

## GROWING THE DISTRIBUTION BUSINESS

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There is a slight shift in the wind: many promotional products distributors no longer want to focus solely on the niche of selling promotional products, but want to expand their businesses by offering additional services to clients.

"The clients are looking for a one-stop solution, and as a promotional products distributor it's just a natural evolution to be able to provide these services," Lisa Leitch, president of Teneo, said at the ASI Show in Orlando last week. "And if they don't, someone else will."

Leitch said that 69% of distributors are able to grow their businesses by getting referrals from existing clients. Some 42% increased their business by asking clients about upcoming events, 24% boosted sales by asking for referrals to other departments or divisions within the client company, 15.4% increased their business by showcasing new product ideas from suppliers and another 9% bumped sales by showcasing new ideas used by other clients. Another 8% increased business by finding ways to show how promotional products produce a positive ROI.

Leitch outlined seven different value-added services distributors can offer to clients to grow their businesses:

- Premiums & Incentives
- Merchandise Programs
- Graphics and Printing
- Packaging
- Fulfillment
- Event Management
- Direct Mail

She said that event management and sponsorship grew 15% in 2001 to 9.5 billion and that 47% of companies employing the tactics reported that event marketing provides "the greatest return on investment" when compared to other marketing and communication tactics. More than 22% of the total marketing budget is now devoted to events, a number that is consistent regardless of the industry, she said.

The ASI Show was held January 3-5 at the Orange County Convention Center in Orlando, FL. About 4,000 attendees were expected and 900 exhibitors. ASI is a trade organization that has about 18,000 distributor members and 3,200 supplier members. It offers products and services to the specialty advertising and promotional products industry.