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REPORT

APRIL 2016

SALES

Overcome 7 Common Client Objections

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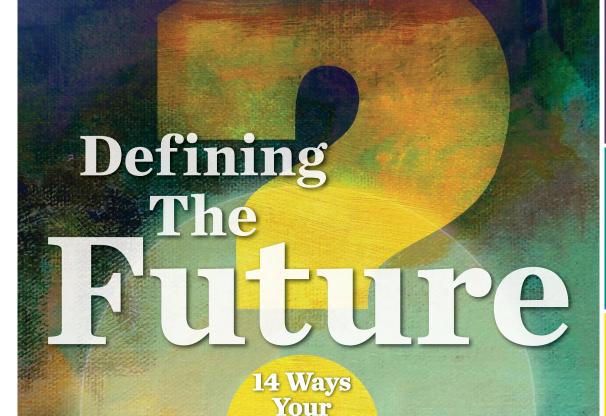
Zika Virus Stimulates Bug Repellent Sales

ATA

Presidential Promo Poll Predicts Winners

EVENTS

Strategies & New Products From ASI Dallas



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Change

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White 2XL – 4XL Silk-Screen

As Low As \$5.89(C)

Colors S - XL Silk-Screen

As Low As \$3.69(C)

Colors 2XL – 4XL Silk-Screen

As Low As \$6.49(c)



XS - XL Silk-Screen As Low As \$11.59(c) 2XL Silk-Screen

As Low As \$13.79(c)

3XL Silk-Screen As Low As \$14.99(C)

4XL Silk-Screen

As Low As \$16.09(C)















#PC54 Port & Company® - Cotton T-Shirt

- 5.4 Oz., 100% Cotton 98/2 Cotton/Poly (Ash) 90/10 Cotton/Poly (Athletic Heather)
- 50/50 Cotton/Poly (Neon Blue, Neon Green, Neon Orange, Neon Pink, Neon Yellow, Dark Heather Grey, Heather Athletic Maroon, Heather Purple, Heather Navy, Heather Red, Heather Royal, Heather Sangria, Heather Dark Chocolate Brown)
- Tag-Free Label









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Delivering Design on a Budget



XS - XL Silk-Screen As Low As \$11.59(C) 2XL Silk-Screen As Low As \$13.79(c) 3XL Silk-Screen As Low As \$14.99(C) 4XL Silk-Screen As Low As \$16.09(C)



#DM136L District Made® - Ladies' Perfect Tri™ 3/4 Sleeve Raglan

- 4.5 Oz., 50/25/25 Poly/Ring Spun Cotton/Rayon, 32 Singles
- Tear-Away Tag

White S - XL Silk-Screen As Low As \$4.39(c) White 2XL – 4XL Silk-Screen As Low As \$6.89(c) Colors S - XL Silk-Screen As Low As \$5.19(c) Colors 2XL – 4XL Silk-Screen As Low As \$7.39(c)



#DT6000 District® - Young Men's Very Important Tee®

- 4.3 Oz., 100% Ring Spun Combed Cotton, 30 Singles
- 90/10 Ring Spun Combed Cotton/Poly (Light Heather Grey)
- 50/50 Ring Spun Combed Cotton/Poly (Heathers)
- Tear-Away Tag

You're Gonna Grow Attached to our Lanyards





Item #PVI - Polyester Value Imported Lanyard

1-Color, 1-Side Imprint

- 36" polyester lanyard
- Pricing for lanvards includes Split O-Ring attachment
- Set-Up: 1-Color, 1-Side Imprint: \$35(g)
- Stock Colors: Black, White, Red 186C, Red 485C or Reflex Blue C.
- NO NQP or EQP price breaks

	500	1000	3000	5000	10000	25000)
1/2"	.86	.76	.66	.60	.49	.47	6C
3/4"	.96	.84	.74	.70	.56	.55	6C
1"	1.06	.90	.80	.76	.62	.61	6C
Production Lead Time	14 Days	16 Days	16 Days	18 Days	18 Days	18 Days	

Item #DSI - Dye Sublimation Imported Lanyard

Dye Sublimation 1 or 2 Sides 4-color process on 36" white lanyard

Pricing for lanyards includes Split O-Ring attachment

- Dye Sublimation 1 or 2 Sides: Per Design: \$65(g) for same logo on one or both sides
- NO NQP or EQP price breaks

	500	1000	3000	5000	10000	25000	
1/2"	1.17	.92	.77	.60	.62	.57	6C
3/4"	1.37	1.02	.87	.77	.72	.67	6C
1"	1.52	1.17	.97	.87	.82	.77	6C
Production	10 Days	12 Days	15 Days	15 Days	15 Days	15 Days	

Lead Time

Additional Cost Per Attachment

Swivel J-Hook: \$.06(g) • Swivel Bulldog Clip: \$.06(g) • Lobster Claw: \$.06(g) Breakaway Safety Buckle: \$.12(g) • Quick Release Buckle: \$.10(g) • Mobile Phone Release: \$.07(g)







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The Ad Solution (asi/108200)

AdvancedEMedia Makes Impossible E-Commerce Possible

When The Ad Solution faced a last-minute company store challenge, it sought the help of experts at AdvancedEMedia to come through for their client.

Times have changed. The Ad Solution was founded over 30 years ago, when the industry was dominated by product catalogs and airline miles for face-to-face meetings. It is no coincidence that over the past three decades, just as technology has advanced by leaps and bounds, so, too, has the Ad Solution. "With our clients scattered from coast to coast in the United States, technology has streamlined the necessary process of identifying the needs of these clients and, ultimately, putting innovative branded products into their hands," says Founder and Chief Marketing Officer Jeffrey Linowes.

Gone are the days of mailing catalogs to show options and ideas. "We now are able to compile electronic product decks that include detailed 2-D/3-D product mockups so clients are immediately able to visualize finished products before production even begins," he explains. "Once products are created, technology has allowed us to also offer additional options to aid the client in the distribution. With online stores and 'pop-up' shops, we can create a custom online storefront that makes it simple for either employee or consumer to choose the items they want and have them shipped directly to them both fast and efficiently."

Internally, technology has also changed the office landscape. All employees now have the ability to work remotely and meet remotely with clients anytime. Linowes highlights the benefits: "As we saw this winter, just because there is three feet of snow on the ground doesn't mean you have to miss your afternoon client meeting. With online meeting capabilities, we are always available to serve our clients, regardless of Mother Nature. Technology has afforded us the extra time to focus on each client, and make them feel as if they are always our main priority – because with The Ad Solution, they are!"

As with any business, however, there are surprises and challenges. Last December, The Ad Solution encountered a situation where its company store provider undertook a large project for 2016 and notified Linowes in the final weeks that they could not complete the client's requirement for integration onto their Ariba platform. Linowes acted quickly: "As an iPROMOTEu affiliate, I contacted them for assistance in locating a new store provider that could save this project. They introduced us to WebJaguar and their promotional e-commerce solution. We jumped into a conference call only days before the holidays, learned that even with only 10 days to deliver this project to our client that WebJaguar would accept the challenge and provide a working advanced store integrated with Ariba."

The pressure was intense. "We had a very demanding client in need of a very complicated project and no time to get it done," Linowes recalls. "We had a team working 24/7. We were under very unrealistic deadlines and we were on the verge of losing the client.

"Thanks to AdvancedEMedia, they really stepped up to make this project happen timely and smoothly. The store was launched on time and to the complete satisfaction of our client."

Jeffrey Linowes, The Ad Solution

Thanks to AdvancedEmedia, they really stepped up to make this project happen timely and smoothly. The store was launched on time and to the complete satisfaction of our client."

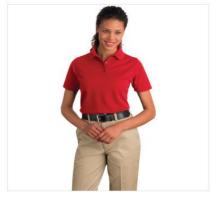
Since the emergency that brought the Ad Solution team to AdvancedEMedia, there have been continuing benefits. "From an administrative standpoint, this technology streamlined our business, basically making a one-stop shop from start to finish," Linowes says. "We have already begun to work with WebJaguar on migrating our other client stores as well as a new marketing e-commerce website for Ad Solution. Each project has a different format. The support and service that we get for each new technology project seems to be very seamless. Our contacts are very responsive, and if we do not understand something, they take the time to explain. We are very happy with their support and service."

AdvancedEMedia's WebJaguar platform provides small to large promotional agencies the ability to easily automate and manage business with a fully featured commerce website, content management, shopping cart, CRM, advanced SEO Tools and lead nurturing technologies. "We've provided a front-end and backend solution to sell promotional products online," says Bachir Kassir, president and founder of AdvancedEMedia. "We worked closely with ASI to develop data feed based on the ASI database. This gives users access to hundreds of thousands of products as a complete turnkey e-commerce solution."

All that's needed for other companies to get started on their own WebJaguar e-commerce solution is a Web browser. No special hardware is required, nor does any software have to be installed. WebJaguar is a cloud-based turnkey solution. For more information, visit www.webjaguar.com/asi or call (888) 718-5051 for a free consultation and demo.

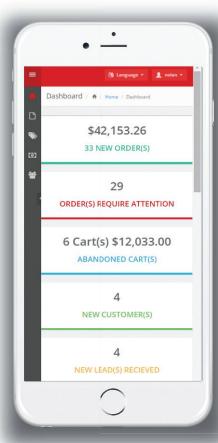


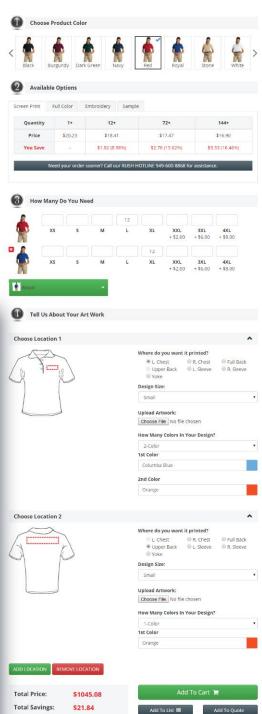
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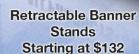
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Editor's Letter

The Best of Government Spending

It's common – and wrong – to question how government agencies spend money on promotional products. Those are smart investments, even though some don't want to admit it.

By Andy Cohen

Election season really does bring out the worst in just about everybody. Candidates, political action committees, backers, government officials and even voters – they all end up slinging mud at some point in an election year, and 2016 is no different.

But one common line of criticism, which definitely ramps up during election years, is how government offices (local, state, federal) spend money on promotional products. These are used in many ways by public offices – rewards for employees, awareness campaigns, job fairs, and retention and hiring efforts. They're all legitimate expenses because they provide value and help these government offices spread their messages and achieve their goals.

Not everybody wants to admit that. Take officials in Texas, for example. A recent report on KHOU, a CBS-affiliated television station in Houston, and online at KHOU.com revealed that the media outlet's "investigative reporters" totaled up how much state government agencies spent on promotional products that it used as rewards for employees between September 2008 and December 2015. The grand total? A whole \$8.8 million worth of what the report calls "trinkets."

The range of promotional products that state agencies in Texas used over that seven-year

time period – can I stress, SEVEN YEARS! – was rather impressive. There were items such as weather station desk accessories, water bottles, coffee mugs, travel tumblers, blankets, umbrellas, jump ropes, juggling balls, pens, notepads and business card holders. They were also used in a variety of ways, including as performance and retention rewards, and as training tools at meetings.

"These items were purchased and utilized to reinforce train-

a referendum on public spending, saying that "your tax dollars" bought these items. The implication? Wasteful spending. So, they found somebody who would speak out against it.

"I think it needs to be seriously looked at," said Peggy Venable, senior policy fellow with Americans for Prosperity, a nonprofit government watchdog group. "We do want government employees who are recognized for doing a good job, (but) how do we do that? I don't think it's particularly impactful because recipients actually keep and repeatedly use the items in their everyday life – reinforcing the message that the agency handing the items out wants to impart.

The media outlet in Houston and the one nonprofit watchdog representative that they chose to quote are making a lazy and easy argument that tends to rear its ugly head whenever government spending becomes an issue. So, the whole state of Texas spent \$8.8 million on rewards for



"The media outlet is making a lazy and easy argument that rears its ugly head whenever government spending becomes an issue."

ing concepts," Bryan Black, a spokesman for the Texas Health and Human Services Commission, told KHOU in reference to the juggling balls that the agency purchased. "Different quality control scenarios were written on the balls, and the balls were then used as a tool for the participants to answer scenario-based questions and apply the information presented during the class to reinforce learning."

A completely reasonable purchase for a state agency to make, but KHOU decided to make this

with junk."

Well, Ms. Venable, you have no idea what you're talking about. It has been proven that promotional products provide value beyond just the item that's handed out – just check out the many ASI Ad Specialties Impressions Studies we've conducted at www.asicentral.com/study. They're far from the "junk" you call them, because they actually provide a return on investment better than most other forms of marketing media. And as rewards, promo products are

employees and training tools over a seven-year period – less than \$1.3 million per year for one of the largest states in the union. I'd argue that they didn't actually spend enough, and could have gotten more out of what KHOU refers to as "your tax dollars at work" by doing more consistent promotional products campaigns. Maybe they should have targeted some extra education and training efforts toward local media, so they too can see and feel the impact of promotional products.

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DO CONSUMERS HAVE A POSITIVE OR NEGATIVE VIEW OF DIGITAL ADVERTISING BASED ON DATA TRACKING?



Kathleen Booth Quintain Marketing (asi/303131)
"I do think it is only a matter of time before the average consumer takes more aggressive steps to block ads, and the marketing and advertising industry needs to be aware of this and take proactive steps to address consumer privacy concerns."



Bret Bonnet Quality Logo Products "Their guts tell them they should be concerned, but the average consumer has bigger and better things to worry about. No data is secure, credit card numbers are stolen all the time. What's the big deal about cookies?"



Rector Communications (asi/305623)
"This information currently isn't being used in a malicious way, but I'm guessing the FTC wants to stay ahead of it. At some point, the technology and criminal creativity is going to advance to a point where people can be taken advantage of."



Tej Shah
Overture Promotions
(asi/288473)
"Consumers largely view
this as an infiltration of
their privacy, primarily
because many of them
simply don't understand
what pieces of information are actually being
tracked and how it's
being used."

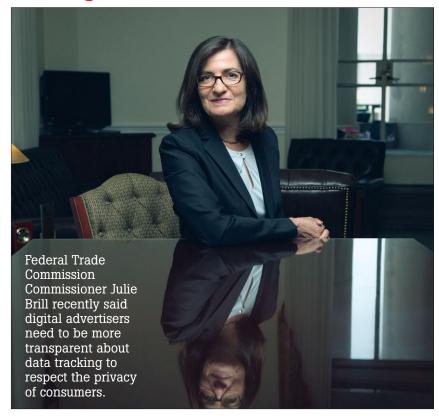


Glen Brumer
Royal Apparel (asi/83731)
"Our customers care
about what we are doing
at Royal Apparel. This
advertising allows us to
speak to their interests,
and as a result, our message is well received. It
also helps us better merchandise our product to
suit their needs."



Ben Roberts
Outdoor Cap (asi/75420)
"Consumers feel there's
a certain 'creep factor'
when poorly executed
advertising makes it
obvious you have been
observed. But really good
advertising safely uses
consumer data to market
more effectively with the
right product, in the right
place, at the right time."

Pulling Back the Curtain on Online Consumer Monitoring



- ▶ In one survey, 91% of American consumers disagreed that if companies gave them a discount, it was a fair exchange to collect their information without knowing it.
- ▶ Global users of ad blocker tools rose from 21 million in 2010 to 198 million by June of 2015.
- After Apple's release of the iOS9, the ad-blocking app named "Peace" became the number-one paid app in Apple's U.S. app store.
- Interest-based ads, according to one study, can provide a website up to 200% more revenue than regular digital ads.

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MELINDA EMERSON, BEST-SELLING AUTHOR AND HOST OF #SMALLBIZCHAT, IN A BLOG POST





"Great leaders don't preach to the masses, they work one-on-one with their people."

CHESTER ELTON, FOUNDER OF THE CULTURE WORKS AND BESTSELLING AUTHOR, IN A BLOG POST ON LINKEDIN

"I saw a guy in person wearing a #Trump hat yesterday. Reminded me of when I saw folks wearing #GeorgeWallace straw hats when he ran in 1972."

JEFFREY GUTERMAN, BEST-SELLING AUTHOR AND COUNSELOR, IN A POST ON TWITTER





18

"The goal that you really work for is the one that means the most."

LORA CECERE, FOUNDER AND CEO OF SUPPLY CHAIN INSIGHTS, IN A BLOG POST ON LINKEDIN

On The Blogs

Excerpt of a blog post by Alice Heiman, chief networking officer for Sales 2.0 and ASI keynote speaker

In sales, we always want to differentiate ourselves. When we send a gift or card during the holidays, we risk getting lost in the sea of gifts and cards that are deluged upon everyone. Consider these different ways to thank your clients:

- 1. Call and say thank you. You can do this anytime. Plan what you are going to say. If you get their voicemail, you can leave a nice message.
- 2. Send a note. Again, you can do this anytime and it doesn't cost much. I purchase beautiful note cards from a local artist. They have seasonal photographs of the area and some of our famous local events. I write a personal note in each card and send it off. I do it all year long and send to different customers, past customers and prospects.
- 3. Deliver a gift. This is the one we all seem to be stuck on doing during the holiday season. Valentine's Day is a great time to deliver a gift. You can send candy, chocolates, cupcakes or flowers! 4th of July might be fun. Send a basket of goodies for munching while watching the fireworks. You could deliver a gift to a different client each month of the year.

A selection of tweets with the #ASIDallas hashtag.

@patrickallmond
Let's teach these
#asidallas attendees

how to build a killer brand with social. 4 packed sessions + freebies.

@nicoleyoley159 Have you ever seen a coolie being screen printed? I have!! #asidallas #promoproducts

@pstrack I'm at a trade show chock full of exhibitors who sell items for trade shows. It's like Inception – The Business Edition. #ASIDallas

@atlasemb_screen We're here at the #ASIDallas show, making the rounds and meeting lots of happy people! #ASI @ASI_AndyCohen "You have to be willing to adapt when obstacles and challenges come at you." – @iamjrmartinez at #asidallas

@benetta_perry @TheASIShow @alreadygear My 1st #asidallas show & I've had a great experience learning & creating new #relationships.

@Tim_Andrews_ASI #Fox4 aired awesome story on #ASIdallas and cool new #promoproducts today.

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"Considering the recent evolution of the promotional products industry's environment, the Board has decided to initiate a review of strategic alternatives for BIC Graphic."

Mario Guevara, BIC Group (page 22)

ASI Presidential Promo Poll Predicts Super Tuesday Winners

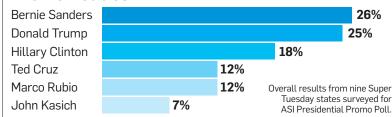
In the lead-up to this year's presidential election, ASI launched its Presidential Promo Poll to identify the potential winners of this race. For the much-watched Super Tuesday primaries, voters in nine of the 12 voting states (the non-caucus states) were asked the same question: If you received a bumper sticker from each of the presidential candidates, which one would you be most willing to put on your car?

"We purposely chose to ask people about bumper stickers because it is an iconic election promotional product that's also very personal," said ASI Editorial Director Andy Cohen. "While you might accept and use a branded pen from a candidate you don't necessarily support, no way would you put a bumper sticker on your car if you didn't really endorse a candidate."

ASI gathered data for both the Republican and Democratic primary, and also among the entire pool of candidates. The overall winner? Democratic Senator Bernie Sanders, who edged business mogul Donald Trump 26% to 25%. Out of the nine states surveyed, Sanders topped Hillary Clinton in all nine; Trump won each state as well.

"Sanders winning is surprising and is greatly out of line with most polls," wrote Nate Kucsma, director of market research at

Promo Politics



ASI, in a LinkedIn post analyzing the data. "Now keep in mind – we aren't asking people who they would vote for, only who would they put a bumper sticker on the back of their car for. My personal theory is that while Democrats may believe that Hillary has the best chance to win in November, they would be much more willing to support Bernie if he *could* win. So in

other words, some Democrats may be voting with their heads and not their hearts."

More than 600 people from each state participated in each survey that was fielded among the Google Consumer Survey Network. All responses were collected between Saturday, February 20 (after the South Carolina results were announced) and Thursday, February 25.

U.S. Rep Introduces Bill to Limit Drug Advertising

A Connecticut representative has introduced a bill that would restrict direct-to-consumer advertising by pharmaceutical companies. Rosa DeLauro, a Democrat representing Connecticut's third Congressional district, has introduced the "Responsibility in Drug Advertising Act," which would require a delay of three years on any advertising of newly approved prescription drugs. Direct advertising to consumers by pharmaceutical companies has also been opposed by Democratic presidential hopeful Hillary Clinton and by the American Medical Association (AMA).

"At the end of the day, we should allow informed medical professionals, not advertising executives, to guide our health-care spending," said DeLauro in an official announcement of the bill. The Congresswoman added that the moratorium on advertising would minimize the perpetuation of inaccurate drug information and

control costs by limiting the number of drugs that consumers can ask their physicians about directly, thereby putting more control in doctors' hands to determine treatment options. DeLauro cited a 13% increase in prescription drug spending in 2015 to \$374 billion.

The legislation would also bar ads from running after the threeyear delay if the Department of Health and Human Services determines a new drug comes with "significant" side effects.

However, there has been fervent disapproval of the bill. "What [Ms. DeLauro] is saying is that if you come up with a drug that is life-saving, you could not tell people about it for two or three years," said Dan Jaffe, the top lobbyist for the Association of National Advertisers, in a statement to Advertising Age. "Cutting people off from truthful, valuable and lifesaving information is not only deceptive but unconstitutional."

COUNSELOR | APRIL 2016

Zika Virus Stimulates Mosquito Repellent Sales

Concerns about the Zika virus powered a steep increase in sales of mosquito repellent at retail and within the promotional products industry. A mosquito-borne illness that can cause fever, rash, joint pain and abnormal brain development in fetuses, Zika was a primary factor in driving a 23% revenue rise in the pest control industry – of which mosquito repellents are a part – during the four weeks ending Jan. 24.

Even more telling, sales of Spectrum Brands' Cutter mosquito repellents skyrocketed 59% during a four-week span when compared to the same period the prior year. Plus, SC Johnson Off! repellent products flew off the shelves, with sales up 47% during the same stretch.

The sales surge is on in the



promotional sector too. "All the news outlets talking about the Zika virus is creating a want/ need for Bug Bans – our mosquito-repelling wristband," said Louie Massaro, vice president of sales at Cooler Graphics (asi/80345). "The requests started to intensify about the first week of February. Normally, we do not see our season begin until early April."

The story was similar at Natural Trends (asi/73497), which has seen interest in the Herbal Armor Natural Insect Repellent it carries race skyward. "Demand for repellent already far exceeds anything previously seen this early in the year," said President Paul Christensen.

Going Viral 3-4 Million

Estimated possible cases of Zika virus throughout 2016, according to the World Health Organization

American Apparel Exits Bankruptcy



Following court approval of its reorganization plan, American Apparel (asi/35297) has emerged from Chapter 11 bankruptcy and is now a private company. The supplier has converted approximately \$230 million in debt into equity and will receive \$40 million in exit capital and can access a \$40 million loan. "This is the start of a new day at American Apparel," said CEO Paula Schneider.

Shares of its publicly traded stock no longer have value, including those of founder and primary shareholder Dov Charney. Under the plan, American Apparel has converted to a limited liability company and will be known as American Apparel, LLC.

In a statement, the supplier said its new liquidity "will serve as vital support to the company's turnaround plan," highlighting the fact that its interest expenses will decrease by \$20 million as a result of the bankruptcy. "With the enormous debt burden removed," Schneider said, "we can now turn our full attention to our strategic turnaround, which will benefit our customers, vendors and employees."

BIC Group CEO to Retire

BIC Group, parent company of Top 40 supplier BIC Graphic (asi/40480), announced that CEO Mario Guevara will retire in May and that Chairman Bruno Bich will be nominated to assume his duties. "I want to express our gratitude to Mario Guevara for his contribution to the success of our Group during his career." Bich said in a statement. "Under Mario's guidance, BIC reinforced its leadership positions throughout the world and significantly improved net sales and results. We wish him the best for his retirement."

With his nomination to the CEO role, Bich would also

retain his title as chairman. Guevara will remain a member of the board.

The company also announced that sales grew by 6.2% on a comparative basis. BIC Graphic grew by 15.9% in 2015 with a total of 319.3 million Euros (\$355.2 million). On a comparative basis (taking into account exchange rates and excluding acquisitions and other events), sales increased by 1.6%.

In its earnings release, the company noted the wave of consolidation with both promotional product suppliers and distributors. "Considering the recent evolution of the promotional products industry's environment," Guevara said, "the Board has decided to initiate a review of strategic alternatives for BIC Graphic."

For 2016, BIC Group forecasts that net sales will increase by mid-single percentage points on a comparative basis, and normalized IFO will decline as the company invests in R&D with a goal toward profitable mid- and long-term growth. For BIC Graphic, the company said it will focus in North America on new products, its Good Value line and enhanced service with customers.

Distributors to Launch Industry Lobbying Group



A pair of distributors based in Washington, D.C., is creating a lobbying group to advocate for the industry. Named PromoVoice (www.promovoice. org), the organization will focus on engaging the federal government and having representation at the U.S. Capitol. "If the government doesn't know who we are, then they are crafting legislation all the time without keeping our interests in mind," says Josh Frey, founder of On Sale Promos and The Swag Coach and one of two industry people spearheading the effort.

To launch the group, Frey and Randy LeFaivre, the president of Metrologo (asi/268938), have partnered with Steptoe & Johnson, an international law firm with a public policy practice and extensive lobbying experience. The firm is helping to create a charter and craft the framework for the organization and will be PromoVoice's representation at the Capitol.

Frey and LeFaivre say that response from industry members has been overwhelmingly positive, and that the two have had encouraging conversations with several of the industry's Top 40 suppliers. PromoVoice will be funded by membership dues, and the group's goal is to create an affordable entry-level fee for any distributor or sup-

plier to join. While there is no specific timeline for the launch of PromoVoice, the group says it is looking to move quickly, with an eye toward exerting its influence for this year's elections.

Meanwhile, PPAI is continuing to make preparations for Legislative Education and Action Day (L.E.A.D.), its annual event for industry executives to meet with and educate members of Congress about promotional products. This year, more than 70 advocates from 30 states will travel to Washington, D.C., to conduct more than 250 meetings with senators, congressional representatives and legislative staffs on May 25. The group

consists of company owners, executives and industry leaders. During that week, PPAI also organizes a L.E.A.D. virtual fly-in that encourages promo product professionals to write letters, emails and social media posts that focus on pending legislation and important issues for the industry.

The L.E.A.D. event is a part of what President and CEO Paul Bellantone says is PPAI's "strong, industry-driven and collaborative lobbying presence in Washington, D.C." The organization uses CapCity Advocates, a government relations firm in Washington, D.C., as part of its federal lobbying efforts.

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MERGERS & ACQUISITIONS

City Paper Company, ImageWorks Merge

City Paper Company (asi/162267) announced it has merged with ImageWorks (asi/230173). Both distributors are based in Birmingham, AL.

"City Paper Company opened its doors 119 years ago with the belief that we should build lasting profitable relationships with customers through the best service, best products and the best value prices," said CEO and President Paul Friedman, Jr. Added COO Mark Friedman, "ImageWorks believes in this model and we could not have found a better partner to help us expand our ever-growing pres-

ence in the industry."

ImageWorks, which began 24 years ago, will operate as a division of City Paper Company for the time being. President Rick Roth will join City Paper as vice president of business development. He and Judy Edwards, director of accounts for Image Works, will work out of City Paper's Birmingham office.

IN BRIEF

CustomInk Acquires Celebrity-Backed Startup Online DIY T-shirt decorator CustomInk has acquired Represent, a Los Angeles-based social commerce startup that helps celebrities and other influencers create and sell limited-run T-shirts and merchandise to fans and followers. The companies will be integrating supply chains and other aspects of operations and technology, though Represent will continue to operate as a distinct brand from offices in L.A. and Prague.

Rooted in social media fundraising campaigns, Represent is a celebrity-backed digital marketing and merchandising platform that has been used by actors Channing Tatum and Susan Sarandon, pop star Brit-

ney Spears and author George R.R. Martin, among others, and also works with prominent You-Tubers and independent entrepreneurs. The company handles the day-to-day management, printing and fulfillment of each limited-time campaign, allowing the high-profile client simply to share the campaign with supporters via social media and other channels. Using Represent, Stephen Amell, star of The CW show Arrow, was able to sell 143.000 shirts to fans over the course of a year, bringing in \$6.4 million for a cancer research charity.

What is my promotional products company worth?

This is the most common question we hear from business owners. Even if they are not looking to sell in the near future, it is imperative that business owners understand the value of what is likely to be their most valuable asset. In this volatile world, no one knows what tomorrow's future will hold, but if we arm ourselves with knowledge, we can still be prepared for it. *Certified Marketing Consultants* is armed with over 100 years of industry knowledge to help you value, sell, grow or improve your promotional products company. Call us today for a confidential conversation.

Jeff Meyer | John Schimmoller | Jamie Watson



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▲SHOWCASE:

Valuable Real Estate

The office desktop is often the holy grail for marketers looking to promote their products and services through promotional products. That's the place where people see items every day and where they're most likely to use them. And, when products are used, positive impressions tend to follow. So, whether it's a desktop organizer or a pen or a journal to write notes in, office accessories provide extra bang for your clients' promotional buck. Online right now, we have a showcase of seven office and desk accessories that are sure to garner the impressions clients are looking for. Go to http://bit.ly/1LaGls7 to view the showcase.

Supplier Reps on Sales Calls?

Should distributors take suppliers on sales calls with them? A



recent Great Debate video between Advantages Editor Dave Vagnoni and ASI Editorial Director Andy Cohen had each taking sides. "Absolutely bring suppliers on sales calls," Cohen said. "Why not look like you have a big team with a lot of ideas supporting you?" Go to http://bit.ly/24MNUeR to view the video.

Grand Order Size

\$1,056

The average order size that distributors got from clients last year, an increase of 4% over the previous year.

LinkedIn Links

"Since the demands of the marketplace require agility, you must deftly engineer the notion of perpetual growth into your organizational DNA. You should challenge every member of the company to grow in a fashion that best serves both the person and the organization."

– Douglas Conant, former CEO of Campbell Soup Co., on leadership

Winning

Commentary

Winning Redefined

An excerpt from a recent ASICentral.com Commentary.

I was recently at a conference where attendees were asked to come up with words that describe salespeople. The responses were 100% negative. Why do salespeople have such bad reputations? No doubt, it's because they're viewed as always trying to pull one over on people. So how can you break this stereotype?

Let's face it – we're wired to want to win every time we strike a deal. And yet, for salespeople, this is the wrong way to think. Truly, the best salespeople don't strive for the win, but for the win-win. The goal of deal making should be to satisfy the key players – you among them. Here's an example.

Recently, HALO's Nina Shatz got an email from an event planner. It had a link to an online site that had a great price on beanies – so great that Shatz had no chance to make a sale and salvage any margin at all on a 50-piece order. The planner wanted Shatz to match the online price. Many salespeople would've just moved on, but Shatz looked closer at what the Internet vendor was actually providing. She found that the lowest price was only available for an order of at least 96 beanies with a logo that required 5,000 or fewer stitches. The buyer's logo needed about 19,000 stitches, meaning the actual online cost would be astronomically higher. Shatz explained this to the event planner, who then gave the end-buyer the real facts.

In the end, Shatz got the sale, a supplier got some business and the client was happy.



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By The Numbers: Drinkware



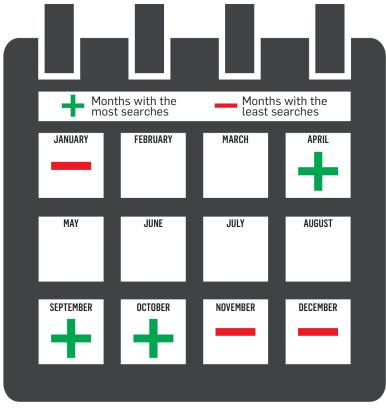
DRINKWARE'S
RANKING FOR
TOTAL SEARCHES.
THE CATEGORY IS
TOPS EVERY MONTH
EXCEPT NOVEMBER,
WHEN IT FALLS TO
NUMBER TWO (AND
IS SUPPLANTED BY
BAGS).

TOP TEN SEARCH TERMS

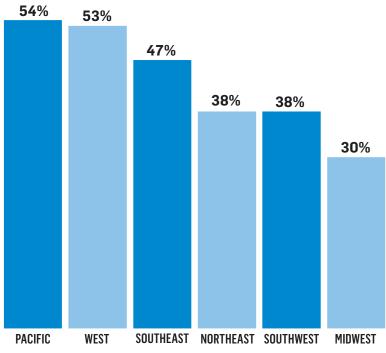


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Product Picks

10 items found at the ASI Show Dallas in February.

By Joe Haley





This eco-friendly wooden garden stake is 100% natural and is available in three sizes: mega, midi and mini. **Target Markets:** Spot-on for nursery and garden centers as a gift with purchase, and also suitable for open houses or as other lawn markers. Available from BCG Creations (asi/37693); www.bcgcreations.com



Fashioned to look like a sports jersey, this drawstring backpack can tote books, gym clothes and more. **Target Markets:** Uniquely suited for schools and gyms, the backpack is also great for sports promotions for minor leagues, pros, schools and club teams. Available from Bambams (asi/38228); www.bambams.com

3. KEY KEEPER

Fishing bobber-shaped floating keytag ensures the user's keys will never sink to the bottom of a lake or the ocean. **Target Markets:** Create some whimsy for promotions geared to boaters and people who fish. Can be used by tackle shops, marinas, jet-ski rentals or any business that deals with water sports. Available from Evans Manufacturing (asi/52840); www.evans-mfg.com

4. STYLISH STYLUS

Click-style pen has a comfort grip and a matte-finished barrel with a matching colored stylus. **Target Markets:** Any business that uses pens as a promotional tool – banks, insurance companies, financial services – would benefit from adding a little color to the stylus. Available from Riteline (asi/82498); www.ritelineusa.com

5. THEFT PROTECTION

Aluminum wallet has accordionstyle pockets to hold credit cards, money, driver's license and more. Wallet also protects the user from RFID reading devices. **Target Markets:** This wallet is a thoughtful employee gift for those who travel often. Available from The Premium Line (asi/79370); www.thepremiumline.com













The therapeutic value of adult coloring books has been well documented in the media, and because of that, a retail boom has taken place. Now, you can offer that same benefit to your clients' promotional campaigns. Target Markets: Adult coloring books fit corporate wellness programs perfectly. They're also ideal for senior living centers and the arts & crafts industry. Available from Fields Manufacturing Inc. (asi/54100); www.fieldsmfg.com



This whistle syncs with a smartphone app. In an emergency situation, the user blows the whistle while depressing the button, sending a message to a 911 call center. Target Markets: Ideal for anyone who works in a large city or at night. It works especially well for promotions geared to safety and awareness. Available from Idol Memory (asi/62222); www.idolmemory.com

8. CONVERTIBLE DRINKWARE

The Flip Bottle converts from a 32-oz. water bottle to a 14-oz. double-wall insulated tumbler. Target Markets: A unique welcome gift for spas and gyms and as a registration gift for charity runs and walks. Large enough to stuff with T-shirts and information pamphlets. Available from Crown Products (asi/47700); www.crownprod.com



10

The cotton RagBag has multiple uses - tote, trashcan liner, cleaning cloth, etc. Made from eco-friendly materials including trimmings from T-shirt manufacturers, this bag is washable and biodegradable. Target Markets: Retail outlets and super markets would benefit from using it in a campaign. Also perfect for any company wanting to lessen its carbon footprint with its promotional items. Available from Metropak (asi/70830); www.thebagsource.com

10. BEACH BOUND

Beach bag has a water-resistant inner liner that matches the solid neon accent stitching. Made of 100% polyester sweatshirt fabric. **Target** Markets: An excellent choice for beach, spa and resort promotions. Also good for swim and diving teams, as well as a gift for senior class trips. Available from Terry Town (asi/90913); www.terrytown.com





ragbags



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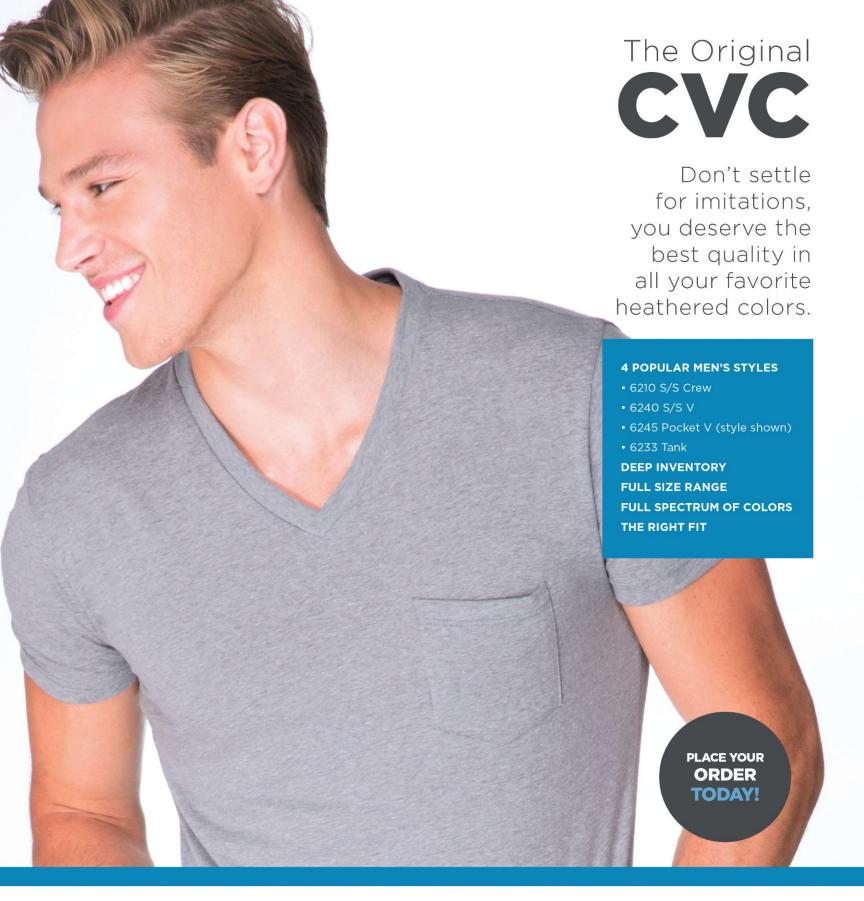
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Best Practices

Hiring • Sales

Hiring

Inquiring Minds Want to Know

Six questions that every good executive wants to hear from job candidates.

By John Corrigan

At the end of job interviews, after you've grilled the potential candidate, it's time for the tables to turn. "Any questions you have for me?"

For some people, that's a daunting question: they don't want to jeopardize their chances of employment, yet they don't want to be silent.

So, we asked managers from industry companies to share the questions they want to hear from candidates during job interviews.

1. "What was the reason you went to work for this company and what has kept you here?"

"It shows that the person is serious about wanting to get into the company," said Betty Camenzind, marketing manager at Top 40 supplier Ennis Inc. (asi/52493). "He wants to understand the culture and get background on the folks he'd be working with."

2. "What is the most important thing that I can accomplish in the first 60 days?"

"Something like that impresses me way more than questions about perks and benefits," said Margit Fawbush, senior marketing and communications leader at BIC Graphic (asi/40480).



"This offers the candidate and the employer an additional opportunity to dive into the role a bit deeper. Questions with yes or no responses don't really offer the opportunity for people to get to know one another."

3. "Can you tell me about your time at CustomInk and why you've stayed here?"

"It shows the candidate is thinking long term and trying to gain insight into what a future might be like with the company," said Isaac Johnson, staffing manager at CustomInk. "It also represents a certain level of selfawareness and confidence that are great qualities in new team members."

Drew Goldberg, director of human resources at Axis Promotions (asi/128263), broke down questions into three categories: position-specific, company-specific and personal.

4. "What have you not been getting in the role that you'd like to see more of?"

"It shows a great forward-thinking attitude when candidates almost put themselves in the role already," Goldberg said. "There are always things organizations know they need right away when they hire someone, and these questions are a great way for candidates to make sure short-term expectations are aligned."

5. "What are you most proud of about the company?"

"The company-specific questions are a little more broad but much better than the 'where do you see the company in five years' type of questions," Goldberg said. "It's a good way for them to try to decipher more specific company challenges and opportunities."

6. "What do you do for fun?"

"I think cultural fit is so important, so I like when candidates want to get to know me on a more personal level," Goldberg said. "Not that you need common interests, but it's nice when people talk about life outside of work."

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Sales

Overcome 7 Common Client Objections

Don't be flat-footed when customers challenge your pitch. Be ready with thoughtful answers that have the power to turn no into yes.

By Christine Stoddard

No matter how solid your company's sales and marketing strategy is, every organization inevitably comes up against discerning customers who simply lean more toward 'no' than 'yes.'

What's most frustrating is you might not get an explanation – just rejection. Sure, it's true that sometimes clients just aren't interested, but other times they just might not be well informed. It's your job to show them value. With that in mind, here are some of the most common client objections – and advice for how to change their minds and ultimately earn the sale.

"Promotional products don't give me enough bang for my buck."

Years of data from ASI's annual Ad Impressions Study (www. asicentral.com/study) – which measures ROI and buyer behavior – show that promotional products stack up quite well versus other ad media. The cost per impression of an ad specialty item is about half a penny. That's less expensive than TV commercials, radio spots and print ads – and on par with the cost of newer media like Internet marketing.

Of course, ROI is only part of the cost equation. In many cases, customers have a limited budget, meaning you need to creatively craft a promotion that fits price-conscious clients. Margaret Von Gersdorff, owner of Premiere Promotional Products in Purcellville, VA, assures



customers that she's an expert at finding the right product for the right moment.

"Give me your audience, give me your budget and give me your timeline," she says.
"I'll show you what will work for your price point. I will find that perfect piece because of my knowledge. I'm not going to sell anyone anything that's going to break because I've physically touched all of the products. I've seen them before."

Don't forget, though, that many clients will appreciate seeing additional options that are slightly higher priced than what their budget allows. They might be willing to pony up more money if it means getting exactly what they want.

"Sorry, I really need to prioritize my company's Web presence."

It's easy to scroll past an online ad and never think about it again. In fact, many Web ads get in the way of people browsing sites, streaming shows or playing games. Promotional products, on the other hand, are helpful to people. Pens, bags, T-shirts, power banks – the list goes on – they all have value. It's also pretty hard to ignore the logo on the promotional product you use every day.

"Something I emphasize is the number of times something's seen over and over again," says Norbert McGettigan, COO of Impact Dimensions (asi/230321) in Pennsauken, NJ. "Think about the TD Bank logo on those green pens. Every time someone uses one of those pens, it subliminally reinforces the logo."

A Facebook ad simply does not have that kind of staying

power. If a client still needs convincing, remind them that even big dogs like McDonald's and Pepsi use promotional products. "One of the best points that we reference to ambivalent clients is that all of the largest Fortune 500 companies use our industry to help deliver their message to the market," says Ned West, senior partner and co-owner of HDS (asi/216807) in Pittsburgh.

Not even the biggest brands can rely on their Web presence alone to build loyalty and increase sales.

"Who needs another promo product, anyway? People toss them."

Logoed USB sticks, mugs, tote bags – everyone has them. ASI data shows the average American owns 10 promotional products and keeps each one for about eight months. Why?

Because they come in handy. In fact, surveys show usefulness is the top reason why people hold on to ad specialties. Joan Doyle, principal and owner of the Philadelphia-based retail consulting firm Doyle + Associates, says, "The irony is that the things I tend to keep tend to be the things that are the least clever. Clever is nice, but something I'll actually use is even better."

Along those lines, whatever information appears on the promotional product has to make sense. People need to look at the product and understand what company it represents. Otherwise, it doesn't matter how useful that product is; it won't make the necessary impression.

"Promotional products look cheap and I've heard some stuff is even unsafe."

As a smart distributor, you need to test out every promotional product you pitch – or at least screen items through industry services like ESP. Being able say you use an item will usually quash concerns that a product is flimsy. "Quality doesn't always have to be about price," says Steve Goldberg, president of retail consulting firm The Grayson Company. "Quality means a lot of things. A quality product feels substantive and it's made reasonably well. Its afterlife must succeed it being handed out."

You also shouldn't be blind to the fact that recalls involving promotional products can and have happened. "Distributors are becoming more vigilant regarding product safety," says Margit Fawbush, communications manager at BIC Graphic (asi/40480). "Some product categories like power banks or skin care items require reliable product testing documentation to give clients peace of mind."

If a customer has doubts, showing them proper safety documentation should calm their fears. If you're selling promotional products that children might use, it's best to get this documentation from suppliers early on in the process.

"I can find items for less online."

This may be the most common objection of all. In the age of Amazon, consumers are quick to search online for the best deal they can get – and compare the price to other retailers. Within the ad specialty market, firms like Alibaba, Vistaprint and Custom Ink provide the toughest online price competition for distributors. End-buyers might not even know these companies sell promotional products, but a Google search will usually rank these sites fairly high.

Remember that you can sometimes prevent an online price comparison by offering an array of integrated products that can be built into a campaign. In essence, what you're providing is a bundle of products and services. Customers are less likely to search online for a group of products if you've successfully presented a promotional package instead of singular products.

If customers are specifically interested in one product or a very small quantity, they may well look into Custom Ink and Vistaprint. The misnomer is that these sites are always cheaper – they aren't. If you're confronted with an instance when those sites can offer a better price, your primary counter should be this: you can offer a personal touch that online sites can't. You can show clients, in person, samples of different fabrics, imprints, styles and finishes, plus serve as the direct point person for the order. If

customers order from you, there's no waiting on hold after dialing a 1-800 number or being backed up in the queue of an online service chat. Let's face it – online proofs can be a challenge. Some customers want to take that hurdle out of the equation, and you can help.

In the case of Alibaba, know that its weakness in the marketplace right now is its track record of selling counterfeit products across its sites. Don't be afraid to point this out. Stress to clients that you source from reputable manufacturers who review the quality control of each order. Your ultimate goal should be to play up the positives of what you can bring a client: in-person samples, better service, constant communication and a real person to follow up with. A website can't offer that.

"People are just going to grab this off my expo table and forget about it."

Sure, there are some people who scour trade shows purely in search of freebies. But your client's promotional product doesn't have to be just another item in the goody bag. Encourage your client to connect with their audience at all public events. Instead of handing out tumblers and stress relief balls and ending the audience interaction there, urge them to have a plan to communicate.

"At trade shows, you should always present yourself as inviting and approachable," says Linda Milano, a promotional products and marketing collateral expert at CFB Promotional Products, a Kaeser & Blair (asi/238600) dealer in New Jersey. "Don't put up barriers, like having your people standing around and talking, ignoring the public. Be welcoming."

Milano suggests that clients eliminate physical barriers between their representatives and their trade show audience. Instead of placing reps behind a table, place them in front of it. Also have reps actively engage with the audience. "If there's a game at the booth, ask questions while the wheel's spinning or someone's tossing a beanbag," she says. "If there's a survey, don't just hand someone a piece of paper and walk away. Learn more about why someone stepped into your booth."

A great conversation will reinforce a great promotional product.

"My logo is too complicated or expensive to imprint."

Here's where it pays off to know good decorators. They can walk you through exactly what they need to produce a quality logo – and can let you know what decoration techniques work best with certain fabrics. It's possible some logos won't work well for shirts or jackets, but hard good suppliers do offer considerable options that can satisfy clients.

"A 3-D logo may look fancy on a website but end up being too expensive to print on a promotional product," says Swire Ho of Garuda Promo and Branding Solutions in Los Angeles. "But there are a number of items where the supplier includes full color."

If full-color printing isn't included, there are ways to translate, say, a seven-color logo into a two-color logo. Providing the printer or decorator with a two-color logo from the start can cut setup costs. What if a two-color logo won't do? Nudge the client to make the investment in the promotional product that makes the most sense for their target audience.

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Made-in-Canada T-shirts are the perfect promo option for a farming event.

By Theresa Hegel

What's the perfect accompaniment to a popular farm-to-table dinner event promoting local farming in Canada? How about a custom T-shirt also made in Canada? That was Danny Braunstein's thinking. The vice president of London, ON-based Talbot Marketing (asi/341500) partnered with Kathy Cheng, president of Toronto-based Redwood Classics Apparel (asi/81627), to produce 120 domestically made tees for Grazing in the Field, an exclusive farm dinner experience held each year by the Dairy Farmers of Manitoba.

Held at Four Oak Farms, a dairy farm near Kleefeld, Manitoba, the 2015 event was dubbed

"I'm a true believer in the people, planet, profit model."

Kathy Cheng, Redwood Classics Apparel the "Milk & Honey Edition" due to the high concentration of dairy farms and apiaries in the region. For \$150 apiece, attendees received a farm tour and enjoyed a locally sourced seven-course meal prepared by well-known Winnipeg chef Ben Kramer.

"Everything in that meal came from within 50 miles of the farm itself," Braunstein says. Guests also received a premium cotton T-shirt (W5010) from Redwood Classics' Heritage Collection featuring the event's logo on the front and a tiny, flying "bumblecow" illustration at the back of the neck. "It was a really neat specialized item," Braunstein says. Talbot also sourced other items for the event, including wine glasses, mason jars and tote bags.

Sponsoring Grazing in the Field was a natural fit for Braunstein and Cheng, who are both passionate about local, sustainable sourcing. "I'm a true believer in the people, planet, profit model," Cheng says.

"Each time a Canadian buys something that is made or grown in Canada, they're supporting not only their local economy, but also contributing



Talbot Marketing and Redwood Classics worked together to create a custom T-shirt for the popular Manitoba farm-to-table dinner Grazing in the Field. From left, Alex Wong of Redwood Classics; Danny Braunstein of Talbot Marketing; Jason Brandes of the Dairy Farmers of Manitoba; four members of the Dueck family, the farmers who hosted the event; and Kathy Cheng of Redwood Classics.

to the continuation of a skilled workforce – that's located on our very own soil, rather than across the Atlantic."

The collaboration between Talbot and Redwood Classics also hit on another key trend: supply chain transparency. The supplier, distributor and end-user worked together seamlessly, without the barriers that once were emblematic of the promotional products industry, Braunstein says. Promotional products shouldn't be held to a different standard than retail, where supply chain transparency has been gaining traction, Cheng says. Working collaboratively and openly fosters trust and increases creativity, she adds.

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Decoration Go for the Gold

Add value to your designs by mastering the art of some well-placed sparkle.

By Alice Wolf

Shiny, sparkly, eye-catching and effervescent, metallic thread evokes quality - royalty even. It can set you and your customer apart from the crowd, and its higher perceived value allows you to charge a premium for your work – around 20% higher than traditional embroidery. But metallic thread can also be a challenge, requiring a bit of TLC for proper sewing. All you need to succeed are a few simple operational checkpoints once you venture beyond a 40- or 50-weight smooth, metallic thread.

Needle: If you're unsure, go by the needle size recommended by your thread manufacturer. Each will have a suggestion to make their metallic threads run best. Some of the thinner metallics, like a 40- or 50-weight, won't even require a needle change. Such threads consist of a metallic foil wrapped around a core of polyester, rayon or nylon. They're smooth to the touch, but will add shine to your embroidery and will run well with a standard 75/11 needle.

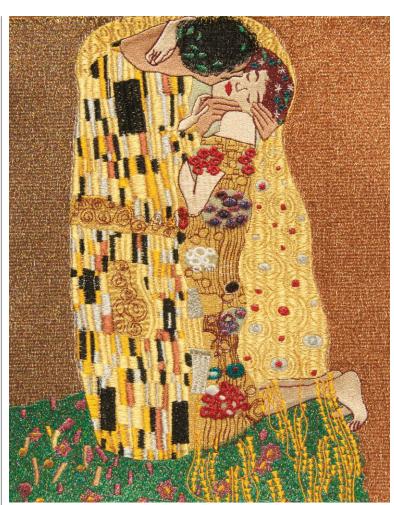
Once you get into thicker metallics, you'll need to change your needle to accommodate the thickness. A smooth 30-weight metallic thread will require a 90/14 needle, and a 20-weight thread a 100/16 needle. The larger eyes in these needles will also simplify threading your machine. Plus, a large-eye needle will cut down on friction as the metallic thread moves through the needle.

There's another type of metallic thread, also a metallic foil wrapped around a core, but this time the foil is twisted as it's wrapped, creating facets and producing more of a sparkle. A 30-weight of this type requires a 90/14 needle for best performance.

Design: Metallic thread doesn't have to dominate a design to add value and interest. Using it as an accent – substituting gold for yellow or silver for gray – may be all you need. And an overlay of the sparkly twisted metallic can suggest glass, snow or jewels. It's easy to be creative with this specialty thread. The twisted and heavier-weight metallics will do best when you incorporate them into the longer stitches of your design.

Density: Depending on the digitizing, it's possible you can substitute a 50- or 40-weight metallic for a regular 40-weight embroidery thread with no change to the design. With the twisted metallic thread, and heavier-weight smooth metallic, you'll use lighter densities, longer stitches and less underlay. If using the thinner 50-weight metallic, you'll be able to accomplish shorter stitches, and may alter your density 5% up or down, depending on the substrate on which you're embroidering.

Tension: Lighten up on the top tension of your machine to reduce stress to the metallic thread. Some embroiderers will use a thread stand placed next to the machine in order to lengthen the metallic thread's path from cone to machine, straightening and relaxing along the way. Others use a plastic mesh cover placed over the metallic spool or



This embroidered version of Gustav Klimt's "The Kiss" features smooth and twisted metallic thread, as well as 40-weight rayon.

cone to achieve the same effect.

Machine speed: It's a good idea to slow down your machine for metallics. Though many high-performance commercial machines will run 1,000 to 1,200 stitches per minute for regular 40-weight rayon or polyester thread, try cutting that to around 650 to 700 stitches per minute when starting out with metallic thread.

Though they look delicate,

metallic threads are often tougher than you think, with many able to hold up to high temperature wash water. Some can even withstand laundering with bleach. The thread pops up on all sorts of apparel, from caps to aprons to jeans. From youth to corporate, Irish step dancing to Western bling, metallic threads work seamlessly in just about any demographic, adding shimmer in all the right places.







1. Vantage Apparel (asi/93390), www.vantageapparel.com; 2. Brandwear (asi/41545), www.brandwear.ca; 3. Assertive Creativity, LLC (asi/37166), www.assertivecreativity.com; 4. Suntex Industries (asi/90160), www.mainstsun.com; 5. Atlantic Coast Cotton (asi/37355), www.orderacc.com; 6. Next Level Apparel (asi/73867), www.nextlevelapparel.com; 7. Gemline (asi/56070), www.gemline.com; 8. Towel Specialties (asi/91605), www.towelspecialties.com; 9. NEP Promotions (asi/72805), www.neppromotions.com; 10. Bodek and Rhodes (asi/40788), www.bodekandrhodes.com

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HOW MUCH IS A CELEBRITY ENDORSEMENT WORTH?

HOW WILL M&A IMPACT SMALL FIRMS?

OUESTIONS

For the biggest questions in the industry, here are the answers that will fundamentally alter the business of promotional products.

Edited by C.J. Mittica

HOW WILL M&A IMPACT SMALL FIRMS?

By Betsy Cummings

In recent months, several of the industry's largest distributors and suppliers have joined forces, embracing one of business's oldest mantras: bigger is better.

The industry's largest supplier, alphabroder (asi/34063), joined with Bodek and Rhodes (asi/40788) to create an apparel organization with over a billion dollars in revenue. (And it was only two years ago that alphabroder acquired Ash City, the ninth largest supplier at the time.) Top 40 supplier Prime Line (asi/79530) acquired Jetline (asi/63344), a move that will bump Prime Line's revenue over \$100 million. Brand Addition, Europe's largest distributorship, purchased GatewayCDI (asi/202515) in January to make its official entry into the U.S. market.

And beyond this most recent spate of activity, Top 40 distributors such as Taylor Corporation, Staples Promotional Products (asi/120601) and HALO Branded Solutions

(asi/356000) have all made major acquisitions in the past year.

The rash of partnerships has become so persistent that the industry's biggest players can't help but take notice. In its most recent earnings statement, BIC Group, parent company of Top 40 supplier BIC Graphic (asi/40480), noted "that the consolidation of the industry continued on both sides" and included a statement from the company's CEO that read: "Considering the recent evolution of the promotional products industry's environment, the Board has decided to initiate a review of strategic alternatives for BIC Graphic."

In today's promotional product arena, it seems joining forces is often more strategic than going it alone. "People can get better



and better economies of scale" by consolidating, says David Blaise, president of Blaise Drake and Company, a business consultancy based in Wyomissing, PA. Combining assets, manpower and customer lists allow companies to get better pricing with vendors, expand their sales territory and otherwise increase their corporate strength in the marketplace.

That concept isn't new. But the urgency to leverage M&A deals in order to remain competitive is helping to reshape the industry landscape. And it reaches well beyond the scope of promotional products. Last year was deemed the biggest year in M&A activity for businesses nationwide, with The Wall Street Journal reporting \$4.7 trillion in mergers in 2015.

So what's behind it? Any number of reasons can be considered, say experts, including a sizable group of business owners who are baby boomers looking to exit the market, and an ever-expanding service offering among distributors that requires ongoing expansion and growth among the industry's most ambitious players. "You have a demographic bubble in terms of baby boomers reaching an age when coming up with some kind of resolution with their company becomes more of a driving force," says Warren Feder, a partner at Carl Marks Advisors, an investment banking firm based in New York.

Also at play are the increasingly complex requirements necessary to succeed today in business. Marc Simon, CEO of HALO

"The costs to compete in this industry continuously increase. It's no longer as easy as putting up a website and waiting for orders to roll in."

Gregg Emmer, Kaeser & Blair

Branded Solutions, notes a more stringent regulatory climate that "has become far more demanding of accountability, the environment and safety." Beyond that, clients are demanding more complex operational, financial and employee management systems that smaller firms can't afford or develop on their own, says Simon. Meeting all of those requirements demands time, resources and money – something many smaller firms fall short on in at least one, if not all, of those categories.

Of course, brands can employ an army of specialized marketing agencies to satisfy those various requirements. But do they want to? A survey this year commissioned by RSW/US (an outsourced lead generation firm) found that 56% of brands in 2014 and 33% in 2015 consolidated their agencies; another 30% planned to consolidate this year. "Marketers as a whole aren't as enthusiastic about adding large numbers of agencies to their roster as they have in years past," the report surmised.

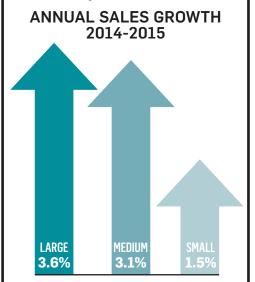
This means clients are looking to marketing agencies, including promotional product distributors, to satisfy a wealth of needs under one roof. Distributors have heard this call over the years and have strived to become indispensable to clients – locking up customer loyalty with an expanded palette of offerings from online stores to digital marketing to creative capabilities. Services once relegated exclusively to advertising firms or marketing departments are now quite frequently the purview of distributors. And oftentimes, only larger companies can deliver a comprehensive suite of services.

To remain competitive, savvy industry players and ambitious companies find themselves in a position of needing to offer those services and more. Increasing customer demands for Web stores and other online functionality, along with more sophisticated product management, means launching new strategy and deployment techniques on the back end.

Suddenly a demand for "everything from multi-level password protection and purchase approvals to PCI compliance and efficient global delivery," says Simon (whose company purchased former Top 40 distributor Newton Manufacturing Company last year), translates into a new level of operational sophistication. And that means a spike in business expenses. To keep up, "these costs need to be spread over a larger revenue base," he adds. Smaller firms simply "cannot

Small Chance

Small distributors are lagging behind when it comes to annual sales growth from 2014-2015, according to data from Counselor.



meet these needs and remain viable."

Additionally, some companies simply haven't achieved expected sales and growth goals in a more competitive marketplace. For those companies, consolidation is often a faster way to reach their goals.

Last year, when a bid to boost revenue through an additional sales member didn't meet management's goals, Winger Marketing (a Chicago-based marketing, advertising and public relations firm that also assists with promotional products), decided acquiring a competitor might be a better option. "We had tried to grow organically by adding a salesperson to the team, but after nine months, the situation ended without any results," says President Karolyn Raphael. Finding the right company to purchase took time – more than a year, in fact. "Honestly, it was a lot like dating," Raphael says, "but with a chaperon of an accountant or an attorney." Once she was able to identify the right company to buy, however, Raphael says the entire sales process took less than three months to complete – certainly far shorter than the nine months she invested in an additional salesperson who didn't pan out. The revenue increase was instant, she adds.

Small Cog in a Large Machine

All of this may leave smaller firms wondering where their role will be in an increas-

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ingly consolidated field of competitors. Certainly, some worry that the industry is headed away from its staple mom-and-pop business model toward a landscape of conglomerates. To keep up, many have joined the trend and sought partners to become stronger in the marketplace.

So where does that leave the budding entrepreneur who just wants to sell T-shirts as a one-man sales force? The idea of the home office entrepreneur (who launches a website and is diligent on order completion) is seen by many larger distributors as a dying proposition. "The costs to compete in this industry continuously increase," says Gregg Emmer, vice president and chief marketing officer of Top 40 distributor Kaeser & Blair (asi/238600). "It's no longer as easy as putting up a website and waiting for orders to roll in."

Like so many others both large and small, K&B has grown through acquisitions; Emmer points out that for distributors, mergers often masquerade as acquisitions because it allows the buying company to pick up additional customer lists and grow in a relatively short period of time.

In fact, acquisitions have become so commonplace and desirable that at least one Top 40 distributor decided to establish a division within its company to assist distributors nationwide in future M&As. Last November, after two years of considering the idea, Wayland, MA-based iPROMOTEu (asi/232119) launched The Distributor Exchange as a way to help connect various distributors within the industry who are interested in buying or selling their company. What started as a way to help iPROMOTEu affiliates tap into the many firms available to them has expanded to a national program that helps connect distributors with any affiliation. More to the point, the program is targeted toward smaller firms that might otherwise be put out of business by larger distributor partnerships. Firms with annual sales of \$100,000 to \$1 million can utilize the service, and tap into low-cost financial, legal and business strategy expertise via The Distributor Exchange.

The goal of the service is to identify and sell or buy a distributorship in as little as 90 days, says Bob Schwei, the company's managing director. "For every interested seller that contacts us, we have one to two people that want to buy," Schwei says. But, like the site's demonstration video states, for many sellers, knowing how to evaluate their business (let alone determine the best

buyer for it) can be daunting, if not impossible. The fact that Schwei and his team have brokered several deals already with several more in the works (Schwei declined to give the exact number of deals closed) is a sign that more and more firms are looking to boost revenue through acquisitions as much as they are through organic growth.

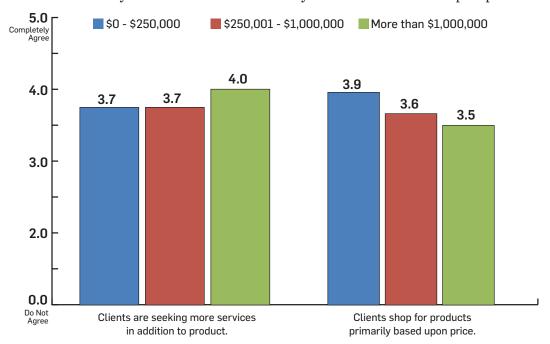
Not that doing so isn't fraught with takeover challenges. Once a company is acquired, there's no guarantee that its independent sales reps won't fly the coop for greener pastures or a different distributor, taking their clients with them. Because they're independent, technically the buyer is often hard pressed to do more than incentivize them to stay. "In the real world, the relationship is between them and the customer," Emmer says. Plenty of times companies lose sellers who "may have been thinking about going out on their own, and a change of ownership gave them the excuse to say, 'now is the time," Emmer says. That's a gamble for buyers, but one that can pay off if they successfully court the sellers and customer lists acquired in the transaction. How? Adding bonuses and profit sharing for a set number of years following the sale is one way to sweeten the deal for some sellers, Emmer says. This is particularly effective with companies that are struggling to find a buyer.

It's very possible that increasing sophistication is changing the fundamental nature of the industry. Blaise points to Canada as an example of what the U.S. promotional product marketplace may look like in years to come. Canadian firms, Blaise says, are more likely to be sizable brick-andmortar companies with an office, dedicated staff and extensive human resource, product development and sales and marketing training program, as opposed to "a person or two just trying to do everything," as is commonly seen in the U.S.

To that end, the ideal merger or acquisition is perhaps a more sophisticated company taking over for a smaller, more grassroots one. For a smaller firm, "if they're affiliating with a company whose focus is on professionalism and getting their people trained on how to sell more efficiently and effectively, or how to target the best quality clients, then it's hopeful," Blaise says. But, "if one distributor doesn't know what he's doing and buys out another that doesn't know what he's doing, there's not a whole lot of advantage there."

At Their Service

Larger distributors are winning the consultation game, as they are used for a wider variety of services and are less likely to have clients who shop on price.



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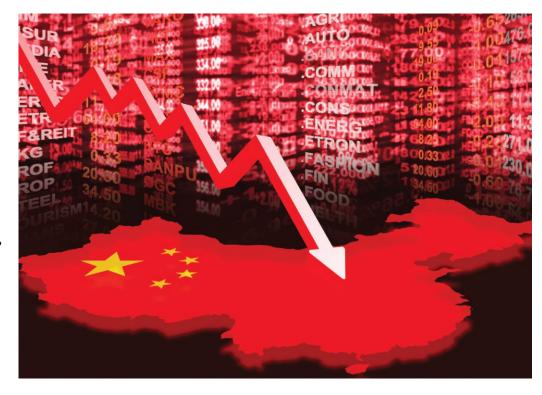
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WILL CHINA'S ECONOMY **CRUMBLE ITS SOURCING EMPIRE?**

By Patrick Gleeson

As an old expression proclaims: When China sneezes, the world gets a cold. And right now, China is sick. "A hard landing is unavoidable," says George Soros, one of the world's foremost investors. "I'm not expecting it, I'm observing it."



China's current economic upheaval is going to impact sourcing patterns for industries across the globe. Its slowing economy is bringing its dominant trade position out of high orbit and back to Earth. This recent turbulence, coupled with larger systemic changes, are forever changing China's role in the global supply chain. And the promotional products industry is not

immune to these changes.

The World's Factory

The majority of the promotional products upon which U.S. buyers have come to depend on are produced in China - writing instruments, computer and electronic goods, drinkware, picture frames and much more.

According to the Department of Com-



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merce's 2015 figures, China exported \$2.7 billion worth of flash drives and other solidstate storage devices to the United States - almost three times more than Taiwan, the next largest exporter. Similarly, China exported \$252 million worth of picture frames to the U.S., 10 times more than the next largest country. Drinkware? Nearly \$190 million, six times more than Thailand. The \$263 million worth of ballpoint pens were 60% more than Japan. (While a good portion of wearables such as garments and hats are produced in China, countries like Vietnam and Bangladesh have established themselves as sizable exporters, since labor is more affordable and textiles thrive on the cheapest labor.)

The promotional products industry depends on China. But it's not the only one. For the past 35 years, since Chinese leader Deng Xiaoping threw open the doors to the world, China has evolved into the world's factory as it welcomed investors and manufacturers to set up facilities. This monumental policy shift fueled double-digit annual GDP growth since the early 1990s. China's massive workforce, which most recently stood at more than 800 million, has powered these factories and guaranteed affordable and plentiful labor.

These factors have rendered China the largest global exporter to many of the world's economies, including displacing Canada as the largest trading partner with the United States. In 2006, China's exports stood at \$343 billion. By 2015, total bilateral trade with China ballooned to \$598 billion, representing a 74% increase over 10 years.

"If quality is not much of an issue, and your primary concern is the lowest possible price, China is becoming less and less attractive."

John Lombard, Middle Kingdom Sourcing

But the China growth engine has finally seemed to hit the ceiling. The GDP grew at its slowest rate in 25 years, falling to 6.9% from 7.4% in 2014. And the International Monetary Fund projects further declines in GDP growth, with forecasts of 6.3% growth in 2016 and 6% in 2017.

These GDP figures are being adversely affected by China's collapsing global exports. The first signs of weakness appeared in March 2015, when its overall global exports fell by an unprecedented 15%, and continued to experience year-over-year monthly declines throughout the remainder of 2015 and into this year. Manufacturing continues to struggle; a much-watched index declines for the sixth straight month with little evidence of reversing course.

China's economy is still growing, but these economic warning bells have instilled panic in investors both inside the Red Curtain and abroad. Since the beginning of the year, the major indices for the Chinese stock market have declined more than 20%. On several occasions, trading has been halted as daily declines reached the 7% maximum. On January 7th, trading reached this threshold in 14 minutes, marking the shortest trading day in Chinese history.

Sourcing Shift

While many are fearful of how a China slow-down can impact the global economy, others see it as a much-needed course correction. Brookings Institute foreign policy experts David Dollar and Michael E. O'Hanlon say the underlying mechanism of the Chinese economy has switched from an "investmentheavy growth model to a more sustainable growth-based one."

"The superhuman leaps that China and its military have been taking needed to decelerate, for lots of reasons," wrote the pair in a January article. "Investors around the world might be taking a short-term hit as the Chinese slowdown comes into clearer focus. But whether they realize it or not, they will benefit in the end from a moderate slowing of the Chinese behemoth that puts it on a more sustainable and stabilizing path."

That paints an optimistic picture for China's future, but it also hints at the severe changes the country's economy will undergo to reach that point. China's industrial-based approach is giving way to a consumer-based economic future. And specifically within manufacturing, China is

Consider the Alternative

China's position as the world's factory is not going to change significantly over the next decade. It possesses the industrial competency, the logistical structure, the skilled workforce and the existing relationships to maintain this position. However, it is wise to consider other manufacturing-dominant countries that could be less expensive and more logistically realistic than China.

Mexico has continued to grow in influence as an important trading partner with the United States. When once Mexico's labor costs were more than 50% higher than those in China, by 2014 Mexico was 30% less expensive. And while imported China products are confined to the congested West Coast ports, Mexican manufacturers have multiple points of entry along the shared border. Mexico is also a signatory to the TPP.

India is on the verge of a monumental economic shift toward manufacturing. It still has significant obstacles (opaque legal and regulatory regime, inefficient infrastructure, unskilled and inexperienced workforce), but it also has 481 million workers that are approximately 60% more affordable than China's. Plus, India is spending to remedy the infrastructure challenges; all told, local, state and federal agencies are planning to invest upwards of \$1 trillion.

East African countries like Ethiopia and Kenya are becoming hot destinations for manufacturing, attracting investment from U.S., Chinese and European companies. Ethiopia and Kenya are part of a duty-free trade program that has stoked its exports to the U.S. The allure of the region is the plentiful and affordable workforce – wage rates are approximately one-tenth of those in China.

reorienting from low-value added production toward technology, engineering and services. The country recently launched China 2025, the first of a three-part plan (concluding in 2049) that aims to put China in direct competition with countries like Japan and Germany for advanced manufacturing. By 2020, China aims to have a passel of technologically-advanced industries, (including green energy, medical devices,

49

aerospace innovation and high-speed railroads) represent 15% of its GDP.

Under this major policy, attention will be diverted from lower-value added sectors like promotional products. In the shortterm, other influences will affect China's position.

For example, China has been excluded from the Trans-Pacific Partnership (TPP), between North American countries and a handful of Asian and South American countries (Australia, Vietnam, Malaysia, New Zealand, Peru, Chile, Singapore and Brunei). The TPP is part of President Obama's "pivot to Asia," and it will drastically reduce tariff and non-tariff barriers between the signatory countries and will result in increased trade between these parties. Although President Obama faces an uphill battle in Congress to ratify the final agreement, when it is eventually passed, it will shift sourcing patterns through these countries and away from those excluded from participation.

In addition, China devalued its currency last August in a move likely designed to bolster faltering exports and its manufacturing sector. However, it has raised the ire of its trading partners – including the U.S., where estimates are that currency manipulation by Asian economies over the last 10 years has cost the United States up to 5 million jobs. In September 2015, a bipartisan Congressional group sent a letter to President Obama urging a response to not only China, but also Vietnam and South Korea. The U.S. could respond with countervailing duties, which will effectively eliminate the currency benefits related to devaluation.

The most important factor? The rising price of Chinese goods, driven by increased labor costs. "There is that factor that prices are going up, because they have to pay their people more money now. Pure and simple. They can't get the people, and when they get them, they're not going to work for peanuts like they used to," says Craig Wolfe, president of CelebriDucks (asi/44398), which sources 75% of its custom rubber ducks from China but handles art pre-production and the remaining 25% in the U.S.

Since 2004, wages have been rising by 12% annually. By 2015, the average annual urban salary was over \$9,000, and could reach \$20,000 by 2020. Why the increase? While provinces and cities have the ability to set their own minimum wages, the greater culprit is that the cost of living has skyrocketed in many parts of the country.

China By the Numbers

6.9%

China's GDP growth in 2015, its lowest rate of growth in 25 years.

49.4

Reading of China's manufacturing index, which had its sixth straight month of declines.

20%

Decline in China's stock market this year.

Number of years in a row China has missed its trade growth target.

Laborers who previously had a surplus of money to send home to their families now have just enough to get by. Legions of workers no longer line up for the lowest-paying jobs. Chinese factories are paying more, and as they aspire to high-end manufacturing for industry, they are trying to attract better workers. "China factories are hiring office workers mostly with college degrees, who demand higher salaries in their sales departments and offices," says Edith G. Tolchin, owner of EGT Global Trading, and who has been sourcing in China for over 25 years. "Even many China factory work-

ers are young college grads who work for a few years to get their experience, and then move on to higher-salaried employment."

Tolchin says there are at least double the sourcing options from a decade ago – not in actual factories, but rather as college-educated workers open their own trading companies and position themselves by identifying America's greatest sourcing needs. Meanwhile, many factories are struggling to stay open, pushed to the financial brink by increased wages, China's economic slide and decreased international demand. According to John Lombard, president of Middle Kingdom Sourcing, the financial stress will create heightened competition among factories. "Increased competition is going to cause Chinese companies to improve or die," says Lombard, who lives in the Dongguan province and has been in China for 23 years. "We're already seeing a significant trend toward Chinese companies focusing more on quality, customer service and more."

However, this will weed out the lowest-quality producers – the ones who are also the lowest-cost providers. "If quality is not much of an issue for your product, and your primary concern is the lowest possible price, China is becoming less and less attractive," Lombard says. "But if you want both good quality and good prices, China's still a viable option."

The sentiment is echoed by others: China as a manufacturing entity isn't going anywhere. But the end of its low-cost production will force suppliers to reexamine their practices. Staying in China will have its downsides – increased costs, delayed lead times – but the country remains a well-oiled machine, with a robust infrastructure (upon which the country plans to invest billions more) and decades of experience. Other countries, by contrast, are growing and offer lower labor costs, but lack the same supply chain advantages.

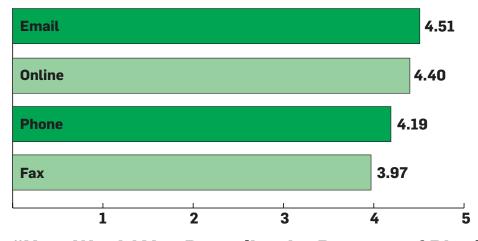
When Wolfe created The Good Duck, a PVC- and phthalate-free rubber duck, he was able to make it for less in the U.S. than it would have cost him in China. Still, his custom painted rubber ducks are made in China, because the rotational molding of the ducks and the intricacies of painting are simply too expensive to do it elsewhere right now. But as China's prices rise, Wolfe and other suppliers may have their hands forced. "In five years," he says, "I think it's going to be shocking for people."

WILL THE FAX EVER DIE?

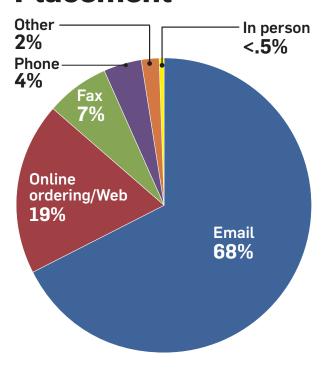
e are still working like we were 20 years ago. It sounds a little bit crazy, what I'm going to say, but we are still receiving orders by fax. Who is using fax today in the retail business? I don't think Walmart is sending orders by fax to their suppliers." – Emmanuel Bruno, vice president and general manager of BIC Graphic North America (asi/40480), in a Counselor podcast last winter.

Try as the digital gods might, the fax still exists. But has its role finally been marginalized? ASI surveyed distributors nationwide to find out how they placed their orders with suppliers. The conclusion: Digital methods like email and websites are by far the most common – and satisfying.

Average Satisfaction With Each Order Method



Industry Order Placement



"How Would You Describe the Process of Placing Orders With Suppliers?"



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HOW ARE DISRUPTERS CHANGING THE INDUSTRY?

By John Corrigan

Disruption, by definition, is a disturbance. It interrupts the normal order of things. And with every modern technological advance, what gets altered is the dissemination of information. The telegraph carried messages across the boundless expanses of the oceans. The telephone put people in instant contact. The Internet brings together people around the world in like-minded congregation.



When that occurs, industries irrevocably change. Just look at the impact of the dot-com boom of the late 1990s. Hundreds of newspapers in the U.S. ceased printing as websites provide news without cost or wait. Television ratings and music sales plummeted as online streaming allowed viewers to watch shows or listen to songs at any time. Even taxies are losing business as services like Uber and Lyft offer customers transportation with the click of an app.

The previous advantages that the old models had are now erased. "When information is all you're hoarding, you can't win," said Seth Godin, best-selling business author, at this year's PPAI Expo. "All information is now free on the Internet. But the products and services you have in this industry are perfect for this moment."

"Established players may face the classic incumbent's dilemma, being vested in the status quo and reinventing their business online without destroying its value."

Anthony Staehlin, Teespring

Which brings us to the promotional product industry. Forward-thinking companies are using technology to disrupt the industry by challenging traditional business models and shaking up the status quo. In many ways, it's a transition period: E-commerce is growing and the use of technology platforms is on the rise, but brick-and-mortar companies still abound in various forms. Jim Franklyn, vice president of sales and marketing for distributor Inkhead (asi/231159), calls this moment in the industry "the emerging hybrid space of distributor selling."

"You're going to need to offer clients a Web presence, a way for them to order and shop online, as well as a consultative sales experience for trade shows and events," says Franklyn.

Inkhead allows users to browse numerous branded products on its website and then customize logos for their selection. And the model seems to be working, as the Atlanta-based company has increased its sales by 360% over the last seven years.

"We're successful because we're relevant online," Franklyn says. "In order to be relevant online, you have to have very deep pockets and a comprehensive e-commerce marketing strategy, or you're just wasting your money. You need a comprehensive strategy ranging from pay-per-click to content to product positioning to blogging to social media skills. It's not simple anymore."

Inkhead isn't the only e-commerce outfit thriving. 4imprint (asi/197045) has recorded 113% growth the last five years and is now the second-largest distributor in the industry, with almost \$500 million in North American promo revenue in 2015. ePromos Promotional Products (asi/188515) has 88% growth over the last five years and resides in the Top 40.

And then there's Vistaprint. In 20 years of business, the company has grown into an online behemoth that earned \$1.3 billion in revenue in 2014. From its first wildly successful steps printing business cards (by the millions) before expanding to other marketing materials and various consumer items, the company is now making a serious entry into the promotional product space. Don LeBlanc, president of the company's corporate solutions division, credited Vistaprint's customers with forcing the company's hand, saying there has been a demand for promo products that the company hasn't adequately met. "We've done really well in print and we know there are a lot of commonalities in terms of the customization side," LeBlanc said at the ASI Power Summit last November. "We're looking to build a broad network of partners with our customization platform in the middle."

At its core, Vistaprint's story is not unique; thousands of printing businesses have expanded into promotional products because it's a natural fit. But e-commerce puts a new spin on traditional models. Vistaprint can capture a global clientele in a way that few businesses are able to, and that broad reach could have a tremendous impact.

But while online shopping – the unadulterated access to the key information of products, price and availability – has changed the buying experience, it's only one example of the change in flow of information. Alibaba Group has carved out a wildly lucrative part in the supply chain, and Michael Lee, the company's director of global marketing, believes that informing buyers has been the foundation of the company's success.

"We provide choices," Lee said at the ASI Power Summit last November. "We offer logistic



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services, trade-financing services; we even offer educational content to help different buyers find what sourcing path is best for them."

Among its myriad ventures, Alibaba offers Alibaba.com, a sourcing platform that distributors and suppliers in the U.S. can use to get items directly from manufacturers in China. While critics say the company removes suppliers from the equation, Lee assures that his firm is not a threat; rather, it is a platform that will work with suppliers and distributors to make the entire chain as frictionless as possible. "Our focus is to make everyone succeed," Lee said. "Helping people find the right product, the right supplier, not just internationally, but also domestically."

The Old Guard's Dilemma

Technology removes the barriers that prevent ideas from spreading and becoming a reality. It's empowered consumers not only to buy, but to create, and disrupters in the industry are thriving by giving them the tools to create the promotional items they want.

CustomInk, the DIY T-shirt provider launched in 2000, has attained nearly \$300 million in annual revenue, with year-over-year growth of 50%. Customers create apparel designs right on the company's website and can then purchase them instantly. That accessibility dissolves the time and effort of going to mall kiosks, mom-and-pop shops and traditional distributors.

They're not the only successful company to utilize this model. Teespring printed more than 7 million shirts last year; cofounder Anthony Staehlin estimates that 1 in 50 Americans purchased a Teespring product in 2015. Through a business model of on-demand manufacturing and personalization, the e-commerce platform enables anyone to create, sell and order custom

products. By leveraging social media to encourage others to pre-purchase designs, Teespring has enabled users to eliminate the traditional process of estimating peoples' sizes and preferences, placing a large bulk order, going through the hassle of redistribution and payment, and then swallowing the cost of the leftover inventory.

"Established players may face the classic incumbent's dilemma, being vested in the status quo and having difficulty reinventing their business online without destroying its value," says Staehlin. "On the other hand, a lot of new players lack infrastructure, scale and brand to fundamentally change a business that does require complex manufacturing and fulfilment."

Staehlin says Teespring falls in the middle. The four-year-old startup raised over \$55 million in venture funding, and in 2014, generated millions of dollars for dozens of independent designers. Social networking service LinkedIn and collaboration portal Slack have both leveraged Teespring's platform to offer their employees branded merchandise for customization. "Teespring is in a rare position where our strong infrastructure, high levels of investment and millions of users mean that we're established enough to challenge the status quo," Staehlin says.

But that's the thing – today's disrupters become the status quo, and the ones who years or decades later join the legion of disrupted companies. What's the key to finding a new angle and then staying two steps ahead of the competition? "The trick is to constantly stay on top of innovation so you never run into the problem in the first place," says Julie Austin, CEO of the consulting firm Creative Innovation Group and creator of a NASDAQ product of the year semifinalist.

Meanwhile, how can traditional compa-

Signs of Change

How can you sniff out the beginnings of disruption? Experts offer their advice.

Look for the Telltale Signs. Ted Yang, a veteran disruptor who left an executive-level job at a hedge fund to launch the digital ad trading startup MediaCrossing Inc., lists three: opportunity, transparency and a shift from relationships to merits. "There wouldn't be any disruptions if there weren't opportunities to make money," Yang says.

Don't Write Off Fledgling Innovations. Jake Schroeder of HBX Disruptive Strategy cites the example of robo-advisors in the financial services industry. "Currently, robo-advisors are viewed as inferior relative to traditional financial advisors," he says. "However, over time it is likely that robo-advisors will continue to improve until their investment performance matches or exceeds that of financial advisors."

Think Broad. "Learn to think like a futurist and monitor the trends," says Julie Austin of Creative Innovation Group, "not just in your own industry, but in general." Awareness of big-picture trends can steel you against upstarts and even give you the leg up with a new opportunity.

nies compete? They often can't, says Jake Schroeder, course delivery manager for HBX Disruptive Strategy, a digital learning initiative powered by the faculty of Harvard Business School. Or at least, not when disrupters target the areas that traditional companies are weakest in. He cites the example of online companies specializing in low-margin work and thriving. "Incumbents aren't incentivized to invest where margins are slim," Schroeder says. "And second, their organization is structured to serve the high end of the market - not the low end. The incumbent's resources, processes and profit formula will make it very difficult for them to compete efficiently on the low end."

To compete, Schroeder says, established players may have to find alternate areas of growth or simply purchase the disruptive companies. Either way, the message is clear: continuing to do business the traditional way won't work.

WHO ARE YOUR LONELIEST EMPLOYEES?

It could be the ones in the office every day. That was the surprising discovery of a study last fall that examined a Fortune 100 tech company that allows its employees to choose where they work. As telecommuting continues to increase (more than a third of the U.S. workforce, according to a Gallup poll), the concern has traditionally been with monitoring the performance and feelings of remote workers. But the study by a pair of university business professors uncovered something else. Once a certain number of employees are working offsite, the entire group feels isolated and disconnected – including the workers who still come

to the office.

What else did the study discover? The biggest reason employees chose to work offsite was a feeling that few people from their team came to the office anymore – a self-fulfilling prophecy that drove up the number of people working remotely.

Remote workers agree that working offsite helped their work-life balance and made their job satisfying, but did not feel it facilitated their career progression.

Even people who largely worked offsite still desired the option of a traditional office and missed the social and work benefits of being there.

IS IT WORTH INVESTING IN A 3-D PRINTER?

By Lauren Kraveo

hree-dimensional printing is not a new process - it's actually been around since the 1980s. But in the past few years, the potential uses have exploded as the technology has become refined and more affordable. Today's 3-D printers (which create an object from a digital model by laying down heated plastic resins in successive layers) are used to create items ranging from prosthetic limbs to toys. User-friendly features include easyto-use software and Wi-Fi. But does it make sense for promotional product companies? Consider these three factors:

Price

There are dozens of 3-D printers to choose from, with a wide range of prices, software and filaments (the material used to print the items). One type of 3-D printing is called Stereo Lithography, or SLA, which uses liquid resins that harden when exposed to light. However, SLA printing is typically more expensive. More commonly for commercial use, Fused Deposition Modeling (FDM) is accomplished with plastic polymers that are simply heated to print and cool in layers to form the object. Desktop 3-D printer prices start at around \$500 for more personal uses but can be as expensive as \$8,000. Industrial 3-D printers start at around \$10,000 with some costing more than \$100,000. Prices vary depending on the speed and accuracy of the machine, as well as the types of polymers it can print.

Prototyping

3-D printers make the design process

shorter and more cost-effective. "They allow us to create very quickly and relatively inexpensively samples of our designs," says Jason Fogg, general manager at HandStands Promo (asi/59525), which has owned a 3-D printer for six years. While working on designing the Cobra Virtual Reality viewer, designers at the supplier printed multiple versions before settling on a final design. Because it's difficult to get a sense of size and shape without having a model of the actual product in hand, Fogg says a 3-D printer saves time and money spent on samples from out-of-house manufacturers.

Short-Run Production

Fogg says the company's prototypes

are not suitable for end-users: "They're delicate and not very rigorous, and will become pretty disposable." However, that all depends on the type of filament and machine you use, according to Johan Broer, public relations manager at Makerbot, a company that sells 3-D printers and supplies. For manufacturing, Broer recommends using Acrylonitrile butadiene styrene, the material that Legos are made from. Industrial 3-D printers can print in materials like nylon that are more impactresistant. For products that don't need to be manufactured in bulk, Broer says 3-D printers can be more cost-effective than injection molding: "You would be able to offer a design in a small quantity that you could produce on a desktop 3-D printer."



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WHY IS UNDER ARMOUR TURNING DOWN MILLIONS OF DOLLARS?

By C.J. Mittica

n thousands of emails and sales calls around the country, the customer lobs an inevitable question: "Do you have Under Armour?" The answer is often "No." The brand is a precious metal, one constantly in demand but rarely supplied. On ESP last year it was the seventh-most searched apparel term – and the only Top 20 search by brand name.

"It's very difficult to get an account with Under Armour now, especially as a small dealer," says Mary Claghorn, manager of the team and corporate customizing department at Sports Unlimited. The online sporting goods seller was at one point one of the largest independent dealers of Under Armour in the U.S., and the relationship with the apparel brand was strong enough to grandfather them in as Sports Unlimited expanded its corporate apparel work.

There are very few dealers of decorated UA corporate apparel in the U.S. Most don't belong to the traditional roster of large suppliers, but rather comprise a small gaggle of team dealers, decorators and smaller distributors. Both alphabroder (asi/34063) and Bodek and Rhodes (asi/40788) – the latter by way of their merger – carry the brand, but only in a limited capacity with the expectation that availability will be expanded throughout the year.

So why the hesitation from Under Armour? Strictly from a requirement standpoint, the apparel company mandates that any reseller – from full-line sporting goods stores to decorators and promotional product dealers – has a brick-and-mortar storefront. In addition, Under Armour will sell its wares directly to organizations or companies for a number of uses – corporate events, company uniforms, sports and activity clubs (collegiate clubs, Tough Mudders) and more. Any group that wants to purchase from Under Armour must register and submit a request, which the company reviews within 4-6 weeks. On the company's All Access page, it states that the

company "reserves the right to deny any sale based on our current Brand Initiatives."

Brand is paramount to UA's success. Even as Founder Kevin Plank pioneered the modern notion of performance wear 20 years ago (polyester, moisture wicking), mega-companies like Nike and adidas wasted little time diverting their gargantuan resources to the category. And still, Under Armour has grown to become the second largest sports apparel brand with over \$3 billion in revenue in 2014. Its marketing strategy has been hailed as



paramount to its brilliant rise; as just one recent example, the company won Ad Age's Marketer of the Year award two years ago.

So not surprisingly, brand is very much behind UA's limited presence in this industry. "They have that tagline, Protect This House. I think they really take it to heart," says Neil Van Malderghem, senior account executive of Chesapeake Business Solutions Inc., which has sold UA for over five years. Van Malderghem says Under Armour insists their product is never discounted, and while the prices of its top-line items are in line with other leading brand names, the

company doesn't offer even mid-level items that are more affordable.

Also, while UA is not fanatical about where logos are placed and how they are applied, they have forbid logos for tobacco and other drug companies. (Alcohol is also banned, though corporate dealers have gotten the company to sign off on buyers like beer breweries.) UA product also must only be decorated by company-approved decorators.

It's clear that to be an Under Armour reseller is to be an exceptional steward of the company's brand. "They trust us that we're going to do it according to their guidelines," says John Reglein, owner and president of Graphic Edge, which does major UA team sales but also offers corporate apparel. "It's almost like they're doing it because we're just an extension of their wants."

It's also possible that UA's tepid dalliance is just as much about economics as branding. Van Malderghem recalls a past conversation he had with a UA executive about selling more in the industry. "Why would we want a distributor out there selling products decorated for less money than Dick's, which spends \$10 million a year with us?" Van Malderghem recalls him saying. "I agreed with him, really."

Perhaps things can change. According to distributors, UA's spotty inventory in the past has improved. If UA decides to expand its presence in the corporate market, it will find consistent customer demand and a ripe growth opportunity that can be tapped into at any time. Sports Unlimited does strong corporate business with Under Armour products - everything from polos and quarter-zips to backpacks and hoodies. Chesapeake's clientele for Under Armour includes "pretty much everyone," from corporations to the federal and state government. The brand cache is strong, and people are willing to pay the price. "In the corporate world," Claghorn says, "if what they're looking for is Under Armour, then Nike is not good enough."

Are You Ready To Sell Your Business?

INSIDE

6 Tips To Sell Your Distributorship Quickly and Easily

How To Ensure a Fair Price and Reasonable Payment Terms



The Distribut Difference

know your business. Sellers should have a sense of the value of their business. Sellers also should be familiar with customary payment terms within their industry. The Distributor Exchange provides a "due diligence" questionnaire to help sellers understand the value of their distributorship and a sample letter of intent outlining customary deal terms.

Protect confidential information.
Preliminary discussions do not always culminate in a deal. Sellers must be careful when sharing information about their business with possible buyers. The Distributor Exchange requires all possible buyers to sign a confidentiality and non-disclosure agreement protecting the seller's confidential and proprietary information.

Expand your buyer pool. The best way to find a buyer - the right buyer - and to get the best price is to reach out to a large pool of possible buyers. The Distributor Exchange has access to hundreds of experienced, qualified promotional products distributors throughout the country that are eager buyers. Don't waste your time with inexperienced, unqualified buyers that are just "kicking tires."

Identify key buyer qualities. Are you a womanowned business that requires a woman buyer? Is your customer base local, requiring a local buyer? Do you focus on a particular industry that requires a buyer to have experience in that industry? Are you considering the friendly neighborhood competitor? That could be the worst buyer for you. The Distributor Exchange identifies the buyer that it considers to be the best fit for you and your business based on geographic proximity, customer focus, business style and personality.

Now may be the time for you to sell your distributorship and realize the financial rewards you deserve. The Distributor Exchange will evaluate your business and suggest a purchase price and payment terms that make sense to you and the buyer.



or Exchange

Are you a distributor with annual sales less than \$1,000,000 and a goal to sell your business? Having worked hard over the years building your distributorship, have you considered your end game? Maybe now is the time to sell your distributorship and reap the financial rewards you deserve. While there is a lot involved in selling a business, you can prepare yourself for this exciting transition. With knowledge and expert advice, you can plan a smart exit strategy that will allow you to enjoy the next phase of your life. Here are six important factors to guide you down the path of selling your distributorship.

Know the buyer. Oftentimes, the people behind a deal are as important as the economics of the deal itself. Sellers must get to know, become comfortable with and trust their buyer. The Distributor Exchange does considerable "due diligence" and serious vetting prior to recommending a possible buyer. Sellers are then given ample opportunity to visit, get to know and either accept or reject the buyer.

Negotiate with confidence. Having tackled Tips 1-5, you should be in a position to negotiate with confidence to secure the best price and payment terms. Always ask for more; the worst that can happen is that the buyer will say "no." Also, be sure to understand what is important to the buyer so you can focus on these points to help you conclude a deal. Be prepared to say no and to walk away.

Exclusive Advantages



Bob Schwei, Managing Director of The Distributor Exchange.

- > **Process.** The Distributor Exchange provides a fast and methodical selling process, striving to complete transactions within just 90 days.
- > **Specialization.** The Distributor Exchange is the only service in the promotional products industry focusing on distributors with annual sales less than \$1,000,000.
- **> Buyer Network.** The Distributor Exchange works with a network of

600 experienced distributors nationwide that are looking to grow their business through acquisitions.

- **Expertise.** The Distributor Exchange consists of industry experts as opposed to a broker who does not understand the industry and has no buyer contacts.
- ➤ Cost. The Distributor Exchange guides you through the entire process and prepares all the necessary documents all at a fraction of what it would cost you elsewhere.



If your distributorship generates annual sales less than \$1,000,000 and you want to sell your business, The Distributor Exchange is the solution for you.

Read what other distributors are saying about The Distributor Exchange:

"This type of business transaction was completely foreign to me, so it was invaluable to have The Distributor Exchange take us through the process step by step. They went above and beyond in all regards. I couldn't be happier with their efforts to make this a win-win for all parties involved."

- Cindy Gibbs, Big Fish Branding

"You have exceeded my expectations regarding this process. Thanks for being so efficient, attentive and supportive. What else can I say ... a dream come true!" - Barb Feyka, Capstone Promotions

"Our experience with The Distributor Exchange was outstanding. They quickly found an appropriate buyer for us and they worked hard to complete the transaction within our tight timeframe. All parties won!"

– Chuck Fertick,Prostar Specialties

"The Distributor Exchange helped structure an exit strategy that worked for me given where I am in my life. I will be continuing my business for a few more years, but, without a doubt, I will be using The Distributor Exchange when I am ready to sell."

- Mark Goldberg, MAG Promotional Products





To learn more, visit **www.thedistributorexchange.com** or call toll free at **844.251.8544**.

WILL PROMO COMPANIES GET DRONES OFF THE GROUND?



s Amazon prepares to usher in the era of drone delivery, promotional product suppliers are certainly wondering when it will be feasible to launch their own efforts. "It's not a case of whether a drone is cheaper than a delivery truck – that's not the math," says David Proulx, vice president of product and marketing for Aeryon Labs Inc., which produces small Unmanned Aerial Systems, or UAS. "It's a case of getting the technology to the point where drones can operate autonomously over long distances and also getting the regulatory environment to the point where we know how to partition the airspace." Here are the hurdles.

Tangled Regulations: The Federal Aviation Administration authorizes commercial

drones on a case-by-case basis, but the current proposed requirements are convoluted. Not only must drones stay away from bystanders and fly only during daytime, but they have to stay within the visual line of sight of the pilot – which means no deliveries to customers the next town over, let alone the next state.

Connected Network: Drones need to not only speak with each other, but they must coordinate with a wide range of other aircraft. "How does a drone interact with a helicopter that may need to be in the same airspace for a medical evacuation?" says Proulx.

Significant Costs: "Between now and when it is possible for drones to deliver, there is this massive capital investment required by the industry," Proulx says. Manufacturers are reluctant to spend on different models until international guidelines are set. "You don't want to be building different versions of aircraft to sell to different markets," he adds.

WHAT ARE FIVE EXPLOSIVELY GROWING MARKETS?



TELEHEALTH SERVICES

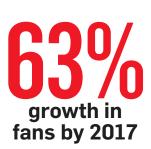
Doctor house calls for the 21st century: telehealth uses digital technology to allow patients to quickly talk to doctors in addition to remote patient monitoring and health file transmission.

500% growth by 2020



eSPORTS

The next spectator sport craze is breaking big: 89 million devoted enthusiasts stream videos and pack arenas to watch professional video game players.





EAST COAST ENTERPRISE TECH

Silicon Valley still has the leg up on technology, but New York's "Silicon Alley" and the Eastern Seaboard are quickly growing their presence.



growth in NYC tech employment since 2008 increase last year



RESIDENTIAL SOLAR ENERGY

Companies providing solar power to houses leapt in 2015, powering the solar industry's overall growth.



SURVIVALISTS

Blame the fear of the impending zombie apocalypse, but "preppers" and survival enthusiasts have sprouted all over the country.

3 7 MILLION survival enthusiasts in the U.S.

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ore than you think. "Every time you do something that could be delegated to someone else for a lot less money, you are actually costing your business - not only money, but its most valuable asset: you," says Jennifer Martin, a San Francisco-based business coach and founder of Zest Business Consulting. "Work like you are the most valuable player, and only do what you do best."

In the "gig economy," where freelancers and temps abound through platforms like Upwork.com, that makes it easy to outsource a surprising amount of ordinary tasks at cheap rates (\$10 or less per hour) that right now are a fundamental part of your day. Here's a quick list with comments from Martin:

Reading Your Emails: "There may still be people you have to respond to, but you don't need to be the person reviewing your emails. Pay someone else to filter all your newsletters, client calls and whatever else is filling up your email."

Research: "This is time-consuming and generally doesn't require a master's degree to do. Stop wasting your time researching when someone making far less than you per hour can get the job done."

Social Media for Business: "Creating posts, replying to posts, creating events, monitoring analytics, the whole shebang. Unless this is your full-time work, don't do it anymore. It's generally one of the biggest time wasters and not often the best use of your valuable time."

Scheduling/Answering Phones: "Outsource, outsource! Or I at least automate. There's no reason you need to spend time with anyone until you are ready. Eliminate all distractions as often as you can."

WHAT APPS WILL CHANGE **THE WAY YOU WORK?**



CALENMOB

A native Google calendar app, this tool makes schedules more accessible and reliable on mobile platforms. With it, you can set meeting reminders via push notifications, SMS or email; instantly switch between eight standard views: and invite people to events.

PRICING: Download CalenMob for a one-time cost of \$6.99.



CAMCARD

Have you ever gotten back from a business meeting or event with a pile of disorganized business cards? CamCard lets you scan and store paper business cards, but it also allows you to exchange business e-cards, too. The app serves as an ongoing networking tool as well.

PRICING: The free version of CamCard lets users scan up to 200 cards. A full version is available for a one-time charge as low as \$0.99.



ESP MOBILE

The ad specialty industry's largest product database can be accessed anywhere with ESP Mobile. The app provides detailed searches and the latest pricing, as well as quality images, letting you email product information to clients while you're on the go. Plus, users can view imprint details, produc-

tion times, rush services, locations and product safety warnings all on the same screen. PRICING: This app is free for authorized distributors who are ESP subscribers.



PHOTONOTE

Need to capture product information in a hurry and take pictures in a flash? Then PhotoNote is an app you should download today, especially for trade shows.

PRICING: PhotoNote costs \$1.99. A free version called PhotoNote Lite is also available, but it only allows you to take and store four pictures.



RESCUETIME

Wondering how your day got away from you? Rescue Time gives you a detailed picture of how you're managing your schedule by effectively running in the background of computers and mobile devices and tracks the time people spend on apps, websites and email.

PRICING: The basic RescueTime app is free, while the upgraded Pro Solo Rescue-Time – which offers opt-in distraction blocking and alerting features – costs \$9 a month.



XPENSER

The ultimate expense management app, Xpenser serves a host of devices and interfaces - from voice to email to instant messaging. Its clever format allows individual users to quickly record costs, receipts and mileage. The app can also import bank and credit card statements and then export them to accounting software like QuickBooks or Outright.

PRICING: Xpenser offers a generous free trial that includes management of up to 300 expenses. Premium versions cost \$9 per month.



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WHAT ARE THE BIGGEST INNOVATIONS IN E-COMMERCE?

E-commerce sales in the U.S. last year surpassed \$340 billion and in the past decade have doubled their percentage of total retail sales. As consumer interest grows, promotional companies not only need to look at e-commerce, but stay on the cutting-edge. Matt Smyth, director of Digital User Experience at ASI, lists the four biggest innovations.

1. Actually Buying: "Traditionally, B-to-B companies have contended their products could not or would not be sold online. As buyers get younger, this trend is changing. These 'Digital Natives' will expect to buy your business's products and services online 24/7. These customers value control and expect to make an informed buying decision with little

to no interaction with a live person. How can you help facilitate reorders, sample requests or optimize your site in a way that allows for a question-free order? Give them a site that 'expects' buying and they will buy."

2. Customer Experience:

"Now more than ever, your website is a reflection of your business. Websites that are easy to use and provide valuable information serve as an ambassador for your company. Customers expect the same ease of use on B-to-B websites as consumer sites like Amazon and Ebay that have created frictionless shopping experiences. Create a customer-focused website with simple navigation, compelling content and vivid product images. Find the path your users are most

likely to take and remove friction points."

- **3. Personalization:** "Ad retargeting, localization, adaptive personalization and social media have all helped to create an Internet that is personal to you. Your customers expect the same experience. When a user logs in, show them products that are right for them. Give them ways to access their orders, save products, communicate with peers and see only what is most important to them."
- **4. Multilingual:** "By 2020, 40% of the U.S. will be Spanish speaking. With Chinese, French and other languages on the rise, it's important your site speaks to this growing customer base. Open up to a growing market by creating a multilingual site."

HOW MUCH IS A CELEBRITY ENDORSEMENT WORTH?

ollars – we'll get to that. Value? Robust, even for small businesses and B-to-B companies. Evan Morgenstein, CEO and president of CelebExperts (which helps pair celebrities with large corporations and growing small businesses), explains.

As social media has grown, so too has the notion of who qualifies as a celeb. "The opportunity to work with a known person, someone that has their own social media universe that they can leverage for a small business, has exploded."

Don't think you have to settle for reality stars. In working with a health-care

company that sells exclusively to CEOs, Morgenstein is in the process of recruiting UGG CEO Brian Smith as a spokesperson.

The price depends on the scope of work. A social media



shout-out to hundreds of thousands of followers? A few thousand dollars. Higher-profile celebs and more involved work? Escalating to potentially hundreds of thousands of dollars. Bottom line: "There's a legitimate celebrity for any company at any price point," Morgenstein says.

In truth, the cost of a celebrity endorsement is as much as companies are willing to spend. Morgenstein's advice: Set your budget and let companies like CelebExperts find the best person for your money. "With celebrities you never thought would be available, if I know this is your bottom line, I'm going out there with a take it or leave it offer. And many, many times, they'll take it."

WHY DO I NEED A PERSONAL BRAND?



Dan Schawbel is the founder of Workplace Trends.com and bestselling author of *Promote Yourself: The New Rules for Career Success*.

Q: What is a personal brand and why is it important today in business?

DS: Personal branding is about unearthing what makes you unique and special, and communicating that to the right audience. I always push people to focus on niche because that's how you can be found.

Q: How have you successfully branded yourself?

DS: I've created a blog, a magazine, an online TV series – all focused on the topic of personal branding. I've also created multiple businesses, authored books, written 1,500 articles, interviewed over 1,500 people and did 27 research studies.

Q: How can busy salespeople find time to build their personal brands? **DS:** You're always selling yourself. Even when you're not even thinking about it, you should be. Everything you do is a branding/selling opportunity. You can't avoid that.

Q: As you build a brand, how do you decide what personal info to keep private? **DS:** Don't talk about political, religious or gender views. Definitely avoid anything that would cause controversy – unless you're in the business of causing controversy.

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Armed services veteran and *Dancing with* the Stars winner J.R. Martinez provided ASI Dallas with a memorable and inspirational speech. Plus, a slate of education sessions gave attendees winning business strategies.

By Counselor Staff

t 19, every plan and aspiration that J.R. Martinez had to that point in his life went up in flames – literally. Then an Army infantryman, the Humvee Martinez was driving in Iraq hit a roadside bomb and he was trapped inside the vehicle, incurring disfiguring third-degree burns during the ensuing blaze.

But rather than buckle and retreat into depression and self-pity, Martinez found a way to overcome the hard hand he'd been dealt – and to inspire thousands of others with his touching story of survival, hope, persistence and success.

He shared that story with a rapt audience during his keynote speech at the ASI Show Dallas in February. "It all starts with your attitude," Martinez said. "Focus on controlling what you can control."

Speaking in an easygoing style and interjecting humorous asides, Martinez delivered insights through a narrative that spanned his humble origins in Shreveport, LA, to his ascent to being a famous motivational speaker, author, actor and winner of *Dancing with the Stars*. His talk was themed around the idea of "boxes" – or circumstances that people find themselves in. He emphasized that the key to success in life and business is learning how to adapt to these new, dynamic situations. "Don't be afraid to change and grow," Martinez said. "Trust yourself."

Certainly, Martinez had to do a lot of such self-evolution. Up through high school, his life plan centered on playing college football and getting drafted into the NFL. But the lack of a scholarship and a middling academic performance rubbished that plan.

Then one day, while on lunch break from his job, 18-year-old Martinez saw a television ad from the U.S. Army. Here was a fresh direction: He could join, do a few years, get some college credits and still be young enough to get his college football career on track. But things didn't go that way. A war was on, and he was soon deployed to Iraq where he sustained his injuries during a transport mission. Suddenly, his plans were dashed: no chance of football, no more Army, and he had the prospect of a lifetime of dealing with the fallout of his very visible burn injuries. "I fell into a deep, dark place," said Martinez.

Fortunately, he didn't stay there. Thanks in part to a kick in the pants from his mother, Martinez formulated a new plan: "Get through the day. Be positive. Have faith." He started putting these directives

into action and doors started to open. He began speaking with other burn victims, bringing hope to their lives. He got involved with a nonprofit. Soon, he was landing engagements as a motivational speaker and he determined that would be his career, but even that didn't take off as he planned. Still, he persisted, stayed positive and eventually earned the opportunity to play a wounded war veteran on the soap opera *All My Children*. A gig that was supposed to last three months went on for three years, thanks to his excellent performances. Acting propelled his speaking career and led to the *Dancing with the Stars* opportunity and ultimate victory.

Given what he has achieved against the odds, Martinez could be excused for resting on his laurels. But that's not his style.

"It all starts with your attitude. Focus on controling what you can control."

J.R. Martinez

Instead, the young father is embarking on a new endeavor – one he'd always had in mind anyway: college student. "I'm a freshman," he said, laughing. "I'm finding ways to grow." He encouraged ASI Dallas attendees to do the same: "You can control your attitude, your willingness to learn, your willingness to grow."

Become a Peak Sales Performer

In addition to J.R. Martinez, ASI Dallas attendees were able to glean winning business strategies from professional speakers during Education Day. At his Sales Bootcamp session, Ron Marks told attendees not to follow the Golden Rule, but rather the Platinum Rule to boost sales. "Don't treat people the way *you* want to be treated," he said. "Treat them the way *they* want to be treated."

Marks' advice was part of a lengthy list of strategies the consultant offered up to his audience. At the core of his message, though, were three fundamentals that he believes every good salesperson must master. "You need the right attitude, the proper skill sets and a high level of commitment," he said. "You also must avoid the tendency to just present products and show catalogs."

Marks stressed that the best salespeople are able to move customers away from focusing solely on price. The key, he said, is to truly get to know customers and be able to relate to them. He used the story of a trip he once took to Montreal to illustrate his point. At the beginning of his trip, Marks got in a cab and said *bonjour* to the driver, who then immediately started speaking in French. Marks abruptly stopped him and said he only spoke English, which annoyed the driver.

Later that week, Marks got in another cab and said bonjour. But this time when the driver began speaking the local dialect, Marks said in the drivers' native language that he didn't speak much French. "The driver was very friendly and it was a great ride," Marks said. "The difference is, I made the effort to relate." Similarly, Marks thinks salespeople should be fact-finders and researchers who connect more easily with clients, rather than following one traditional selling script. "You really need to develop multiple strategies," he added.

A few of Marks' other tips: Send handwritten notes to prospects because they stand out in a digital world. Expand your personal network by reaching out to people who sell to the same types of buyers you do, but who aren't your competitors (like a loan officer's relationship to a realtor). And be as specific as possible when asking for referrals.

"Ask who they went to school with, who they work with and who they've talked to lately who's frustrated with their current service providers," Marks said. "When someone pulls up the contacts list on their phone, ask them who above you and below you on the list you should be talking to."

Increase Your Online Influence

The Internet today is a crowded place, and marketers who want to stand out need to make sure of one thing: They have to really connect with their target audiences. That was made clear by ASI Dallas Education Day speaker Alice Heiman, head of consulting firm Alice Heiman LLC, during her session titled "Three Big Ideas: How to Increase Your Online Influence and Authority."

"How do you get people to pay attention to you in a crowded and noisy marketplace?" Heiman asked the audience. "Talk to people the same way you do in person. You need to

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To do that, Heiman stressed the importance of focusing on the right social media channels, sharing great content on those outlets and using online tools that can save you time in your online marketing efforts. Ultimately, Heiman said, it's vital that you're not wasting your time by focusing on too many social networks and online marketing strategies.

"Survey your customers to find out which networks they're on," Heiman said. "How can you connect with them without knowing where they are? Once you know where most of them are, pick one channel and do it really well before you start mixing your channels. Don't try to be on too many networks and do too much online, because you'll be spreading yourself too thin."

To create compelling content, Heiman urged her audience to look away from straight marketing and selling, and focus on sharing information that their customers can benefit from. "Write blogs, share pictures, get personal with your content, and provide data and strategies that can really help your customers in their business," Heiman said. "That's the key to social and online marketing today. Push out information that your followers need, not just about promo products, but about marketing in general or anything you know your customers would be interested in. That's the key. Be interesting, and then people will gravitate to you and want to do business with you."

Build a Winning Brand

People will buy from you if they trust you. And one excellent way to build trust with clients and prospects is to educate and entertain them through an informative, routinely updated blog. That's just one of the many new-age marketing and sales strategies that Patrick Allmond shared at the ASI Show Dallas during his education session, "Your 24/7 Presence: Hot Digital & Mobile Branding Ideas."

Creator of the popular "Own Your Empire" marketing system, Allmond told a packed room of industry pros that a blog replete with articles, videos and podcasts on topics like product trends can establish an online persona that presents you as a reliable expert, giving you an edge on competitors. "Strive to be the most educational company in your niche," said Allmond, who

frequently comments on FOX, NBC, ABC and CBS news affiliates.

Of course, Allmond's session was about a lot more than blogging. He delivered an array of insights about how promotional product companies can establish a brand that suits them and attracts the kind of customers with whom they want to work. Part of this included explaining how colors are tied to certain emotions (blue equates to strength and dependability, for example) and how picking logo colors that convey the characteristics you want to emphasize is wise.

While having the right logo and graphic messaging is paramount, branding is about more than just those things, said Allmond: "A brand is everything you do that sets you apart – your products, services, your story – how you present yourself and your com-

"Be interesting, and then people will gravitate to you and want to do business with you."

Alice Heiman, Alice Heiman LLC

pany" in person and online.

To build the right brand, Allmond advised distributors to create a "branding document" that spells out what makes them unique. Communicating this brand persona through everything from online videos and the "about us" section on a website to inperson elevator pitches, sales presentations and, of course, a logo and graphic messaging is a powerful way to stand out from the crowd and attract ideal customers. "Think about the kind of experience you want to offer clients and convey that through your brand," said Allmond.

How To Recover Lost Clients

The adage remains the same: it costs more money to secure new clients than it does to retain current clients. But how much value is there to recovering clients that have been lost? A lot, according to Johnny Campbell. During his session, "The Lost Client Recovery Plan: Creative Tactics to Win Them Back," he said: "The customers

that we recover are not one and done. Once we recover them, we want to see them as a lifelong customer." In fact, he said that to remain profitable, one of the top things you can do, in addition to selling more to current clients and winning referrals, is to win back lost customers as opposed to trying to gain new customers.

Not losing clients is the first step. In this world of business disrupters, it's imperative that you do your best to retain your current clients by understanding what their needs are. Answer these questions: what do they do and why? Campbell said you may have lost customers you didn't even know you had because you didn't show interest in what they said to you.

"These are customers who are not customers yet because you haven't followed up with them," he says. In other words, if they show interest in what you sell and tell you about a need they have, you need to follow up immediately before you lose that chance.

But why are you losing clients? Campbell pointed to five reasons: 1. price; 2. your contact left the company; 3. poor product offering or service; 4. new vendor or competition; 5. they forgot about you. He also said that customers want to know that you care about them and are there to help them with their business challenges. If they do stray, though, there are ways to win them back into the fold.

"When you start to recover customers, you have to know they're worth it," Campbell said. And that's simple math. To grow 30% yearly, you need to gain five new clients a month, but if you've already lost three, then you need to gain a total of eight. As you cycle through the year, it becomes increasingly difficult to stay in the positive. But winning those clients back isn't a futile effort. Have a process in place that targets lost clients. For Campbell, that consists of three marketing pieces spread out over three weeks, with a call at the end if he hasn't heard from them over that period. It's also paramount to use promotional products in the recovery process. Stay current with what's going on with the client through LinkedIn pages, for example.

Then, market to the needs that your research uncovers. Plus, let them know that you want them back, he said. It could be as simple as being present at the right time – but that can only happen if you do the research to find out what went wrong in the first place, and what they're looking for when they're purchasing.



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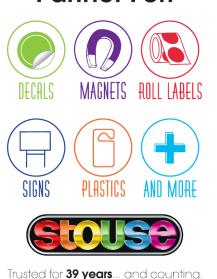






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People Canadian Bacon

An Alberta-based distributor recently brought his bacon sushi recipe to the World Food Championships.

By Sara Lavenduski

Russell Bird loves to barbecue. Ribs, brisket, chicken, pulled pork, steak...you name it, he's probably cooked it. He took a major step three years ago when he brought home a smoker, which tends to be used to cook big pieces of meat that take a lot of time and energy to finish. "It's worth every second," he says.

He also loves logoed swag. The Sherwood Park, AB, native began his promotional product career at a distributorship in 2009, and six years later, in September 2015, he opened his own company, The Promo Addict (asi/302225), where he specializes in corporate sales of branded hard goods and apparel.

Four years before joining the promo product ranks, when he was between jobs for one three-week stretch, Bird spent a good amount of time watching The Food Network and trying out new recipes. "My wife Jocelyn would ask about the job search," he says. "But when she came home from work to find gourmet food I had prepared, we would

forget about all that and just enjoy an awesome meal."

As Bird worked his way up in the promotional industry, he never gave up cooking. He and his wife, a talented cook in her own right, had their own homebased competitions for bragging rights. Then in 2013, Bird took his skills to the next level and participated in an amateur food competition during Taste of Edmonton, a 10-day outdoor festival. After his team won in 2013 and 2014, he was asked to take part in the 2015 Canadian Food Championships...against professional chefs.

"I was apprehensive," says Bird, "but I ended up taking the opportunity." If he did well, the payoff was enormous, because the Canadian Food Championships is the only Canadian qualifying event for the annual World Food Championships.

When Bird was given a choice of category, he decided on Bacon because of the recent surge in its popularity as well as its versatility. "I thought, if I put my mind to it, I can come



up with a recipe that featured bacon in a way that nobody had ever tried before and it would be amazing," he says.

With his father-in-law
Ron Yoneda as sous chef,
Bird capitalized on his wife's
original bacon sushi recipe
with his own butter-poached
lobster tail bacon sushi roll. It
earned them a fourth-place
finish in the preliminary
round. In the final round, their
maple-glazed bacon and maple
syrup-infused egg sushi roll
with maple mayonnaise was
named first. When scores were
combined, Bird and Yoneda
came in third overall.

But only the top two winners were given Golden Tickets to the World Food Championships in Florida this past November. Just when Bird and Yoneda thought they had narrowly missed their opportunity, the first-place winner decided not to compete. The Canadian duo made the trip instead – what Bird calls "a once-in-a-lifetime opportunity" – and took home 14th place for their green onion cake with bacon and fennel, and 13th place for the bacon and egg sushi. Overall, the duo finished just a half point out of the top 10 standings.

Since Bird and Yoneda finished in the top five at the Canadian Food Championships in 2015, they have a guaranteed spot at the 2016 event. In addition to competing once again in the Bacon category, says Bird, "I'll be applying to compete in Dessert as my wife's sous chef!"

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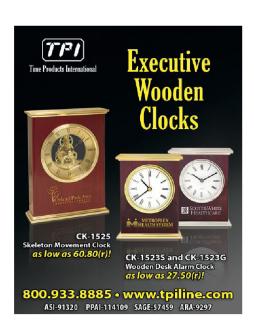














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Best Places to Work Movin' On Up

A new office space – and laid-back environment – motivates employees at this New England distributor firm.



The employees at **Stran Promotional Solutions** (asi/337725) like each other, but it took a little more effort to show it at their old location. The company was growing, space was an issue and the employees were scattered about the office. Not so in the new location, which the company moved into last year. President Andy Shape and executives favored an open layout and low cubicles to facilitate communication, and the larger space behooved a company that has grown steadily.

Moving, though, wasn't a cinch. The distributor had been a Boston company for two decades and loved its location, even as the company's leadership realized its former space was no longer workable. "It was a hard decision when finding a new place," says Howie Turkenkopf, director of marketing. "We still wanted to be a Boston company."

But the distributor's new location in Quincy (just outside the Boston city limits) proved too inviting. Employees have quickly taken to the space, which also includes a fitness room and cafeteria in the office building's first floor. The view of the Boston skyline doesn't hurt either.

Stran started out as a joint venture between Shape and Andrew Stranberg, both of whom attended the University of New Hampshire. The pair started out selling greeting cards, but today the distributor has attracted a nationwide roster of brandname clients that utilize Stran's value-added services: program management, e-company stores, sourcing and more.

Fostering a comfortable work environment, says Shape, starts with the people. Stran searches for self-motivated employees who are "independent thinkers" rather than being task-oriented, and allows them to make their own decisions. "It's about getting the right people, training them properly, and having them represent the values of our company," Shape says about his firm, which espouses a laidback culture that calls for shorts, jeans, T-shirts and other casual attire.





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