

PPAI The 2016 Annual Sales Volume Estimate Summary

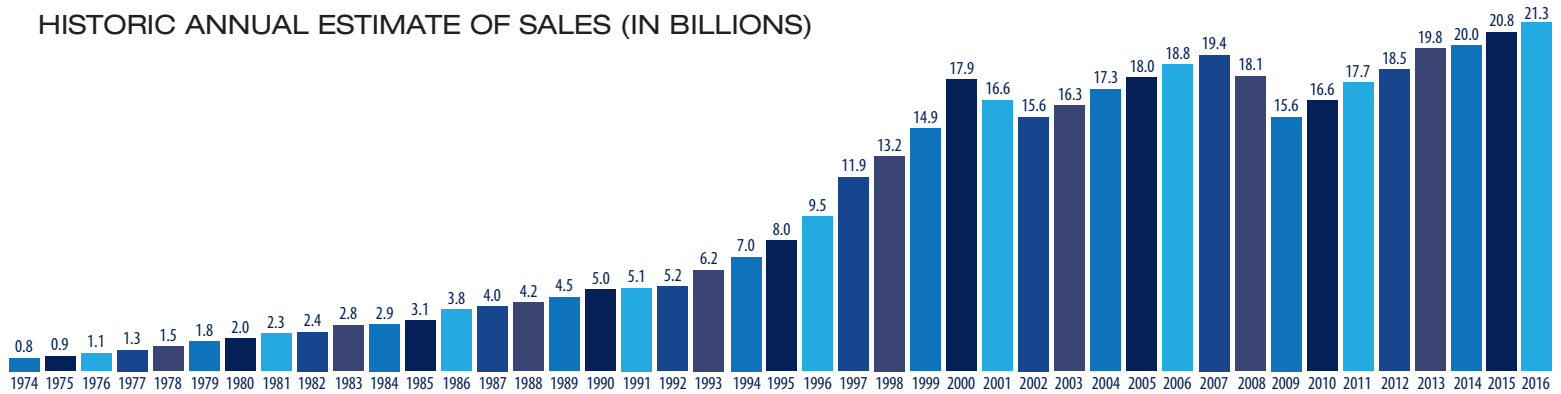
For more than 50 years, PPAI Research remains the industry's leading and trusted source in data and analytics. PPAI Research has estimated the size of the industry since 1965, but the current methodology being used has been in place since 1983. This annual sales study is considered the most definitive and comprehensive of its kind in the promotional products industry based on actual sales reported by U.S. distributor companies. In 2017, the study was conducted by a third-party, independent market research firm, Relevant Insights LLC, on behalf of PPAI and the members they serve. Methodology and detailed findings can be reviewed in the full report at ppai.org/members/research

COMPANY SIZE	# OF DISTRIBUTOR COMPANIES		SALES VOLUME		% ±
	2016	2015	2016	2015	
< \$2.5M	21,577	22,153	\$9,705,916,077	\$9,256,371,349	+4.86%
\$2,500,001M+	889	868	\$11,599,015,380	\$11,551,799,373	+0.41%
TOTAL	22,466	23,021	\$21,304,931,457	\$20,808,170,722	+2.39%

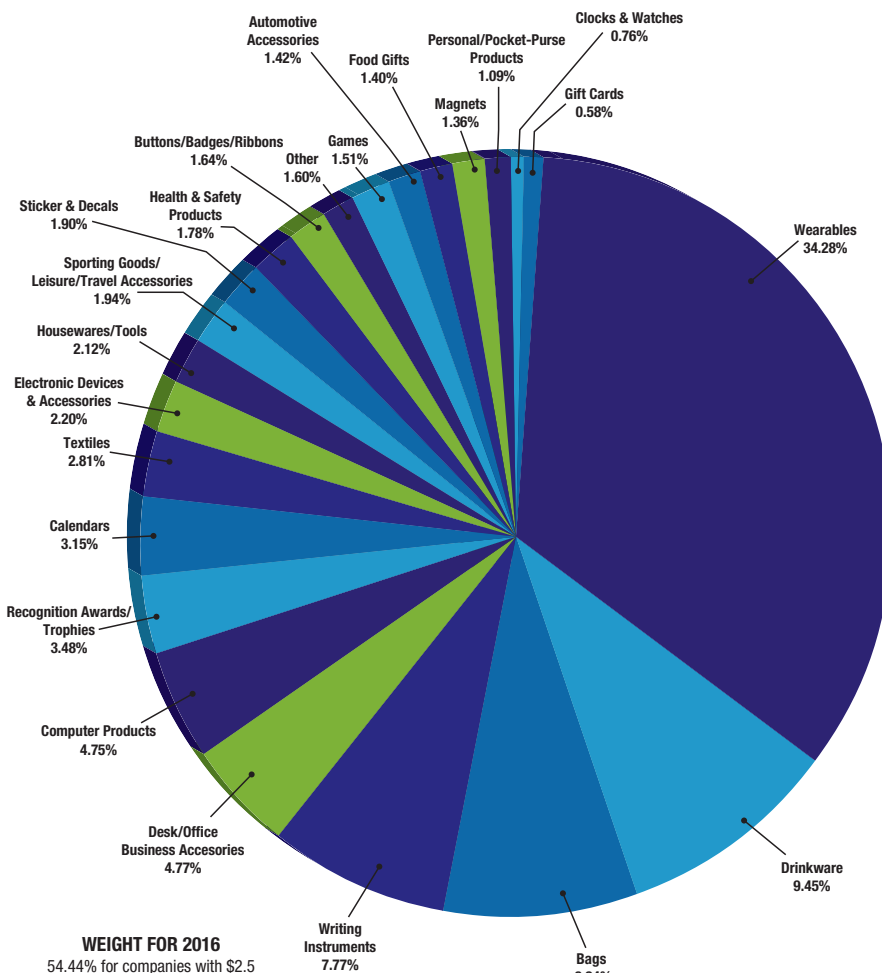
The year 2016 finished positive despite the slow growth for larger promotional products distributors. Since 2015, small distributors (sales revenue below \$2.5M) came back from a significant decline in 2015 over 2014 (-6.63 percent) showing a 4.86 percent increase, while large distributors grew at a much slower pace—an increase of 0.41 percent compared to an increase of 14.05 percent in 2015. In 2016, promotional products sales by distributors continued to grow, although at a slower pace, with an increase of 2.39 percent over 2015.

DISTRIBUTOR SALES IN 2016 IS ESTIMATED AT \$21,304,931,457

HISTORIC ANNUAL ESTIMATE OF SALES (IN BILLIONS)



2016 SALES BY PRODUCT CATEGORY



WEIGHT FOR 2016

54.44% for companies with \$2.5 million or more in sales and 45.6% for companies with less than \$2.5 million in sales

PRODUCT CATEGORY

Wearables: T-Shirts, Golf Shirts, Aprons, Uniforms, Blazers, Caps, Headbands, Jackets, Neckwear, Footwear, Etc.

Writing Instruments: Pens, Pencils, Markers, Highlighters, Etc.

Bags: Totebags, Shopping Bags, Satchels, Gift Bags, Drawstring Bags, Cosmetic Bags, Paper Bags, Duffel Bags, Briefcases, Etc.

Drinkware: All Glass, China, Ceramic, Crystal, Plastic and Stainless Steel Drinkware

Desk/Office/Business Accessories: Folders, Desk Pen Sets, Calculators, Non-Dated Paper Products, Cubed Paper, Scratch Pads, Adhesive Notes, Stationery, Journals, Etc.

Computer Products and Accessories: USB Drives, Mouse Pads, Monitor Frames, Disk Carriers, Wrist Pads, Software, Etc.

Recognition Awards/Trophies/Jewelry: Awards, Trophies, Plaques, Certificates, Figurines, Jewelry, Etc.

Calendars/Dated Products: Wall and Wallet Calendars, Desk Diaries, Pocket Secretaries, Etc.

Electronic Devices and Accessories: Radios, TVs, iPods, Mp-3 Players, Phones, Videotapes, Music CDs, Phone Cards, Flashing Products Etc.

Textiles: Flags, Towels, Umbrellas, Pennants, Throws, Blankets, Etc.

Housewares/Tools: Measuring Devices, Kitchen Products, Picture Frames, Household Decorations, Ornaments, Tool Kits, First Aid Kits, Furniture, Flashlights, Cutlery, Weather Instruments, Etc.

Sporting Goods/Leisure Products/Travel Accessories: Picnic/Party Products, Camping Equipment, Barbecue Items, Bar Products, Binoculars, Luggage, Passport Cases, Etc.

Games/Toys/Playing Cards/Inflatables: Balloons, Kites, Balls, Puzzles, Stuffed Plush, Etc.

Health & Safety Products: First-Aid Kits, Hand Sanitizers, Etc.

Stickers and Decals: Stickers, Decals, Static Clings, Lettering, Etc.

Magnets: Magnets And Magnetic Products

Automotive Accessories: Key Tags, Bumper Strips, Road Maps, Floor Mats, Window Shades, Etc.

Food Gifts: Candy, Cookies, Nuts, Gourmet, Meat, Spices, Bottled Water & Other Drinks Etc.

Buttons/Badges/Ribbons: Buttons, Badges, Ribbons, Signs, Banners, Etc.

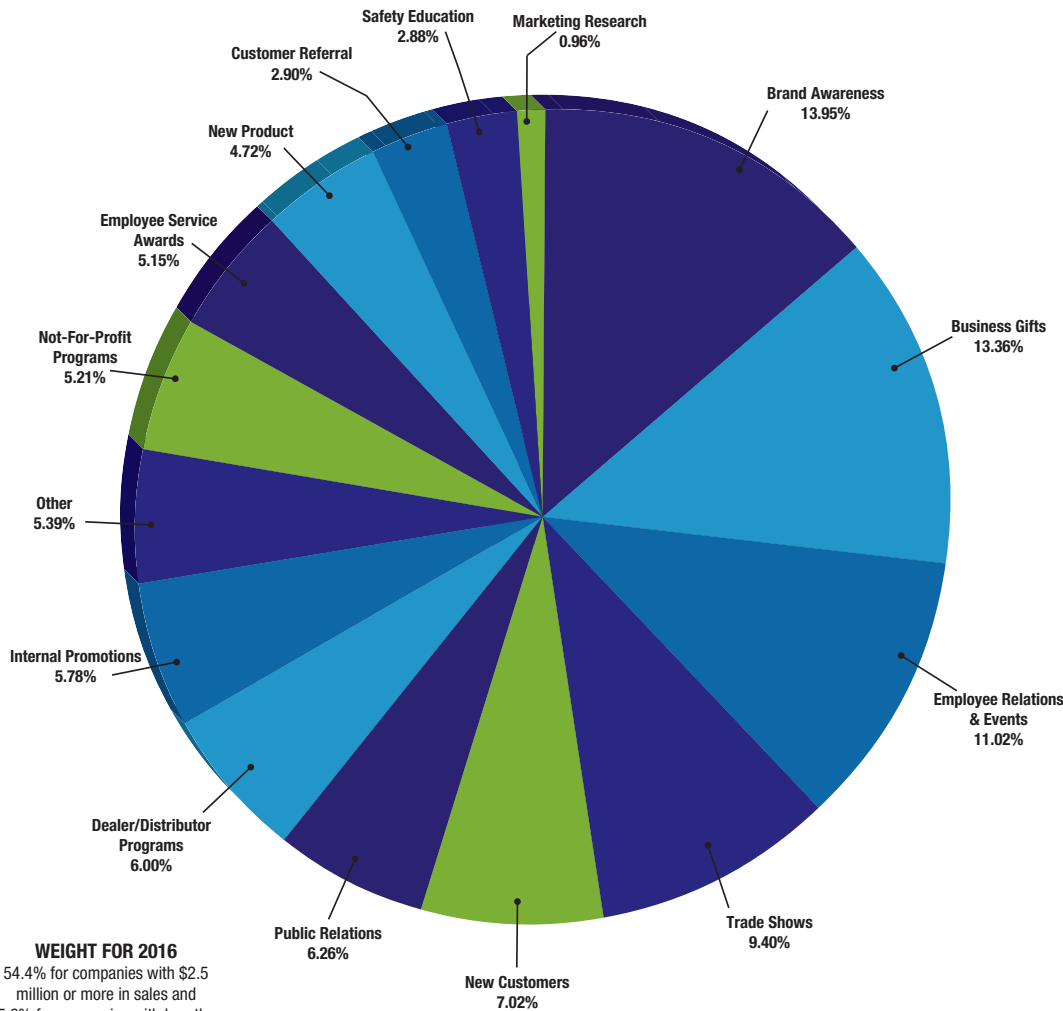
Personal/Pocket-Purse Products: Pocket Knives, Grooming Aids, Lighters, Matches, Sunglasses, Wallets, Etc.

Clocks and Watches: Clocks, Watches, Etc.

Gift Cards: No Examples

Other: No Examples Reported

2016 SALES BY PROGRAM CATEGORY



PROGRAM TYPE

- Business Gifts:** Foster Customer Goodwill And Retention
- Brand Awareness:** Promotion Of Brand Awareness And Brand Loyalty
- Employee Relations & Events:** Morale And Motivation, Corporate/Employee Events, Employee Orientation, Organizational Commitment/Corporate Identity, Corporate Communication, Employee Training (Other Than Safety), Employee Referral Programs
- Trade Shows:** Trade-Show Traffic Generation
- Dealer/Distributor Programs:** Dealer Incentives, Co-Op Programs, Company Stores
- New Customer/Account Generation:** New Customer Or New Account Generation
- Public Relations:** Corporate Involvement With Community, Fundraising, Sponsorship, School Programs, Media Relations, Corporate Image
- Not-For-Profit Programs:** Not-For-Profit Use For Fundraising, Public Awareness Campaigns (Health, Environment, Public Safety, Etc.)
- Employee Service Awards:** Anniversary Recognition, Service Awards, Etc.
- Internal Promotions (Incentive; Non-Safety):** Sales Incentive, TQM/Quality Programs, Productivity, Inventory Reduction, Error Reduction, Attendance Improvement
- New Product/Service Introduction:** New Product Or Service Introduction
- Safety Education/Incentive:** Employee Safety And Education
- Customer Referrals:** Customer Referral Incentive Programs
- Marketing Research:** Marketing Research, Survey And Focus Group Participation Programs
- Other:** No Examples Reported

WEIGHT FOR 2016
54.4% for companies with \$2.5 million or more in sales and 45.6% for companies with less than \$2.5 million in sales

SALES BY COMPANY SIZE

Company Size	2012	2013	2014	2015	2016	%± OVER 2015	
< \$2.5K	\$1,637,920,855	\$1,673,365,807	\$1,846,568,885	\$1,770,604,678	\$1,595,736,108	-9.88%	+4.86%
\$250,001-\$500K	\$1,879,888,822	\$1,509,019,388	\$1,530,260,232	\$1,481,662,627	\$1,581,337,042	+6.73%	
\$500,001-\$1M	\$2,358,616,521	\$2,482,433,936	\$2,207,506,975	\$2,562,181,430	\$2,508,215,895	-2.11%	
\$1,000,001-\$2.5M	\$3,302,693,393	\$4,422,696,874	\$4,329,256,589	\$3,441,922,613	\$4,020,627,032	+16.81%	
\$2,500,001+	\$9,318,526,638	\$9,739,357,718	\$10,128,636,250	\$11,551,799,373	\$11,599,015,380	+0.41%	
TOTAL	\$18,497,646,229	\$19,826,873,723	\$20,042,228,931	\$20,808,170,722	\$21,304,931,457	+2.39%	

ONLINE SALES

Online sales are estimated at nearly \$4.2B in 2016, or 19.8 percent of the total industry sales.

Company	2012	2013	2014	2015	2016
< \$2.5M	\$1,533,179,741	\$1,075,428,815	\$1,378,340,947	\$834,370,461	\$940,629,053
\$2,500,001M+	\$2,189,934,184	\$1,621,952,603	\$2,203,655,822	\$3,110,511,442	\$3,272,894,696
TOTAL	\$3,743,013,925	\$2,697,381,418	\$3,581,996,769	\$3,944,881,904	\$4,213,523,748

**online' is defined as orders placed by consumers through an online store or website