

More information = More business, in Europe too

European SA
particulars, ac-
cording to an
extra-European
professional

Les particularités
du marché
européen selon
un professionnel
non-européen

Der Standpunkt
eines außereu-
ropäischen Profis

Il punto di vista
di un profession-
ista extraeu-
ropeo

Las característi-
cas del mercado
europeo según
un profesional
no-Europeo

As a US supplier I have, for the past decade, been fascinated by the vitality, size, sophistication, and long-term potential of the European promotional products market. It is a thriving market often described as equal to, or larger than, its counterpart in North America. However, there remains a persistent problem easily solved: the lack of market data.

When a non-European promotional products supplier explores the possibility of selling into the EC, the first and most obvious question typically centres around whether their product is suited to the market. Due to the lack of published research this basic question is difficult, if not impossible, to answer. While this situation is certainly frustrating to an off-shore manufacturer, its impact on European firms is even more severe. In developing business strategies with our European partner, we are constantly stymied in our efforts by the lack of timely and relevant market information. There are some European countries where data is gathered on the promotional products market. In the UK, the Mintel Report provides some information, but it is not published on a yearly basis. The BAGDA News, a newsletter published by the British Advertising Gift Distributors Association, recently conducted a consumer survey on the

uses and effectiveness of promotional products (see IEPO Mag. N° 2 p. 96). Praesent Service Institut, which sponsors the PSI show each January in Düsseldorf recently commissioned research on the German market which provided interesting insights. However, the methods for conducting

the above studies varied widely, so valid comparisons between countries are difficult. Currently there is no single source for information on the European promotional products market as a whole, and in some EC countries virtually no information at all. In the US market data is widely available through two primary sources. Promotional Products Association International, the industry trade association based in Irving, Texas has done a great deal of research in conjunction with Baylor University identifying the top customers of promotional products, which departments within

those customer businesses make the purchasing decisions, how those products are typically used and which market segments are experiencing the fastest growth. Other research results include sales by product category, total industry sales and sales by state. This total information is often provided free of charge to association members and is updated on a regular basis.

« *The European market is often described as equal to, or larger than, the U.S.* »



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The Counselor, a magazine published by the Advertising Specialty Institute in Langhorne, Pennsylvania, compiles every year a comprehensive report on the market using data gathered through surveys of supplier and distributor subscribers. The survey results provide a picture of buying trends, as well as operational information that can be used as a benchmark to measure one's company against industry performance as a whole. Topics include supplier and distributor profit margins, the most popular price points, which media pose the greatest threat to promotional products, the proliferation of computer artwork and a variety of others.

This type of market information is vital to both supplier and distributor firms. From a supplier standpoint, it is integral to the product development process, from pricing to determining product colours to packaging. Distributors can use the data to target growing market segments or determine which products and uses of products are becoming increasingly important to buyers. It can help a company determine which are the important trade shows to attend, which software package for computer artwork is most popular, and what distributors want most from suppliers and vice versa.

How might such research be developed in the EC? Perhaps a partnering relationship between a European university and one of the trade organisations would be a promising start. Distributors, suppliers and buyers could be targeted with the same survey throughout Europe and the results published in trade publications. Granted, some responses may vary widely from country to country (e.g. sales by product category), but certainly both the differences AND similarities would be revealed, and the outcome would be the first comprehensive picture of the market.

Is this type of information important only to a non-European firm? Obviously not. The European promotional products market will continue to experience rapid growth and consolidation of the distribution network. As a European supplier or distributor, imagine the impact of sound and comprehensive market research on the development of your sales strategies in this expanding market. How much more business might be available if we had the data to help us find it?