

Final Report of the 50th PSI Show
Leading European Trade Show of the Promotional Products Industry
11 to 13 January 2012, Düsseldorf Exhibition Centre

13 January 2012

- **Golden anniversary: 50th PSI Show posts new record exhibitor numbers**
- **Promotional products industry presents first empirical effectiveness study**
- **ZAW calls 35-euro limit an “anachronistic blockade”**

Düsseldorf. Refreshingly new, original and powerful: It almost looked as if the entire European promotional products industry had agreed to pay a very special 50th anniversary visit to “its” PSI Show. 993 exhibitors had come to Düsseldorf for Europe’s largest trade show for the promotional products industry – more than ever before, an increase of more than 16 percent compared to the previous year (852). For that reason alone it was, according to PSI Director Michael Freter, a “golden anniversary” that the PSI Show – which started out in 1963 with a mere 56 exhibitors – celebrated this year. However, the PSI Director was probably also thinking of the “fireworks of innovations” which was set off especially in the completely restructured HALLE13. Here inventors, young entrepreneurs and first-time exhibitors presented premieres and novelties – such as, for instance, the first 3-D clock which fits into any corner of a room, a ballpoint pen that gives off fragrances and a cover for tablet PCs which does not only protect but also cleans the computer at the same time.

“Whether with total innovations or classic products in a new form: Every year the world of the promotional products industry reinvents itself for the PSI Show, this is what makes the entire industry flourish”, says Michael Freter whose ambitious goal to achieve a new anniversary record also in visitor numbers was not quite met. While posting one of the best figures in its 50-year history with 16,167 visitors the PSI Show remained below last year’s figure of 17,122. “A toll taken by the continuing low demand in some Euro countries which could not be compensated for by the leaders Germany and France alone”, says Michael Freter.

Promotional products market in Germany hits 3.46 billion euro mark

The German market, on the other hand, proves to be a tower of strength: 3.46 billion euro was the amount spent by advertisers in Germany on promotional products last year – an increase of one percent compared to last year, and of 16 percent compared to 2009. This was the result of the industry monitor which is presented at the PSI Show every year by the Gesamtverband der Werbeartikelwirtschaft (GWW). This puts expenditure for promotional products even ahead of spending on radio commercials and online advertising. Medium-sized companies with 50 to 250 employees, in particular, strongly relied on promotional products last year for spreading their advertising message among consumers. To GWW Chairman Patrick Politze this comes as no surprise: “Using promotional products strengthens customer

loyalty, creates trust in the advertiser and generates high advertising recall.” They are, therefore, one of the most effective advertising media.

First study on effectiveness of promotional products in Europe

This is also the finding reached by the recent, and Europe’s first, empirical study on the effectiveness of promotional products produced by the Mannheim market research organisation DIMA and presented on the occasion of the PSI Show. Core issues in this study were the coverage achieved by promotional products, their communicative performance and the product requirements they have to fulfil. For the study, more than 2,000 subjects took part in an online survey.

94 percent of the representative sample of the population aged 14 and over said they own one or several promotional products. Three quarters of the promotional products have already been in the recipients’ possession for more than six months, more than one in three even for more than two years. Nine out of ten of the interviewees use the promotional products they received at least once a day. Promotional products therefore reach 88 percent of the population aged 14 and over. With this coverage, they rank far ahead of the coverage achieved by any form of advertising in the mass media, such as radio and television.

The study furthermore shows that 57 percent of the owners of promotional products remember the advertiser’s brand or name; this value is twice as high as that for television commercials which have an advertising recall of 28 percent, radio commercials are remembered at the rate of 32 percent. As a result, 73 percent of consumers say that promotional products they received influenced their decision to buy or place an order.

“The advertising effectiveness study proved that promotional products are among the most cost effective advertising media of all”, said Patrick Politze when presenting the study at the international PSI Press Conference. Detailed information on the study is available on www.gww.de

ZAW: "Eliminate political blockade of promotional products"

Against this background of the significance of promotional products, the Zentralverband der deutschen Werbewirtschaft (ZAW) likewise called for the elimination of the 35 Euro value limit for tax deductibility of promotional products in Germany. Its CEO Manfred Partaina said: “This constitutes an anarchistic blockade of a communication segment that is of major significance for companies. Let me say it quite clearly: this limit must be abolished.” He called for the elimination of “this containment created by armchair decisions”. This could also be realised in stages.

At the same time, the ZAW announced that the industry turnover figures of the promotional products industry will in future be incorporated in the ZAW statistics on the advertising market; until now, this turnover was not included. “The high volume of investment by the promotional product industry will be given the respective rank in that representation. We are working on the public launch of the statistics series in 2013”, said Manfred Partaina.

The 51st PSI Show will take place from 9 to 11 January 2013 in Düsseldorf.

For up-to-date photo material and information on the winners of the PSI Campaign of the Year please go to www.psi-network.de. If you have further questions or require more information please contact:

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Exhibitors' comments:

"We are very satisfied with this year's PSI. With 360 new products at the trade show, we had the biggest product presentation so far. Our stand was very well frequented throughout."

D.J. van Styrum, Managing Director, XINDAO B.V., Netherlands

"For us, PSI continues to be the platform to meet our customers at the beginning of the year. This is where the foundation for our work in 2012 is laid. This year, we are very satisfied with visitor quality and quantity."

Meinhard Mombauer, Managing Director, LM ACCESSOIRES GmbH

"For us, the 50th PSI Show marked the starting point of our anniversary year. For our 100th anniversary we presented almost 100 new products to visitors. Resonance was very strong, and we had good visitor numbers throughout. There was a positive general mood at the show with expectations that 2012 will be a good year for the industry. So we also hope that our 100th year will be our most successful."

Kai Gminder, Head of Sales, Gustav Daiber GmbH

"We are very satisfied with this year's PSI. We had slightly fewer walk-in customers at our stand – particularly from abroad - but our regular customers were all present."

Frank Sperber, Managing Director, elasto form KG

"At the PSI 2012 we again had good contacts with our customers and many good discussions. We introduced our school range at the show, a new product group particularly suitable for reaching the younger target group. The new products were well received by visitors."

Dirk Käuper, Marketing Coordination, Werbemittel BRUNNEN, Baier&Schneider GmbH&Co. KG

"We set great store by also meeting our customers face-to-face, and once again that worked really well at PSI. All our major customers were here. PSI is a good opportunity to see them all at one event."

Alexander Ullmann, Management, uma Schreibgeräte Ullmann GmbH

"As an inventor I was immediately convinced on hearing about the opportunity to exhibit at PSI. PSI has pointed out other sales opportunities, in addition to IENA, to me."

Gerhard Mayer, My Käfer GmbH

"We have been a PSI member for six years and also been represented at the show with a stand of our own. What struck us this year were the visitors from more 'unusual' countries: for instance from Egypt, Nigeria, Mexico. The good thing is that at PSI we can generally be certain that the quality of such visitors is right – an advantage of the membership principle. Of course we'll be back again in 2013."

Lukasz Makowski, sales specialist, DreamPen, Polen

“This year’s 50th anniversary alone shows that the PSI concept is a successful one. You just can’t do without the trade show. In the past few years we were very successful, thanks also to our regular presence here. We have been here every year for the last 27 years. For us, the PSI is the most important trade show of the year.”

Jörg Dennig, Managing Partner, JUNG BONBONFABRIK GmbH & Co KG

“This PSI went really excellently for ppp. This is the best place for international networking. The joint presence of 5 associations at the eppa stand also enabled us to have an intensive exchange with colleagues and learn a lot from each other. For me personally, the trade show allowed me to meet with all the international contacts that are important for me.”

Maarten Los, Secretary, platform promotional products (ppp), Netherlands

“The mood in the industry has meanwhile veered back to good – we are all of us just tired of the crisis even in the Netherlands where the industry recorded losses of 10 to 15 percent. For 2012 we expect stabilisation and are very confident, especially after the PSI Show: our stand was permanently crowded especially on Thursday, and we had high-quality customers from all over Europe.”

Jeroen Wasserval, Country Manager, Benelux midoceanbrands, Netherlands

“bpma is at the PSI with a stand of its own for the third time, and present within the UK Pavilion with eight exhibitors for the second time. We are proud that this is also recognised and supported by the political side – as expressed in the financial support from UK Trade and Invest. The pavilion gives UK companies the self-confidence to enter the European market. Currently the promotional products industry is consolidating in our country as well, after a very difficult 2011. The partnership with the PSI Show is very important for us and extends far beyond the trade show. We want to continue to expand it, one possibility being the theme of further training, knowledge transfer.”

Gordon Glenister, Director General, british promotional merchandise association (bpma)

“We are delighted to see the issue of sustainability and quality assurance of promotional products so strongly represented at PSI. It is noticeable that things are moving in the industry in this respect. Due to the merger with the Indian manufacturer PREM our products now are single-source from cotton growing to finished production – every stage in the manufacture of any individual product can be traced online by means of a code. Our business at the PSI went well– we were struck by the large number of visitors from Eastern Europe, we even had new high-quality contacts from Slovenia at our stand.”

Uwe Kolling, Sales Representative, Corporate Germany switcher