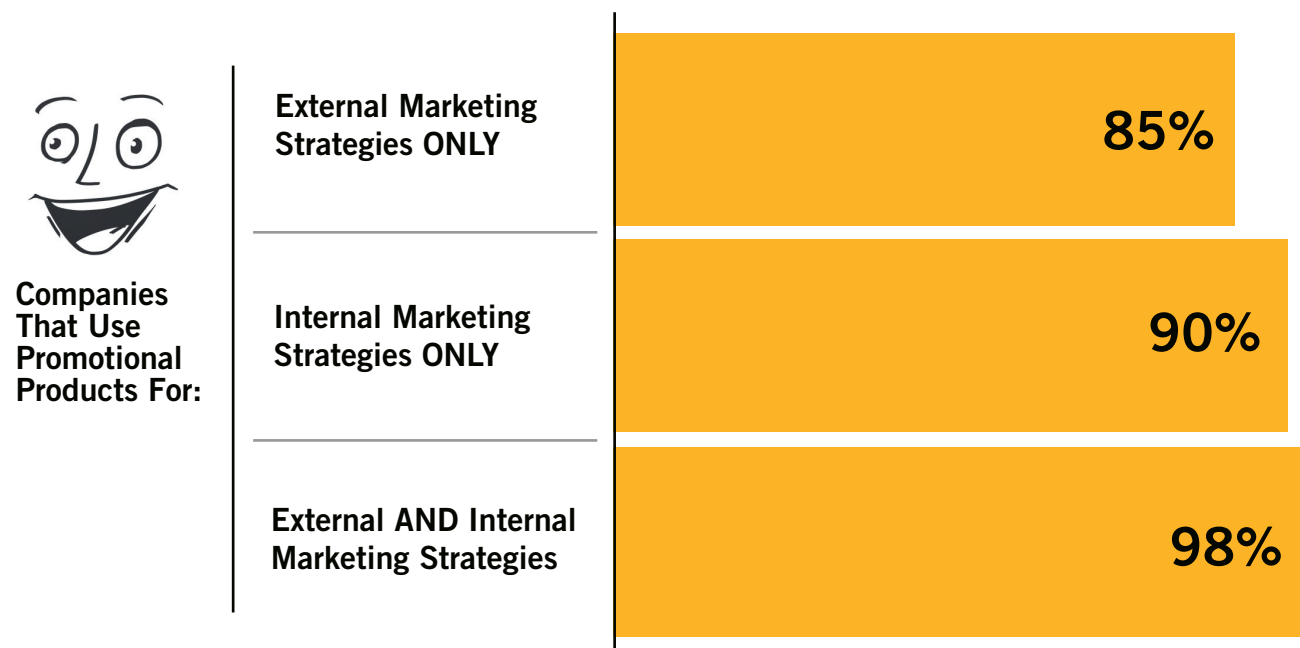


Figure 1:
Employee Confidence,
By Marketing Strategy

“I know what my employer stands for and what makes the brand different from competitors.”



Source: PPAI 2018 Consumer Study

ground for populist movements. This lack of trust has created opportunities for brands to establish their credibility and rebuild trust in the marketplace by looking within.

According to Edelman’s findings, consumers consistently identify employees, not company leaders, as a company’s most trusted spokespeople. This has prompted a surge of interest in establishing and strengthening employee engagement and advocacy programs, an internal marketing strategy that has historically included promotional products. As a result, promotional products have taken on a renewed importance for many companies reprioritizing their brand strategies.

In PPAI’s 2017 Sales Volume Study, distributor companies indicated ‘Employee Relations & Events’ as

their clients’ most common use for promotional products (18.5 percent), topping the charts for the first time since 2007, when sales in this category were estimated at \$2.4 billion. Ten years later, brands are spending nearly \$4.3 billion, an 84 percent increase since 2016.

What Starts Within, Spreads Throughout

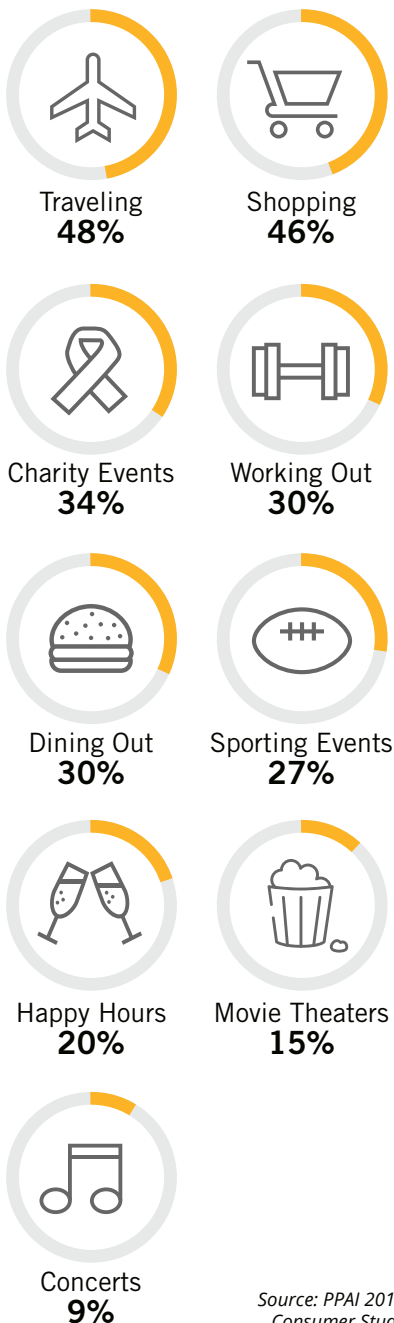
A brand is no more than a badge of identity and a promise of performance—a promise that can only be kept by those who fully identify with the brand. Given the bewildering number of brand touchpoints that exist in today’s hyper-connected world, it is increasingly important for companies to be more conscious of streamlining external and internal branding with a consistent message.

Promotional products have proven to be an effective external marketing strategy that when used in isolation, can effectively elevate a brand with the company’s internal stakeholders. In fact, 85 percent of employees at companies that use promotional products solely for external marketing strategies say they know what their employer stands for and what makes their brand different from the competition. Yet, when branding is supported by a symbiotic relationship between its internal and external stakeholders, the results are far more overarching and beneficial—as evidenced in PPAI’s 2018 Consumer Study. Results include insights from a nationally representative sample of more than 1,000 employees drawn from third-party panel provider, Worldwide MR. Though there



Figure 2:
Promotional Products In Employee Lifestyles

Q. Where have you used company promotional products outside of the workplace?



Source: PPAI 2018 Consumer Study

are many uses for promotional products, the study defined employee communication, incentive, recognition and onboarding programs as internal marketing strategies. Findings show an astounding 98 percent of employees feel confident in their companies when promotional products are used

harmoniously between external and internal marketing efforts (*Figure 1*).

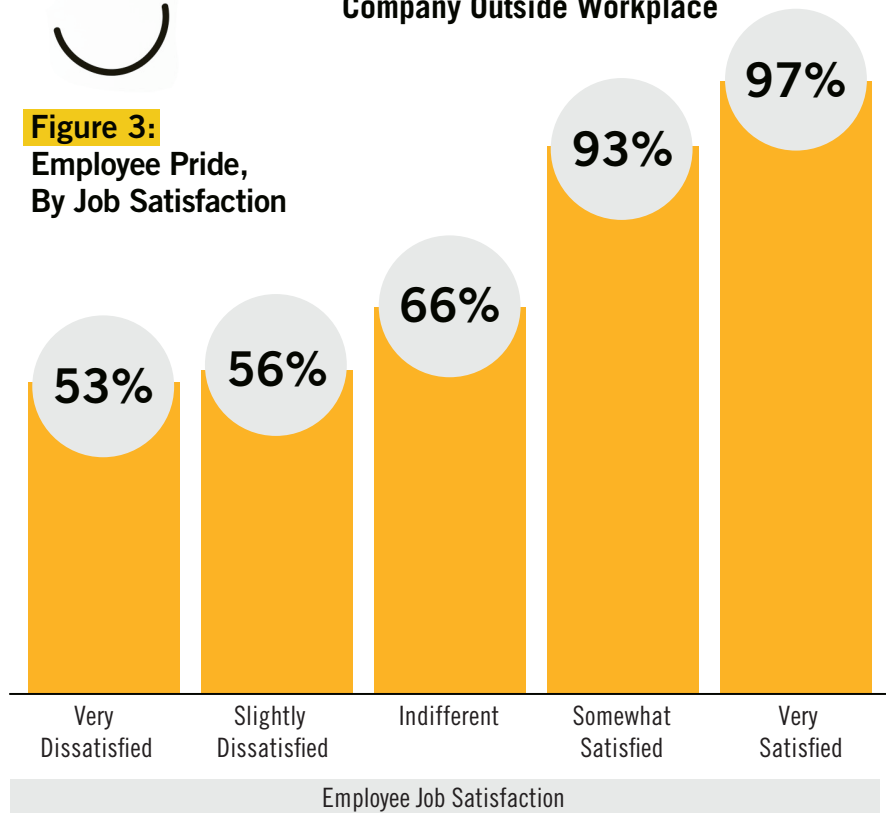
Products Carry The Mark, People Carry The Message

Internal marketing was once under the human resources function with responsibility to communicate information necessary for employees



Figure 3:
Employee Pride, By Job Satisfaction

Feel Proud To Represent Company Outside Workplace



Source: PPAI 2018 Consumer Study

to complete their jobs. The philosophy was to maintain a separation between the employee and the brand; in other words, the brand was the result of the employees' efforts. Today, marketing focuses on effectively translating the functional, symbolic and emotional aspects of the brand into something relevant and meaningful to employees. If successful, the brand

identity and employee behaviors will work in concert, continually and effortlessly reinforcing one another.

Promotional products perform in much the same way with the added benefit of symphonically integrating the brand into employees' lives far beyond the confines of the formal work environment. Study findings reveal 87 percent of employees use

promotional products outside of the workplace, organically extending the brand reach through a variety of activities that fit their lifestyle (*Figure 2*). One survey respondent, a full-time employee in the technology industry, says, “I have a company thermos. I take this everywhere—dinner, shopping, work. Not only does it promote the company, but it’s a good quality container that I value.”

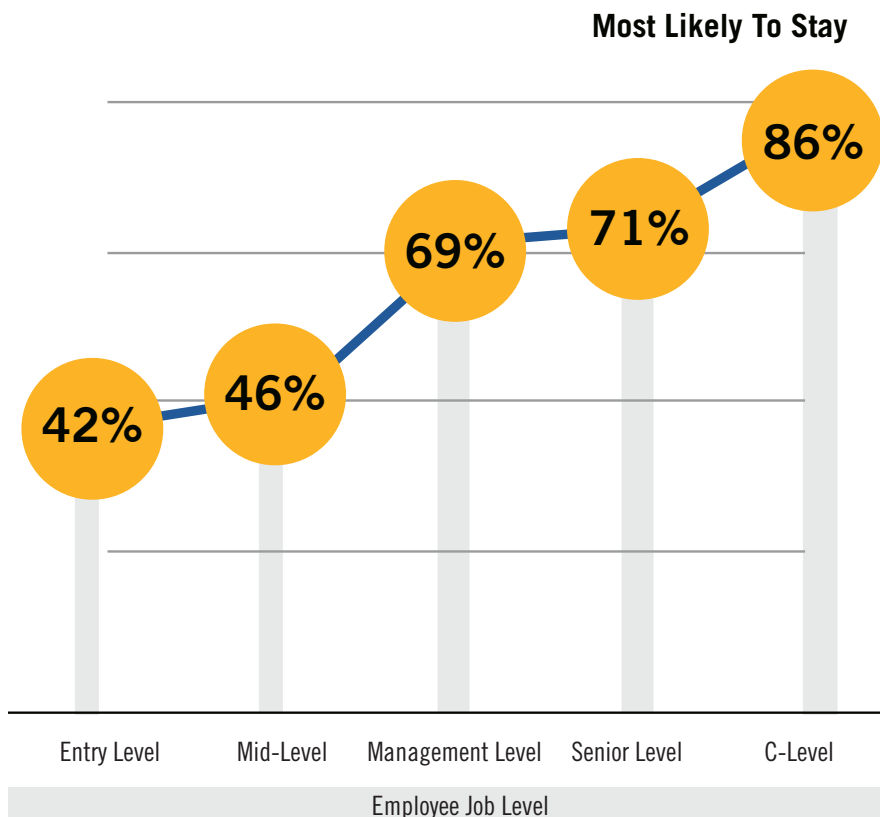
Given the pace of change in competition OR for competition and the constant pressure to adapt, companies who fail to engage their employees with their brands will find it costly to outpace the competition. In fact, research consulting firm Gallup estimates that an actively disengaged workforce costs as much as \$550 billion in lost productivity in the U.S. per year. Companies with an engaged workforce, however, outperform the disengaged more than 200 percent.

Companies that use promotional products for internal branding inspire a culture of brand champions inside and outside of the workplace. Study results reveal 90 percent of employees say they are proud to represent their companies in public. However, as one would suspect, employees who are more satisfied in their jobs are more likely to portray a sense of pride and belonging to the company. Fifty-three percent of employees who said they were very dissatisfied in their current positions are proud to wear their employer’s brand outside of the workplace compared to 97 percent of those who are very satisfied in their jobs (*Figure 3*).

Much like external marketing, which seeks to attract new customers and retain existing ones, internal marketing strategies seek to attract potential employees, while retaining existing ones. When employees feel one with a company, it fosters a greater synergy and trust in the company that makes the brand even stronger,



Figure 4:
Employee Retention Rates,
By Job Level
(at companies that give promotional products)



Source: PPAI 2018 Consumer Study

and thus more attractive to others.

Because loyal employees are more likely to become brand champions, programs that build employee trust and commitment are paramount. In general, more than half (57 percent) of the U.S. workforce is more likely to stay with a company that provides promotional products over a company that does not. Results show minimal disparity between generations; Millennial and Generation X employees both feel slightly stronger loyalty (59 percent) to companies that give them promotional products compared to 56

percent of Baby Boomer employees, who said it was not likely to impact their decision to stay. When looking at this type of loyalty by job level, 69 percent of managers, 71 percent of senior level employees and 86 percent of C-level employees said they felt stronger loyalties compared to 42 percent of entry-level employees (*Figure 4*).

There’s a natural attrition rate within any company. Yet, employees who depart feeling appreciated for their work, leave as perennial brand champions. As a full-time employee in the nonprofit industry

said, "I love my coffee mug from a previous employer. I received it as a thank-you for donating to my agency. It makes me proud to use it—even at my new job."

Promotional products are the only form of advertising that can be effectively used the same way as both an internal and external marketing strategy. When aligned, companies are better armed to build, nurture and grow thriving brands customers can trust.

Moumita Das is the research manager at PPAI.



Inside The Full Report

The 2018 PPAI Consumer Study uses five known metrics to answer key questions related to the use of promotional products in the U.S. workforce.

The full report explores the five R's to offer complete insights on the role of promotional products from an employee perspective.



Find the 2018 Consumer Study and more exclusive PPAI Research at www.ppai.org/research.

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