

Determining when to use branded vs. non-branded merchandise.

# *When to Use Branded Vs. Promotional Products*

*By Rodger Stotz, CPIM, Maritz Inc., and Bruce Bolger, CPIM, Selling Communications, Inc.*

## *Weighing Branded Vs. Non-Branded*

Brands, by their very nature, generally have higher perceived value than non-branded products. Non-branded products can make up for that drawback, however, by being almost infinitely customizable to meet some communication or functional need that brands cannot be molded to fit. So even if the goal is motivation, the application may call for a promotional product instead of a brand. Here's a checklist to help determine which medium makes sense.

### *Factors Favoring A Branded Solution*

- A primary purpose is to motivate people to do something.
- A primary goal is to have awards and recognition with high-perceived value.
- An important goal is for people to share the recognition with their family and friends.
- The budget supports paying a higher price for the award.
- There is a feeling that being associated with brands will reinforce the brand of the sponsor company.

### *Factors Favoring A Promotional Product*

- The primary goal is to convey a message.
- A primary goal is to reinforce the brand name and generate awareness.
- A primary goal is to bring a theme to life in a clever way with a target audience.
- A goal is to get someone to an event—having the event name on the gift increases response rates.
- The economics call for a very low cost.

### ***Mixing Brands And Promotional Products***

Many companies do both and imprint their logo on a branded product. This has the benefit of potentially conveying greater perceived value and associating a lesser-known brand with a better-known one. Note that some well-known brands do not allow co-branding without a management approval process.

### ***Program Structure***

Merchandise award selection obeys the same rules as an incentive program in terms of:

- Basing tactical decisions on audience and organizational goals;
- Interfacing with other related tactics;
- Obeying the principles of motivation and incentive program design outlined in the first section of the program.

However, motivational merchandise has some special elements based on the advantages and requirements of the medium. The main issue is: How specifically will the organization use the gift process to build a relationship and brand impression in a meaningful way? So, while the planner of a results-based incentive program measures the performance outcomes and processes, the award planner also looks at emotional, communication, engagement and alignment tool that are generated from this medium in a manner different from that of advertising or direct mail.

### ***Cash Versus Non-Cash Awards***

Ask people what they prefer in award programs, and most say cash -- usually followed by travel, merchandise, time off, concierge services and lunch with the boss. There are various differences between cash and non-cash awards. The following provides a summary of key issues.

#### ***Factors Favoring Cash:***

- Repeatable year after year
- No need for buzz
- No general link to communications efforts

#### ***Factors Favoring Non-Cash:***

- Programs come and go as part of the mix, so awards aren't predictable
- Need for buzz and excitement
- Desire to convey marketing messages
- Requirement to distinguish from compensation

## ***Scott Jeffrey Research***

Scott Jeffrey, an assistant professor in the department of management sciences at the University of Waterloo in Ontario, Canada, analyzed available research on use of non-cash awards and has advanced the following theories:

***Evaluability.*** Non-cash awards can have higher perceived value than cash if properly marketed and presented.

***Separability.*** Non-cash awards help ensure that awards are viewed as recognition, not compensation.

***Justifiability.*** Non-cash awards can provide more pleasure than cash because there is no guilt associated with diverting cash income to something special but not required by the recipient.

***Social Reinforcement.*** Non-cash awards create buzz by being easier to promote than cash.

## ***Non-Cash Awards And Motivation Theory***

Generally, non-cash awards come into play related to the following areas of motivation:

***Buy-in.*** Making people feel engaged in the organizational goals or mission.

***Support.*** Helping people feel appreciated for their efforts or loyalty.

***Emotion.*** Fostering a positive move in the organization or among customers.

***Teamwork.*** Creating new bonds between people in far-flung organizations or customer groups.

***Alignment.*** Directing employees and channel partners toward similar goals; connecting promises made to customers to the actual level of quality products and service delivered by employees.

***Brand Identification.*** Making people feel proud to be associated with your organization.