

# PPAI

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QUARTER

## MARKET OUTLOOK REPORT

2017

The full detailed  
report is available  
to study participants.  
Learn more on pg. 3

 ITR ECONOMICS

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## Market Outlook Report Executive Summary

### PPAI Total Members' Association Summary

- The annual average Total Members' Index in September was up 3.6% compared to the year-ago level.
- US Corporate Profits are in an accelerating growth trend, which will increase the ability of corporations to spend money on new projects. This will present growth opportunities for PPAI Suppliers and Distributors through at least the first half of 2018.
- The US economy will expand through 2018. Communicate competitive advantages in order to gain market share.

Index	Current	Phase
Total	3.6%	<b>B</b>
Suppliers	2.2%	<b>B</b>
Distributors	4.0%	<b>B</b>

### PPAI Suppliers Members' Association Summary

- The PPAI Suppliers Index during the 12 months through September was up 2.2% on a year-over-year basis.
- The Index annual growth rate ticked down in recent months, but the ITR Checking Points™ system suggests that the general accelerating growth trend will hold. This trend will persist into mid-2018.
- The Index will decline in late 2018 and the first half of 2019. However, the Index will remain above the year-ago levels until mid-2019.

#### Supplier Outlook

2017:	<b>4.1%</b>
2018:	<b>3.8%</b>
2019:	<b>-1.1%</b>

### PPAI Distributors Members' Association Summary

- The PPAI Distributors Index annual average in September increased 4.0% from the previous year.
- The Index is growing at an accelerating pace, which will persist into mid-2018.
- Slowing growth will subsequently take hold in the second half of 2018. The Index will start to decline around mid-2019.

#### Distributor Outlook

2017:	<b>6.0%</b>
2018:	<b>4.6%</b>
2019:	<b>-0.9%</b>

### PPAI Member's Competitive Environment Summary

- The print media expenditures indicators are declining. Expect limited competition from these markets.
- Radio and Outdoor expenditures are above their respective year-ago levels, although both indicators are in Phase C, Slowing Growth, trends. Expect relatively better market conditions in these segments in the near term.

# Market Outlook Report



The PPAI Market Outlook Report is a quarterly snapshot of the promotional products industry. In order to best provide resources to members, this report was created by ITR Economics to provide information on macroeconomic, industry, and competitive landscape trends. The goal of the report is to provide members with insight into current business cycle trends that affect member companies. This will allow members to make better business decisions in order to increase profitability and mitigate risk.

The PPAI Member Market Index is derived from sales data submitted by PPAI supplier and distributor members. Growth rates are calculated based on the submitted data, and an index is created based on the typical (median) growth rates submitted by PPAI members in a given month. The purpose of the PPAI Member Market Index is to allow PPAI members to see how their company's performance compares to industry trends. Graphs are included throughout the report and there are explanations on how to calculate your own company's performance and compare it against the industry. Members can see whether they are performing in the top quarter, middle two quarters, or bottom quarter of the industry. Members can also compare their results against all members, distributors or suppliers only, and distributors/suppliers by company size.

**To access the detailed report in full and to help better capture the state of the industry, become a valued participant in our quarterly Market Outlook Survey. Find out how by contacting:**

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## About PPAI

Promotional Products Association International (PPAI) has been the trusted authority in the promotional products industry since 1903. With over 14,000 member companies worldwide, PPAI represents manufacturers, suppliers, decorators and distributors who market to advertisers to help better promote their brand. Visit [www.ppai.org](http://www.ppai.org) for more information.



## About ITR Economics

ITR Economics provides clear, comprehensive action plans for capitalizing on business cycle fluctuations and for outperforming your competition. More than just analysis and forecasts, ITR Economics provides management with actionable options. ITR Economics uses a knowledge base of over six decades that encompasses an uncommon understanding of long-term economic trends and how leaders should react to critical changes in market conditions. Our reputation for excellent, independent, and objective analysis is indisputable. Visit [www.itreconomics.com](http://www.itreconomics.com) for more information.