



BIG BECOME A

a little word association. Creative approach. Added value for clients. Expanding revenue and sales opportunities. Business success for distributors. ○ See the formula? Are you on board? ○ In a market where clients need to justify their every marketing expense, distributors have to be more creative than ever in the ways they go to market.

They need to provide solutions to clients' marketing challenges. They need to partner with clients to identify programs that garner a better-than-ever return on investment. And they need to expand into new businesses like Web site design, fulfillment and public relations.

Very simply, it's time to turn your business into a marketing agency.

Added value is a big phrase in the ad specialties world these days. Distributors are often claim-

ing to do more than they ever have before to give existing and prospective clients their money's worth. For some, this means offering advice as to how an item can be woven into a marketing effort. For others, it's free graphic design. Still, there is another level entirely that some bold businesses are striving for. That level is one where they act as a full-service agency.

Read on to find out how five distributors take an agency approach to their clients and their markets.

IDEA

Here are five distributors that don't just talk about being creative and providing ideas and services to clients, they actually do it. Here's how. *By Kenneth Hein*

MARKETING AGENCY

Big Ideas Pay Off

Here is the scene: It's a Friday night at the bar. Basketball is on the flat-screen TVs and various groups of young males are officially "getting their drink on." In enter ... the Jägermeister nurses. Dressed in revealing sexy nurse outfits they offer up their alcoholic liquid version of a flu shot.

Ads and posters touted the event with sayings like "Say ah!" and "No prescription necessary." Revelers got a chance to sample the liqueur, interact with models and take home some goodies as souvenirs from a night well spent.

Now, typically an event like this would involve an ad agency, an event marketing and production company or both. One of which would reach out to a promotional products distributor to supply the giveaways. This wasn't the case with the Jägermeister events. Instead, Post No Bills! (*asi/109480*) handled the effort in its entirety. "It's our concept, our creation and execution," says Doreen Sullivan, president of the firm.

In many ways Post No Bills! is the exception, not the rule when it comes to offering added services. In 1987, it began as a promotional products company, but for the past decade it has beefed up its array of offerings. Today, it bills about half a million dollars every year in creative services alone.

Post No Bills! offers consultation for premiums, direct mail, packaging, sales materials, viral marketing and other marketing services. It creates ads, brand identities, events and Web sites. And it designs logos, displays, collateral materials and print and outdoor ads. Clients include Disney, ESPN, Paramount, NBC and others.

"I always thought of promotional products as a 3-D form of ads. I knew it could be so creative by tying into bigger campaigns," Sullivan says. "It's nice to see our industry aspire to those levels."

The problem is, "People think you can just start charging consulting fees because you're doing board presentations and acting like an agency. Nothing could be further from the truth," says Sullivan. "You need to have big ideas. There is a grand canyon between agencies and our industry."

She says that acting like an agency "has become more popular in terms of words vs. the actual work going into it. If you're going to have an agency, it has to be driven by incredible creative."

For example, Sullivan recently created a direct mail campaign for ESPN Deportes. Clients like Comcast and Time Warner received a logoed refrigerator filled with food from the various countries the channel covers. "We sent it to all 40 of their top clients," she says. "The head of Time Warner sent them a great letter after receiving the item. Typically they would have hired an agency to do that."

Not anymore.



Distributor Post No Bills! ran an event marketing campaign from start to finish for a live Jägermeister promotion.



This ESPN-branded refrigerator filled with logoed food was the culmination of a promo for a Post No Bills! client.



Full-Service Provider

It was a fairly common story for 2009. Many budgets were corseted last year, leaving distributors with smaller or no orders at all. To help combat this, WorkflowOne (*asi/333647*) dug deeper into its clients' businesses to help develop marketing programs rather than just supply products for them.

"Some of the keys to our success in 2009, when there were a lot of trials and tribulations in the industry, were with added value. We're not just order takers," says Michael Riddle, promotional marketing director for the Eastern region of WorkflowOne. "This allows you to go from the expense line to the revenue line. We help figure out how to generate revenue for our clients."

For example, WorkflowOne works with many not-for-profits. It helped come up with programs that would help boost retention for the organizations. "We entice members to renew and to renew early. If nonprofits drop membership, they drop revenue," says Riddle. Some of the tools used for retention campaigns provided by WorkflowOne to its clients are offers for travel bags, travel kits and umbrellas.

However, rather than just suggest and fulfill items, WorkflowOne comes up with the language for the mailings, does the printing, conducts the mailings and tests the products to see how they are performing. Like bigger agencies, they often use focus groups to get feedback. Riddle says, "Some mailings got clients upwards of a 20% to 25% response rate. The client values you so much; they bring you in with other agencies. Forward-thinking approaches like that allowed us to grow during a tough year. Promotional products are one of the first things to go when people cut budgets."



By developing the American Heart Association's online retail outlet, www.ShopHeart.org, as well as the inventory of promotional products, WorkflowOne has helped the association to broaden its revenue base beyond traditional donations and fundraising.

Clients appreciate that WorkflowOne often takes the extra step, like conducting third-party testing of items that are consumer-facing. "The last thing we want is a black eye for them," Riddle says. "It's devastating for a company."

Clients also appreciate the fact that WorkflowOne understands their businesses as a whole. Conducting research about clients using the Web, Lexis Nexis and other sources is key, Riddle says. "We find out ways to enhance the brand and look at the direction the company is going. If you go to a client and say, 'We don't want to just get the business, we want to help grow your business,' they look at you in a different light."

Solutions Sell

Like any company pitching new business, Brand Fuel (*asi/145025*) used to start off their presentations with a laundry list of awards and achievements. After all, spotlighting the company's many successes seemed like a smart strategy.

Today, Brand Fuel has learned that it's far more valuable to spend that time talking about the client, their needs and some solutions while on a sales call. "It's 20% about the company now and 80% about the client," says Danny Rosin, president of Brand Fuel. "We still say we're great, but if we don't understand the client's business it doesn't matter. Even if you've



Brand Fuel created a premium program for BlueCross BlueShield in North Carolina that's paying off for the health-care provider.

been working with them for a decade, there may be new pain points in their organization."

Rosin says in the age of the Internet,

there is no excuse for not being prepared. "You need to be a competitive marketer. Look at what their competitors are doing. Look at what's in the news. Research like that is industrial reconnaissance," he says.

Along the way, Rosin says, you may find that the company isn't in the top-20 searches for their category, "Then you can say, 'Let us help you with that.'" The key is identifying challenges that the company is having in its marketing efforts and then offering solutions that can help the client overcome and beat those issues.

One of the tools Brand Fuel offers is survey software that can get to the root

of a client's problem just by simply asking the target audience what the problem is. In one instance, the distributor did a poll of its own clients. One large customer revealed that they didn't like an account manager that Brand Fuel had assigned to them. "We said, 'Thanks for being honest. Let's fix the problem.' We gave them a new account manager and now they are singing our praises," Rosin says.

In the case of BlueCross, Brand Fuel

put together a program for its sales force that centered on arming them with premium items and tracking the results. It created a pilot program for sales reps that gave them \$30 worth of gifts and information. At first the company balked because it seemed like an expense, but Rosin reasoned that if they did 2% more new business, that could pull in \$2 million in additional revenue which would more than pay for the costs of the premiums.

BlueCross in North Carolina agreed to fund half of the program. Rosin is now planning on bringing the program to BlueCross in Virginia next and then another state and another ...

"After we do a pitch they will say, 'You guys aren't like the promotional products people we are used to dealing with,'" says Rosin. "That's music to our ears. If we don't hear it we feel like we did something wrong."

Helping Clients Grow Their Business

When an alcohol company was looking to spur its wholesalers, it didn't go to one of the large incentive houses or to its advertising agency. It turned to *Counselor* Top 40 distributor GatewayCDI (*asi/202515*). Gateway CDI designed the program, built the Web site that hosted it, sent out the information binder to participants and handled all of the printing.

"From a promotional products point of view, we sold a binder and a pen. But we were able to bill them for much more," says Chuck Fandos, CEO of GatewayCDI. "People in the industry look at it as just product. If that's the way we look at it, then we'll all be out of business soon. We try and provide service that allows products to be used in different ways."

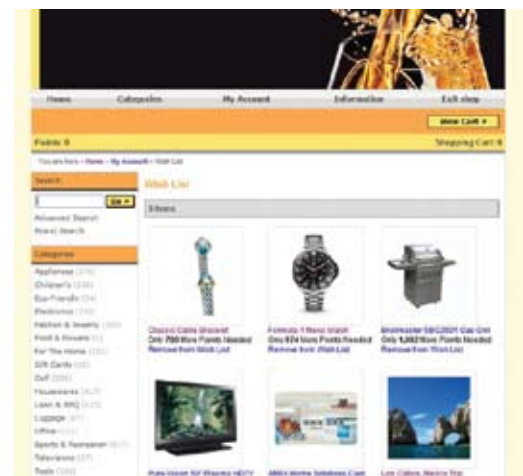
GatewayCDI has had a lot of success with "kitting." "A lot of times we have projects where clients ask, 'Can you bundle some products and some literature.' They give us a database and we put it all together and ship it," Fandos says.

For example, a sales division may want to send something to 300 clients along with a poll. GatewayCDI can create the poll, using e-mail, snail mail and a Web site. "We make it turnkey," says Fandos.

The goal is always to ascertain ways to help grow the client's business. Whether it is working with human resources to develop a years of service program or a safety incentive, "We try and work in as many areas as possible," says Fandos.

This is accomplished by asking the client questions about their business and building up a knowledge base, so if the client calls needing something quickly, perhaps for their dealers, GatewayCDI can turn it around in a hurry. "You may call the person who runs the company store and say, 'You may know us for that, but these are the other services we provide,' and then the lightbulb goes off," Fandos says.

GatewayCDI also provides staffing for corporate events for clients who are holding regional or national meetings. "These are all things we do to add value. If you ask them, 'Do you have a budget for T-shirts?' It's no. If you ask them, 'Do you have a recruiting budget? What can I do to help you there?' Then T-shirts may be the answer," says Fandos. "If you're just being reactive, it will be very difficult to find budgets."



GatewayCDI provides a variety of services for its clients, including setting up incentive programs like this one and running them from start to finish.

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**CHUCK FANDOS,
GATEWAYCDI (ASI/202515)**

“I Hate When It Looks Like We’re Just Selling Pens.”

When ESPN needs something in a hurry they call The Brandmarket Inc. (*asi/145006*). Sure, the sports cable behemoth has bigger agencies to work with, but executives want a provider that’s a little more agile. “They come to us for graphics. We’re creative in what we do and we do it quickly and move on to the next project,” says Kathleen Watts, president of The Brandmarket.

Watts sees her company as a boutique agency that gives added value to her clients. In addition to graphic design, her company handles Web site development, print production, private-label products, incentives and other creative solutions.

“Although we have belonged to ASI for over 10 years, we never fit the mold. We have broken out of the mold and have become more specialized,” says Watts.

The Brandmarket works with Disney, ABC, publishing giant Condé Nast and even ad agencies themselves, like Ogilvy & Mather. “We’re an added value creative outlet,” Watts says. “They are very corporate. They may not excel at creativity.”

Keeping these blue-chip clients requires ingenuity. “I can’t

remember the last time I sold a stress ball. I almost refuse,” Watts says. “There is not a lot of value in that. If you’re going to spend some money, put value in the brand. Buy a \$6 messenger bag. This way the recipient becomes a walking billboard.”

Watts has to work to educate clients about all of the additional services they provide. “Some use us for our graphics. Some want us creating their e-mail blasts. Some want us doing print services.”

Watts says she benefits from the fact that “Clients don’t have the time or energy to do a lot of things themselves. People have cut back on staff. They don’t have the manpower.” This creates opportunities for distributors willing to jump in the fray.

“We do everything we can to make it look like it’s not a promotional products company,” says Watts. “I hate it when it looks like we’re out there just to sell pens. You want to be out there doing things that are creative. We want to promote our clients’ corporate identities.” ◊

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ESPN forgoes relationships with its larger ad agencies when it needs items and print work quickly. Instead, the client turns to The Brandmarket, a more versatile provider of promotional items and programs.