

# PPAI Industry Trends & Predictions Mid-Year 2025

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*Based on insights from PPAI 100 Suppliers & Distributors  
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# Industry In Transition

**The promotional products industry is in strategic recalibration.**

With growth now in the low single digits, firms are navigating a more cautious business climate.

Rising costs, shifting client expectations and trade pressures are pushing the industry from expansion to precision. This report, based on the data from PPAI 100 suppliers and distributors, outlines the key trends shaping 2025.



# Trend 1: Growth Is Slowing And Firms Must Adjust

Industry-wide growth has slowed to low single digits. Nearly 80 percent of top suppliers and over half of distributors report higher procurement costs in the first half of 2025.

Yet only a few firms are seeing improved margins, signaling a growing disconnect between rising operating costs and what the market is willing to bear.

**Prediction:** Expect firms to double down on pricing discipline, forecasting accuracy and cost control throughout the year.





## Trend 2: Tariff Pressure Is Reshaping Global Sourcing

China tariffs remain the top concern for suppliers heading into 2026, with 70 percent citing them as their primary global risk. In response, sourcing strategies are shifting fast.

More than 60 percent of top suppliers are expanding beyond China, favoring regions such as Vietnam, India, Mexico and the United States. These moves are driven not only by cost but also by the need for greater supply stability and client-facing transparency.

**Prediction:** Tariff escalation will accelerate permanent sourcing diversification, reshaping global supply dynamics across the industry.



## Trend 3: Buyers Are Demanding More Than Products

Distributors are encountering a transformed buyer. Price and availability are no longer the only differentiators.

More than 50 percent of top distributors report increased demand for personalized solutions, faster fulfillment and greater visibility into product origin and ESG compliance.

At the same time, 38 percent say supply chain disruptions continue to impact costs and delivery timelines. This is placing greater pressure on the distributor's role in the value chain.

**Prediction:** Firms that cannot meet new buyer expectations will risk losing share to those that can deliver faster, cleaner and more responsibly.



## Trend 4: Fulfillment Is Becoming a Strategic Priority

Distributors continue to absorb risk from supply chain breakdowns. More than 38 percent report ongoing logistics issues. In response, nearly 65 percent are actively expanding or diversifying their supplier base, while almost 60 percent are collaborating more closely on demand forecasting.

As fulfillment becomes more complex, especially with international sourcing, it is becoming a front-line business concern rather than a back-office function.

**Prediction:** Distributors will invest more in supplier partnerships, inventory visibility and regional warehousing to stay reliable and protect client relationships.





## Trend 5: Resilience Will Define the Winners

Resilience has emerged as the defining attribute of outperformers.

Half of top suppliers are adopting inventory visibility tools or ESG certifications, while 33 percent are piloting onshore or nearshore sourcing models. Among distributors, nearly 60 percent are collaborating more closely on demand planning and 65 percent are actively diversifying their supplier base.

**Prediction:** Firms that invest early in resilience will outperform those still reacting to disruption.



## Trend 6: Advocacy Is Turning Strategic

As trade pressures grow, suppliers and distributors are aligning around a focused call for tariff relief.

Rather than broad exemptions, the industry is prioritizing specific categories like drinkware, apparel and electronics where domestic alternatives are limited and costs are rising fast.

**Prediction:** Trade policy will become a more visible issue within the industry, with firms increasingly engaged in advocacy efforts to protect margins and client value.






# Final Thought

As 2025 unfolds, success will depend less on short-term metrics and more on strategic clarity and agility. The most resilient firms will be those that adapt early, invest deliberately and lead with purpose.

At PPAI Research, our goal is to deliver the intelligence that empowers industry leaders to navigate uncertainty and move forward with confidence.





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