

The Case For Apparel

Amid economic constraints, some employees, consumers and marketers are giving high-quality logoed apparel a second look. Here's why you can consider wearables as an antidote for a cold market.

By Kenneth Hein

being that it's a century-old trade association, one might assume that the Retail Alliance is set in its ways.

Not so. A year ago, it decided to stop routinely giving out branded clothing to its employees, few of whom ever wore it. Instead, the Retail Alliance now gives each employee a \$50 stipend every six months to purchase the logoed item of their choice.

"They love it," says Susan L. Milhoan, president and CEO of the Retail Alliance. Its employees are now not only wearing



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— ANDY HILTON, BRODER BROS. (asi/42099)

something bearing their logo twice a week, but about a third of them are adding funds to their allowance to purchase something better. “We end up spending a little more annually, but since the stuff actually gets worn, it’s a great investment for us.”

The good news for distributors: From Chipotle to DirecTV, many end-user clients are finding that offering higher-end, branded merchandise is still paying dividends. In fact, some experts say that logoed apparel, across the board, is getting a second look for both those giving it away and those receiving it.

An uncertain economy has unleashed a number of cause and effect scenarios on many industries. Some expected,

some unexpected. One unexpected offshoot bearing fruit for the ad specialties industry is this: Most consumers no longer have the luxury of going on shopping sprees for clothes. At \$202 billion, apparel sales were down 2.2% for the 12 month period ending in September 2008, according to the NPD Group/Consumer Tracking Service.

For many former fashionistas, there is a “let’s make do with what we’ve got” mentality. Some of those who had looked down their noses at a shirt or jacket because it has a logo on it are taking a second look. They are realizing that many of these items are made from the latest fabrics and are in the latest styles.

Perfect For The Times

Indeed, there is a silver lining in logoed threads. “The economic situation drives new or different behaviors,” says Donna Heckler, author of *The Truth About Creating Brands People Love*. “As such they may not be buying new apparel overall. Promotional items from quality labels are perceived to have durability, the look that the general consumer is comfortable wearing and are able to use for a long time.”

Increased variety and a trend toward subtlety have also enhanced people’s views, says Banner Short, head of promotions at Modassic Marketing (asi/269963). Recipients “are wearing more branded apparel because of the economy and the variety of options in today’s industry,” Short says. “The branded apparel industry offers plus sizes, ladies’ versions, youthful garments, brand names, color variety and industry-specific items.”

Today’s clothing created by ad specialties suppliers looks very similar to what consumers can find in malls or boutiques – because it is, says Short. “Plus many companies are using a variety of decorating techniques in branding their apparel to appeal to their audience.”

Tone-on-tone embroidery to create a subtle logo, for example, often makes it more likely that a recipient may wear the item “without making it seem as though he is heading to work,” he says.

Now more than ever, the perception of giving a quality garment is working in the favor of end-users, says Mike Freestone, of Adventures in Advertising/Freestone Design LTD (asi/109480). He recently

Four Reasons to Push Apparel

With many clients pulling back a bit in 2009 on their marketing budgets, they’ll be looking for more bang out of their promotional buck. That’s where apparel comes in. Here are four selling points for clients to purchase wearables this year.

1. Consumers want it. Surveys show that consumers are reducing their overall spend on apparel, so a client’s target audience is more receptive right now to receiving high-quality items. They may not be spending on clothes otherwise, so your clients should give it to them.

2. Durability. Recipients tend to hang onto wearables much longer than other items. In a recent report from ASI

titled the *Advertising Specialties Impressions Study*, consumers said they used wearable items they received five times per month. And, they said they kept the items on average for nine months.

3. High perceived value. Promotional apparel, because people end up using it often, has a higher perceived value than many other promotional gifts.

4. Price. While high-end branded apparel can be a big seller in a down-time (thanks to the impressive perceived value), T-shirts and other wearables can be purchased at a very low cost. That price point can be very attractive to clients right now.

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outfitted 700 bank employees with a shirt that had a \$50 retail price at golf shops and clubhouses. The client only paid \$30 with embroidery. “The employees had the perception they were spending a lot more on the gift, but it was different.”

Pitching quality is essential for distributors even though budgets are tightening. The message to end-users: “Apparel is a great way to get your brand out there. It only works if you know it will be worn in public. It does not do as much good if someone only wears your logo to sleep or to clean the house,” says Michal Strahilevitz, marketing professor at Golden Gate University. “Making the products as attractive as possible and making the logo subtle are both ways to increase the chances that these products will be seen in public, which is where marketers want them.”

The Fabric of Success

During the holidays, there is always a moment of truth when opening a box, that obviously contains clothing, presented by the in-laws. How bad is it going to look? That’s the question that pops into one’s mind. For many employees receiving branded apparel, a similar feeling of dread is commonplace. That’s why Evolve (*asi/316068*) has taken to offering a variety of options to its blue-chip clients such as Chipotle, DirecTV and Qwest.

“More and more corporations realize that customer-interfacing employees and loyal customers have an impact on branding,” says Joel Wochner, CEO of Evolve.

The telecommunications giant Qwest

provides each employee in the installation network with an allotment of five company-paid shirts and an allowance to select other items of their choice from a catalog. It features 20 different shirt styles all designed based on employee feedback. “Certainly the quality and style of items is important, but I believe the biggest impact on employees’ desire to wear apparel is the fact that they have input on the design from a fit, functionality and fabric standpoint,” says Wochner.

Distributors can do employee focus groups, surveys or even go along out in the field for ride-alongs to gain this knowledge. “Employee input is always an integral part of our design process,” Wochner says.

While distributors can’t pop into consumers’ homes and ask them what they’d most like to receive, they can take a close look at current trends when advising clients. Sustainable fabrics took off a lot faster than most predicted. There is now a much higher level of demand from clients for organic cotton, recycled polyester and bamboo products that feel good and fit within corporate environmental initiatives. “We continue to receive requests for green products,” says Dan Elias, president of Express Promotions (*asi/190978*). “Bamboo blended garments are in high demand because they are naturally moisture wicking and anti-microbial.”

Also, “anything with the term Dri...dri-tech, dri-wear,” says Freestone. “I have seen more and more people going with active-wear as well.”

The biggest catalyst is fit, says Short.

“You want people to ultimately wear your promo items” so advising clients to purchase items that are actually cut well will pay back in terms of return-on-investment. American Apparel, for example, is perfect for the younger generation “because of their cute, material and trendy image.”

For company gifts, Short recommends Cutter & Buck and Tommy Bahama. “These brands already have high perceived value because the public is already used to seeing them in golf pro shops and high-end retail outlets,” says Short.

Still, it isn’t all about selling higher-end co-branded items. Sometimes it’s just about making everyone feel as if they are a part of the team. Jack Sims, author of *Brand to the Bone: Growing Small Businesses Into Big Brands*, says apparel has always worked for his various businesses because of its trophy value. “Without a doubt, the biggest hit ever with our employees was when they received their silver baseball jackets with our company name on the back and their name on the front.”

Sims had a policy in place that after three months, “the employees decide if a new employee fits into our culture. If they did, they made the cut and got their jacket. Wearing apparel that is the same tells the rest of the world that you are part of the group. Upscale apparel does this better than anything else.”

The alternative is often not pretty. “In the past, we’ve purchased ‘economical’ branded attire,” says Milhoan. “Nobody wore it because there was no fit and most items laundered poorly. Given a choice,



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logoed attire was not something anyone in our company wore except when required to do so.”

Weaving Together an Outlook

It’s clear that both end-users and distributors can make a strong case for the continued use of high-end apparel. However, what does this mean for smaller distributors who may not be fortunate enough to have a big contract with a telecom giant? For some it may mean trouble, for others it may mean a shift to other items.

Much like consumers are taking a hard look at their clothing options, which bodes well for some branded apparel, many companies are reevaluating what merchandise they have. Ultimately, companies will be evaluating whether they need every unit of apparel that they ordered last year, says Short. This will be the time that apparel orders increase, but the size of each order may decrease. “There are so many options these days when it comes to branded apparel. Questions arise when ordering such as: How many do I order of each size and do I order plus sizes? Do I order unisex apparel? What color do I purchase? In many cases companies buy all of these extra options to please a wide audience,” says Short.

Having extra options, however, tends to lead to extra inventory sitting on shelves which results in a loss of money for the company. “It seems easier in this economy to order a non-apparel branded item which has less options and therefore less inventory sitting around,” says Short.

For some, nothing has changed in terms of order size or frequency. Joseph and Marsha Miller of Adventures in Advertising/Logotools (*asi/109480*) say, “Our corporate clients who were purchasing logoed apparel for human resources and marketing programs are still purchasing. They are

Elias suspects he will see some of his clients trading down this year. “This could mean going from high-end branded apparel to more moderately priced private label brands or into a less expensive gift item.”

Still, Broder Bros. (*asi/42099*), the largest industry apparel supplier, says that the economy works in the favor of ad specialties in general. While marketers are looking to cut back on TV and print advertising campaigns, “they increase tangible marketing,” says Andy Hilton, vice president of major account development at Broder.

largely on the target audience, says Stahilevitz. “When times are tough, those who need it most will be attracted to free merchandise, so it will work for some. The wealthy are not affected the same way as the middle and lower class are.”

Apparel is equally as powerful for the affluent if a brand name supplier is involved, says Freestone. “The office and white collar market are generally who I would have a better response with for brand name items. We are finding that people are still willing to invest in a better brand name if their logo is important.”

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— MIKE ROMEO, STEFANO PRINTING (*asi/335455*)

looking at what they always looked at but are asking for it at a lower price.”

Mike Romeo, salesperson for Stefano Printing (*asi/335455*) says, “Price, right now, trumps everything.” Still there is a fine line. “My customers care about what is a little bit cheaper, but it needs to look nice for someone to wear it. Right now, I’m doing a hat order and I don’t see anyone wearing it except the owner.”

The trick is finding items within clients’ budgets as suppliers continue to raise prices, says Romeo. “I already got notification from two suppliers that prices are going up. They said ‘check our Web sites for price increases.’ Another company printed a whole new catalog a couple of months ago.”

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And given the need to keep employees and customers happy, logoed apparel is a perfect tool, says Hilton. “Anything that incents customers and recognizes employees stays strong in this economy,” he says. “The areas that usually get affected are the speculative things...mass giveaways with a very low percentage of respondents tend to be negatively affected. Employee uniforms, service awards and goal-hitting awards always stay strong.”

The effectiveness of logoed apparel in this economic environment depends

Marc Kessinoff, president of Promotional Advertising Specialties (*asi/300723*), says no matter what the socioeconomic class or the stock market, “If it’s a good quality shirt and has a logo they are proud of, I don’t see why they wouldn’t wear it.”

And when a program is done right, there is no beating it, says Milhoan. “Our allowance is allowing employees to dress comfortably in approved business casual wear, therefore they are spending less on their own clothes. They love the program and we have 18 walking, talking billboards.” ○

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