

FOR REFERENCE

NOT TO BE TAKEN FROM THIS ROOM

SPECIALTY ADVERTISING
AND AN EMPIRICAL STUDY IN THE
TURKISH PHARMACEUTICAL INDUSTRY

by

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INTRODUCTION

The purpose of this study is to identify the nature of specialty advertising, its place in the marketing theory and its role in the promotional mix, as well as its applications.

"Specialty Advertising" is a new subject and it is not a well known one. One of the reasons why specialty advertising is "little known" in comparison with other media, is that many users don't even realize that they are using an advertising device at all.

An interesting comment in "Advertising Age" (1963) states that:

"If you don't think specialty advertising is an effective medium, just look through your own pockets. Then glance around your office, home and car. You'll find an advertising specialty more likely you'll find more than a dozen."

These are some useful and/or interesting articles given as gifts, with short advertising messages on them, such as, pens, keyholders, calendars, telephone indexes, diaries etc

When compared with other marketing and promotional activities, very limited literature and research are available in

this field. As a result, the primary purpose of this study is to provide a theoretical background for a subject which is little known in Turkey. An empirical study to illustrate how specialty advertising works in practice was also conducted in the pharmaceutical industry in which specialty advertising is widely used.

A literature review of specialty advertising, is the primary focus of this paper and it is supported by an empirical study conducted for the first time in Turkey, in this field yet it should be considered as a pilot study.

The first chapter is about the nature of the specialty advertising. Terminology and definitions will be given in this chapter.

The specialty advertising industry will be studied in the second chapter, with its history and activities in various countries.

The role of the specialty advertising in the promotion mix, and its relations with some marketing and behavioral factors will be provided in chapter three.

Then, a specialty advertising program will be discussed through its objectives, target audience, and applications together with its advantages and disadvantages in chapter

ter four.

In chapter five, the empirical study which is conducted in the Turkish pharmaceutical industry will be provided.

Finally, conclusions, implications and suggestions will take place in the last chapter.

REKLAM HEDİYELİĞİ VE TÜRK İLAÇ
ENDÜSTRİSİNDE YAPILAN BİR
ARAŞTIRMA

Bu çalışmanın amacı reklam hediyeleşğinin ne olduğunu, pazarlama teorileri içindeki yerini ve tutundurma (tanıtım) bileşimindeki rolünü ve uygulamalarını belirlemektir.

Reklam hediyeleşğı (specialty advertising) yeni ve pek bilinmeyen bir konudur. Dilimizde daha çok "eşantıyon" diye adlandırılan reklam hediyeleşğinin diğer reklam araçları ile karşılaştırıldığında az bilinmesinin nedenlerinden bir tanesi; çoğu zaman kullananın bir reklam aracını kullandığının farkında olmamasıdır.

"Advertising Age"de ilginç bir görüş yer almaktadır (1963).

"Eğer reklam hediyeleşğinin etkin bir araç olduğunu düşünmüyorsanız, ceplerinize şöyle bir bakınız. Sonra büro-nuzda, evinizde ve arabanızda etrafınıza bir göz gezdiriniz. Bir değil, bir düzineden fazla reklam hediyeleşğı bulacaksınız.

Reklam hediyeleşikleri yararlı ve ilginç ürünler olup, üzerlerinde kısa reklam mesajları taşırlar. Kalemler, anahtarlıklar, takvimler, telefon fihristleri, ajandalar vb. hediye olarak verilen bu tip ürünlere örnek olarak sayılabilir.

Diğer pazarlama ve tanıtım faaliyetleri ile karşılaştırıldığında, bu alandaki literatür ve araştırmaların çok sınırlı olduğu görülmektedir. Bu nedenle, araştırmamanın asıl amacı, Türkiye'de az bilinen bu konuya teorik bir zemin hazırlamaktır. Ayrıca, uygulamada reklam hediyeleşiminin nasıl ele alındığını göstermek amacıyla reklam hediyeleşiminin yaygın olarak kullanıldığı Türk İlaç Endüstrisinde deneysel bir araştırma da yapılmıştır.

Çalışmanın odak noktası, "reklam hediyeleşimi" konusundaki mevcut kaynakları toparlayıp, deneysel bir araştırma ile desteklemektir. Türkiye'de ilk defa yapılan böyle bir çalışma pilot bir araştırma olarak değerlendirilmelidir.

İlk bölümde reklam hediyeleşiminin ne olduğu, tanımlar ve tanımlarda kullanılan terimlerin açıklanması yer almaktadır.

İkinci bölümde reklam hediyeleşimi endüstrisi, taraması ve çeşitli ülkelerde bu konudaki faaliyetlerle birlikte incelenmiştir.

Reklam hediyeleşiminin tanıtım/tutundurma bileşimindeki rolü ve bazı pazarlama ve davranış teorileri ile ilişkileri üçüncü bölümde yer almaktadır.

Dördüncü bölümde, bir reklam hediyeleşimi kampanyası, amaçları, hedef kitlesi, uygulamaları, avantaj ve dezavantaj-

ları ile birlikte tartıřılımtır.

Türk İlaç Endüstrisinde yapılan deneysel araştırma be-
şinci bölümü oluşturmaktadır.

Son bölüm, sonuç ve önerileri içermektedir.

Chapter One

NATURE OF SPECIALTY ADVERTISING

1.1. Definitions

Specialty advertising is a very important part of the communications and marketing mix. However, it is also the most misunderstood medium of advertising and the one that most people, including marketing professionals, know the least about.

The following comment was made in a special edition of "Advertising Age" in 1963 in an anonymous article entitled "The World of Advertising" : "There is probably no advertising medium which is more commonly used, yet less understood, than specialty advertising even very few admen have more than a vague notion about this far from small medium" (1)

While evaluating the situation 20 years later, Herpel and Slack (1983) point out that, even Advertising Age as a major publication to the professional advertising community, hasn't done much itself to explain or evaluate the

(1) "The World of Advertising" , Advertising Age, 1963 , vol.34, No.3, pp. 144-152.

role of the medium. (2)

The image of specialty advertising has been a bit shady and even some sales promotion consultants have referred to the product as "junk sold from the trunks of cars".(3)

John Slania (1986) describes specialty advertising as a layer of marketing that lies somewhere between advertising and public relations and deals heavily in baubles, bangles and beads. Along this marketing midway stands a line of hawkers handing out calendars, key chains, coffee mugs and T-shirts.

Imprinted with thousands of different logos, these products are designed to repeatedly drive home a message, a sort of working conversation pieces. Executives of a company in the advertising specialty industry call these items "schmoogies", items of practical use with a promotional purpose. (4)

SAAI (Specialty Advertising Association International) defines specialty advertising as "an advertising, sales promotion and motivational communications medium which

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- (2) G.L. Herpel and S.L. Slack. Specialty Advertising: New Dimensions in Creative Marketing, Irving, Texas: Specialty Advertising Association International, 1983, p.XIII
 - (3) Van, Wallach. "Specialty Products Put Weight Behind the Message" Advertising Age, May 5, 1986, p. 21
 - (4) John, Slavia. "Specialty Items Getting More Specialized", The Daily Herald, March 18, 1986, section 2-5

utilizes useful objects to carry the advertiser's name, address and advertising message to a target audience. These items referred to as advertising specialties are distributed without obligation to clients, employees or other groups the advertiser seeks to reach with a message." (5)

White (1968) defined specialty advertising as a public relations medium in addition to advertising and sales promotion, while explaining its uses in the field of public relations.(6)

Generally, definitions of "specialty advertising" consist of three basic points:

(1) A useful item which can be given to a group of people that the advertiser seeks to reach.

(2) An imprinted advertising or promotional message placed on (or with) the item which helps to recall the advertiser repeatedly.

(3) These specialties are given without any obligation, in other words "with no strings attached".

(5) Specialty Advertising: The Medium that Remains to be Seen, Irving, Texas: SAAI, 1986, p. 1.

(6) Harold F., White. "Put Creativity into Press Functions", Public Relations Journal, February 1968, pp. 37-38

These are the most distinctive features of specialty advertising. The advertising specialty is used to reach a preselected target audience and is given without any cost or obligation, real or implied, with no preceding contest of any kind.(7)

Because of the historical ambiguity of the terms advertising specialty, specialty advertising or specialties, there are a number of alternative names in the industry. The most frequently mentioned terms in books and articles are as follows:

- Advertising products
- Promotional products
- Promotions
- Sales promotion
- Motivational products
- Reminder advertising
- Goodwill
- Motivators

Some distributors suggested common names such as "gadgets", "gimmicks" and "give-aways" because they are more descriptive. (8)

(7) W.A. Gaw. Specialty Advertising, Chicago: Specialty Advertising Association, 1964, p. 10

(8) M.J. Caballero and C.S. Madden. The Image of the Specialty Advertising Industry: Findings and Implications, Irving, Texas: SAAI, 1985, p. 12.

Tillman and Kirkpatrick (1968) use the term advertising novelties for advertising specialties and mention that advertising novelties are not advertising but the term crept in and seems likely to stay. They defined novelties as gifts which are products of value useful to and enjoyed by consumers. Address book, key case, fan, paperweight, comb, pencil, bottle opener, balloon etc. are given as examples of novelties by the authors. (9)

"Preference Building: The dynamic world of specialty advertising" states (1982); "Specialty advertising is a hybrid. It has all characteristics of advertising. It is directly or indirectly persuasive; it is paid for; the sponsor is identified; it is done through some communication medium." (10)

According to SAAI (Specialty Advertising Association International) specialty advertising is basically another form of advertising but it differs from other advertising in that it employs useful articles of merchandise as vehicles for advertisement. These articles are called "advertising specialties" and they are used just like other advertising

(9) R.Tillman and C.A. Kirkpatrick. Promotion: Persuasive Communication in Marketing, Homewood, Illinois: Richard D. Irwin Inc., 1968, pp. 355-357

(10) Preference Building: The Dynamic World of Specialty Advertising, Irving, Texas: SAAI, 1982, p. 3.

media to transmit a message from the advertiser to his audience. (11)

Mostly people do not understand the difference between "specialty advertising" and "advertising specialty". Specialty advertising is the advertising medium while advertising specialty is the item upon which the medium is based. In addition, many people call specialties "give-aways", a term which while being technically correct, is gradually being eliminated from the marketing men's vocabulary, It carries the implication of broad and unplanned distribution which is rarely desirable. On the contrary, the strength of specialty advertising as a medium is that it is precise and designed to reach only that segment of the populace which is important to the advertiser at that moment. Although the advertising specialties are designed to be given away, they should not be given indiscriminately. In the degree of precision of which it is capable, specialty advertising can be superior to any other medium. (12)

(11) Selling Specialty Advertising Today, Irving, Texas: SAAI, 1984, Booklet I, p. 1.

(12) Ibid.

1.2. Specialty Advertising, Incentives, Premiums

The above definitions of specialty advertising requires the introduction and definition of two other closely related promotional activities; namely incentives and premiums.

1.2.1. Incentive

In the past few years the term incentive has been used more and more to describe an industry, an activity or even a product. "Incentive" is also used to describe programmes through channels, i.e. sales or dealer incentive programmes. Actually an "incentive" carries with it the connotation of motivation. It implies some action toward something.

Specialties and premiums on the other hand, are merchandise. Of course a premium or a specialty can be used as an incentive. (13)

1.2.2. Premium

Premium is very often confused with specialty advertising. This is not surprising since the merchandise as message vehicle may indeed be identical in look, shape and form. The difference is therefore not in the product itself but in its channels of distribution and its ultimate intent.

(13) Herpel and Slack, op. cit., pp. 59-60. Herpel and Slack, op.

Contrary to specialty advertising which is distributed to a more or less carefully selected group of recipients and free of charge, premiums are:

- a) not free of charge, and
- b) the control of the group of recipients is not or to a lesser degree in the hands of the advertiser.

This deserves some closer study. While advertising specialty is distributed without any obligation, the recipient of a premium has to fulfill some sort of obligation in order to obtain the premium. It may be a purchase, deposit of financial contribution on the part of the recipient. That obligation may take one or a combination of several forms.(14)

The simplest way of obtaining a premium is by paying for it. Its distinction from commercial merchandise lies solely in the fact that:

- a) it is considerably cheaper than the commercially available product, and/or
- b) it is not generally and widely available.

Yet it is possible to see that premiums are sold more expensively than its commercially available equivalent because of its perceived higher quality or branding or appeal.

(14) Specialty Advertising: The Medium that Remains to be Seen, Irving, Texas: SAAI, 1986, p.2.

Other methods of obtaining a premium can be attending of a trade or product presentation, buying a specific product, making a visit to a store, mailing in of coupons from newspaper and magazine advertising or label or other proof of consumption of a certain product (i.e. sending in a boxtop) or membership to a club, trade or other association, or competition. (15)

There are many types of premiums. For example, those attached to the product for sale are considered in-pack or on-packs. At times the package itself is considered the premium, holiday bottles, baskets, cookie and candy tins would be the examples of this. (16)

Another distinctive feature between premium and specialty advertising is said to be the imprinting. "A specialty is imprinted and a premium is not, but that does not necessarily hold true." (17)

There is a big increase in imprinted premiums, with an advertising symbol or brand name which hands to make the difference between premiums an specialties even more confusing.(18)

(15) "The World of Advertising", Advertising Age, 1963, Vol. 34, No. 3, pp. 144-152

(16) Herpet and Slack, op. cit., pp. 59-60

(17) Specialty Advertising: The Medium that Remains to be Seen, Irving, Texas: SAAI, 1986, p. 2, *et passim*.

(18) Herpel and Slack, loc. cit. (18) Herpel and Slack, loc. cit.

The best way to distinguish between the two is to determine if the recipient is obliged to perform a specific function to receive the item.

Tillman and Kirkpatrick (1968) defined premium as "an item of value offered to a consumer as a bonus or bribe." If the recipient makes a certain purchase, watches a product demonstration or attends a sales presentation, the premium is given in the nature of a gift in return for his efforts.(19)

The control of distribution therefore is to a much lesser degree in the hands of the advertiser. The reasons for this are implicit in the foregoing and need only to be stressed here again to show that the two terms, advertising specialty and premium, are not easily interchangeable.

Sometimes a programme is stretched out over a period of time, i.e. a set of books, dishes eating or cooking utensils etc. This is called a continuity programme. Functional premiums that can be purchased at an attractive price with the purchase of the promoted item are called self-liquidating plans as the premium items are often offered at cost, which specialty advertising by definition can never be. Recovery of the direct cost of a premium programme can either be achieved through the sale of the product at or

(19) Tillman and Kirkpatrick, op. cit., pp. 337-341

above its cost value or through the profits on sales of ancillary products either as a prerequisite to obtaining a premium or as a result of subsequent and prolonged sale of such ancillary products.

Since many specialty products can also be used as premiums, the members of specialty advertising industry are becoming more involved in the premium field. Moore (1981) made a phone survey to illustrate this and he reported:(20)

"Apparently, many counselors are getting the message. A recent Counselor telephone survey of 50 distributorships indicated that some 89 percent of the contacted were selling at some premiums. 52 percent said they sold them often. Only 11 percent said they never dealt in premiums. Many who did not sell premiums indicated they would like to sell them, or at least learning more about them. From the broader perspective, ASI (Advertising Specialty Institute) reports that 57.4 percent of 4260 listed distributorships involvement in premium fulfillment in 1979."

It has been said that " a remarkable part of specialty advertising industry's annual volume is incentive based and technically premium business". In 1985 marketers spent more

(20) Robin, Moore. "A Look at Specialty Advertising's Promotional Cousin", The Counselor, April 1981, pp.111-118

than USDLRS 3.9 billion on merchandise for premiums and incentives in USA, which is 8.8 percent more than in 1984.(21)

1.3. Classification and Product Categories

Advertising specialties are classified into three groups that intend to correlate recipient profile, value and usage. The three groups are:(22)

- Advertising specialties
- Business gifts
- Advertising calendars.

These groupings give a useful overview over the scope of specialty advertising but fail, because of the vastness of products intent and recipient characteristics, to be clearcut definitions.

Advertising specialties are useful objects of relatively low dollar values. They are obviously mass produced items intended for wide distribution. Also they are not unique in the sense that one and the same article is used as an advertising specialty by several advertisers, differentiated only by the change in the message and maybe colour. Invariably

(21) Robert, Selwitz. "Premium. Premiums are Turning Heads", Advertising Age, May 5, 1986, pp. 6-12

(22) "The Case for Specialty Advertising". Pamphlet. Irving. Texas: SAAI, March 1986.

the advertising specialty carries a message such as a brand name or the advertiser's logo, telephone number or address.

Business gifts on the other hand seldom carry the advertiser's identification or if they do, only discreetly. Business gifts are usually of higher value and are often personalized. They are not obviously mass-produced items and are distributed to a very limited but highly important and influential number of decision makers, executives, partners or their respective families.(23) Business gifts can range from the useful to the extravagant, from consumables to durables and are given either in appreciation of past business, in anticipation of future business or as a gesture of general goodwill.

Advertising calendars are very commonly used for a whole range of recipients without much regard to his standing. Calendars in any form are relatively cheap and definitely long lasting advertising message carriers. While serving as a recall agent to the recipient, they also - if carefully selected - can carry strong messages to third parties on how the advertiser wishes to be perceived by a wide audience.

The above classification is widely used by most authors. According to Tillman and Kirkpatrick (1968), the advertising

(23) Tillman and Kirkpatrick, op.cit., p.320.

industry divided its items into executive gifts, calendar and novelties, definitions that are interchangeable with those above. (24)

With more than 20.000 articles of specialty advertising merchandise on the market, a categorization by product is difficult. (25) Any categorization only makes sense with its ultimate aim in mind. A variety of viewpoints can therefore very validly be employed according to the needs of one or the other involved in some part of the specialty advertising process. Some sources suggest a categorization by price, material or end usage. Another way to categorize specialty advertising products is by defining the place in which a particular advertising specialty will end up. This yields five broad categories: (26)

1. Products for the desk
2. Products for the wall
3. Products for the home
4. Products for the pocket
5. Products for the automobile

SAA International classifies advertising specialties

(24) Ibid.

(25) "The Case for Specialty Advertising". Pamphlet Irving, Texas: SAAI, 1986.

(26) Selling Specialty Advertising Today, Irving, Texas: SAAI, 1984, Booklet II, p. 3.

by defining both the place that an article will be used in and by the person who will be using it. There are four categories: (27)

1. Products for the office
2. Products for the home
3. Products specifically for women
4. Products specifically for men

Slack and Herpel give the following major product categories: (28)

- Calendars
- Matches
- Writing instruments
- Awards
- Clothing and accessories

Many other forms of categorizing specialty advertising products could be developed by juxtaposing and mixing various criteria; such as;

- | | | |
|---------------|---|------------------|
| cheap | - | expensive |
| durable | - | consumable |
| for males | - | for females |
| mass produced | - | handcrafted |
| personalized | - | not personalized |

(27) Ibid.

(28) Herpel and Slack, op. cit. , pp. 41-45.

Another important distinction has to be made between advertising specialties that broadcast their message only to the recipient and those that reach a much wider third party audience. In this way, advertising specialties can be used as "signs". The sign or billboard aspects add a mass media element. This is because the advertising message impact extends beyond the recipient to others who happen to see that advertising specialty being used. When viewing advertising specialty items in this context, it is common to categorize them as:

"wall signs, desk signs, pocket signs, store signs, vehicle signs, wearable signs and leisure activity signs".(29)

For the purpose of listing some typical articles employed in specialty advertising, the "by place" system can be used. It must be mentioned here though, that there is not limit as to what constitutes a specialty advertising product. Here are some examples of specialties according to "by place" criteria;

1. Products for the desk:

penholders, letter openers, desk sets, desk clocks,
desk lighter, telephone pad, desk calendar,

(29) Dan S., Bagley III. Specialty Advertising: A New Look, SAA International and SAA Southwest, 1978, p.12.

desk diary, ashtray, photoframe,

2. Products for the wall:

wall calendars, clocks, picture, picture frame,
poster, thermometer, coathanger

3. Products for the home:

kitchen appliances, records, apron, sport apparel,
sport accessories, drinking glasses, bar tools,
coasters, tie, grooming articles, watch, deco-
rative item

4. Products for the pocket (ladies' bag)

matches, lighter, key ring, wallet, pocket calen-
dars, note pad, comb, pen,

5. Products for the automobile

key ring, air freshener, first aid kit, tool set,
mascotte, ice scraper.

1.4. Characteristics of Specialty Advertising

Among various characteristics that make specialty advertising so special, the most important ones are its flexibility, targetability, cost-effectiveness, personalization, increased product/company awareness and message retention.

Because of its flexibility, specialty advertising can often achieve results in a number of marketing situations that are not possible with other media. It plays a role of solving a multitude of marketing and promotional problems that can be seen in the trade press, in meetings and in speeches etc. Yet advertisers are constantly surprised by the many different ways specialty advertising can be used.

Mass media, such as radio, tv, newspapers, outdoor advertising or magazines have better defined roles in the promotional mix, but they are also much more limited in scope, they lack flexibility.(30)

Another special characteristic of specialty advertising is the great number of potential user. Limited size, budgets and markets area prevent most businesses from using mass media regularly. But specialty advertising has the capacity to serve virtually any size and type of firm that has a need to convey a message to a target audience.

Specialties "hit the target" without waste of time effort or money. The advertiser is in full control of his promotion. He chooses his audience and tells his story directly to them.(31)

(30) Herpel and Slack, op. cit., p. 2.

(31) "The World of Advertising" Advertising Age, Vol. 3. January 15, 1963, pp. 144-152

Certainly one of the most important and interesting characteristic of specialty advertising is the outstanding results specialties produce, when used properly.

Specialties are "inexpensive". Users need not engage in high-priced campaigns to obtain the desired results. Most of the specialty items have "a long and useful life", and they are imprinted to identify the sender. The whole point of giving an advertising specialty is that the recipient is getting a bonus for looking at the advertiser's message. Whenever the recipient uses the article, the name of the donor is again registered either consciously or subconsciously. So specialties provide a "repetitive" advertising as no other medium can. Ogilvy and Raphaelson (1982) mentioned that "Some 85 percent of magazine readers do not remember seeing the average advertisement, and 75 percent of viewers cannot recall the average tv. commercials the day after they have seen it".(32)

Everytime someone picks up a pen or pencil advertising a bank or opens a bottle of beer with an opener provided by the brewery, he is exposed once again to the advertiser's message. Specialty items provide a personal

(32) David, Ogilvy and Joel, Raphaelson. "Research on Advertising Techniques that Work and Don't Work", Harvard Business Review, July-August, 1982, pp. 14-18.

contact with a tangible element.

Some items can be personalized to include the name of the recipient. According to Richard G. Ebel, such personalization greatly enhance the appeal of the specialty and the appreciation of the donor. (33)

Another aspect of the specialty advertising is being put or kept exactly where the receiver wants it. (into a pocket, on the wall, in the car, on a desk, in a purse, the list is almost endless.) This aspect is the universality of specialty advertising products. Everything can be a specialty. (34) "Practicality", "functional" and "useful" are three terms traditionally attached to specialty advertising items. (35)

Specialties are particularly more effective when the message, product or delivery is unique. When used together with another medium, specialty items can increase the overall effectiveness of a campaign, at a cost far below the results obtained. This is called "synergism" - the sum of the parts exceeding the sum of the whole.(36)

(33) Richard G., Ebel. "Promotional Impact Through Specialty Advertising", The Handbook of Sales Promotion, Stanley Ulanoff (ed.) New York: Mc Graw-Hill Co., 1983.

(34) Wallach, op. cit. , pp. 21-22.

(35) Herpel and Slack, op. cit. , pp. 2-3.

(36) Ibid.

A study was commissioned by SAAI (Specialty Advertising Association International) and directed by Ernst F. Cooke (1983). Purchasers were asked which of four characteristics of specialties were the the most important to them in making their selections.(37) As table 1 shows the most important characteristics, respondents said, was usefulness of the item, which provided repeated exposure of the advertising message. The least important feature was the unusualness of the item.

Table : 1.1 Ranking of Most Important Characteristics of Specialty Advertising

	1983	1972	1961
Useful-provides repeated exposure of message	100 (1)*	100 (1)	100 (1)
Expresses good taste	78 (2)	80 (2)	81 (2)
Inexpensive	59 (3)	63 (4)	31 (4)
Unusual item	48 (4)	67 (3)	51 (3)

* (Number in parenthesis is the rank.)

Source: "What Users Think About Specialty Advertising and Specialty Salespeople". Pamphlet based on a research commissioned by SAAI and conducted by E.F. Cooke. Irving, Texas: SAAI, 1983, p. 13.

(37) "What Users Think About Specialty Advertising and Specialty Salespeople". Pamphlet based on a research commissioned by SAAI and conducted by E.F. Cooke. Irving, Texas: SAAI, 1983, p. 13.

Chapter Two

SPECIALTY ADVERTISING INDUSTRY

2.1. History of Specialty Advertising

It is virtually impossible to say with certainty when and where specialty advertising started. It is said that "specialty advertising as a medium of advertising and sales promotion has been in existence in United States for a century and a half." (1)

Some early evidence of advertising messages has been found on useful items. In the Middle Ages weapon artisans gave away wooden pegs, inscribed with their names. These pegs were used for hanging armor when it was not in use.

Another documentation about early advertising is that in 1768 King George III of England distributed medallions inscribed with his likeness and the message "In memory of the good old days." (2) Other early items used as specialties can be given as buttons, calendars, wooden specialties like rulers, yardsticks, cribbage boards, paint stirrers or paddles and

(1) R.C. Rollings. Specialty Advertising: A History, Irving, Texas: SAAI, 1986, p. 2

(2) G.L. Herpel and R.A. Collins, Specialty Advertising in Marketing. Homewood, Illinois: Dow Jones-Irwin Inc. 1972 pp. 25-42.

paper weights.

Literature mentions the Yankee peddlers as one of the first travelling "marketing managers". They did a little of most everything, i.e. direct selling, sales promotion, public relations, product delivery, collections or financing, market research, product development or product innovation, pricing management, post purchase decision reinforcement, brand identification and certainly "remembrance advertising". These peddlers take a very important place in the history of the industry of specialty advertising. Most of them used a calendar to remind their clientele when the next visit would occur. These went into homes and businesses.

Remembrance advertising included their own items, distributed with a message about the importance of their service to the customers' way of life. (3)

Although specialty advertising articles had been produced in earlier times, since 1886 Coshocton, Ohio in USA, has been claimed the "Birthplace of Specialty Advertising". This is just because that significant contributions were made in Coshocton by Jasper Freemont Meek a young railroad

(3) G.L.Herpel and Slack, Specialty Advertising: New Dimensions in Creative Marketing. Irving, Texas: SAAI, 1983, p.11.

telegraph operator and owner of a weekly newspaper of that area. He saw a schoolboy whose books accidentally fell into a puddle and he realized the need for a book-carrying bag. He began to print the names of local merchants on burlap bookbags and he sold these to the merchants who, in turn, gave them to their customers. Then he got another idea, one hot day he saw a farmer toss an old piece of light canvas over his horse to protect it from flies. He envisioned the large amount of advertising space available on both sides of the horse, plus the mobility of the sign. Within a month, almost every horse in town wore one of Meek's muslin horse covers. He introduced the imprinting of commercial messages as a business enterprise and is considered by many to be "The Father of Specialty Advertising". He was followed by another Coshocton editor H.D.Beach, who modified his presses to produce wooden yardsticks, paint mixers, scrapers and file dividers with the name of a sponsor and a short message printed on them. Great rivalry developed between Meek and Beach. Each scrambled to be the first to print advertisements on anything that would take ink: cloth caps, aprons, hats for horses, bags for marbles, buggy whips, card cases, fans, and calendars.

At one point they joined their forces as a company but didn't last long because each had different goals and ideas about the direction the new specialty medium should

take.

In the late 1800s Thomas D. Murphy and Edmund Burke Osborne (copublishers of the Red Oak Independent in Iowa) produced the first art-calendar with photograph on a bristol-board paper and advertising space around the border and they sold these calendars to local merchants.

The early history of the specialty industry also includes the matchbooks, the lead pencils, ashtrays, combs, leather products, cigar and tobacco cases, kitchen utensils, shaving and moustache cups.

Herpel and Slack (1983) defines the early development of industry as an example of developing the "total management function":

".... as one examines the years between 1875 and 1925, that as each new item was made, the individual creating it was likewise instrumental in designing machinery to produce it, developing methods of selling it, promoting it; in fact, there are few better examples of the "total management function" than during this period". (4)

(4) Ibid, p.16.

2.2. A General Look at Today's Specialty Advertising Industry

The specialty advertising industry is made up of three main business groups. They are; (5)

(1) Suppliers

(2) Specialty Advertising Distributors (also called counselors).

(3) Direct Selling Houses.

A detailed examination of these three categories will help to explain the nature of the industry.

Suppliers; make up the production end of the industry. They are the people "who manufacture, import, convert, imprint or otherwise produce or process the advertising specialties, calendars or business gifts for sale through specialty advertising distributors or counselors". (6)

Many suppliers confine their manufacturing to a material, such as plastic, wood, metal, ceramics, paper or leather. A vinyl supplier, for example, may have a complete line of vinyl products ranging from inexpensive keytags to

(5) D.S. Bagley III. Specialty Advertising: A New Look.
SAAI and SAA Southwest, 1978, pp. 2-3

(6) Ibid.

expensive underarm portfolios.

Most of the suppliers rely on distributors to sell the products to the end user, to the advertiser. Most suppliers try to interest as many distributors as possible in selling their lines, where some of them prefer to limit their lines to a relatively few distributors. In exchange of the privilege of handling the lines, these franchised distributors are expected to do a substantial volume of business with the franchise supplier.

A few suppliers sell directly to the end user rather than follow the typical distribution channel. Since this puts them into competition with their distributors, the decision to sell direct must be weighed against the risk of alienating the supplier's distributor network. (7)

Distributor; is the firm that buys advertising specialties, business gifts and advertising calendars from suppliers and sells them to advertisers. (8) The specialty advertising distributors represent the multitude of suppliers in the industry. As representatives, they are independent agents, they may represent many competing

(7) Preference Building: The Dynamic World of Specialty Advertising, Irving, Texas: SAAI, 1982, pp. 5-7

(8) R.C. Rollings, op. cit., p. 2

suppliers. The number of salespersons working for a distributor may range from one to several hundred.

Typically a distributor representative calls on business prospects and offers ideas for using specialty advertising to achieve certain marketing objectives or to supplement internal or external communications. If the prospect likes the plan, a purchase order is signed. The distributor representative, in turn, helps produce and coordinate copy, art, layout and distribution plans. Then the distributor places the order with the appropriate supplier.(9)

Terminology indicates the transition in the distributor's role in the industry. The distributor, referred to by some as a "jobber", a term now passé in view of the distributor's enlarging function, distributors in many instances combine selling with a counseling capacity. They develop ideas for the use of specialty advertising products, buy the products from suppliers and sell them to advertisers under their own names. Developing advertising programs based on the effective use of advertising specialties is one of the major creative areas of the industry. For this reason, many distributors, particularly those who specialize in program sales, refer to themselves

(9) Dan S. Bagley, op. cit., pp.2-3

as specialty advertising counselors. (10)

At one time arguments were made in support of the term "specialty advertising agency". This has not gained much acceptance. The distributor's function is in some ways comparable to that of an advertising agency, but there are two significant differences;(11)

"(1) Ad. agencies buy media (when they purchase time on tv, space in the newspaper) for their clients, distributors sell media.

(2) Ad. agencies deal primarily in mass-media, whereas distributors concentrate on targeted media, e.g. specialty advertising and direct mail, and also premiums and executive gifts (which are technically not advertising specialties but, represent important business to many distributors)".

Direct-selling houses; combine the function of supplier and distributor within one organization. It can be defined as "a firm which primarily manufactures its own products for sale through its own sales force to advertisers". (12) Many of the direct houses also handle the lines

(10) Preference Building: The Dynamic World of Specialty Advertising, Irving, Texas: SAAI, 1982, pp. 11-12.

(11) Ibid.

(12) R.C. Rollings, op. cit., p.2.

of suppliers, they may augment their open line by buying exclusive or non-exclusive products from suppliers.

Many companies often find it difficult to coordinate manufacturing and marketing. Actually in the industry of specialty advertising the supplier is separated from the end user. Compared with most industries, they have little contact with the buyers and end users. They are oriented toward tight production and cost control of the products they make.

They are mostly "product oriented" and their ultimate success depends on the distributors' successful selling. Distributors are becoming more aware of the fact that, in order to get repeat orders from their customers, they must fulfill the needs of the buyers successfully. Otherwise the "order" flow goes back to producer/suppliers. Herpel and Slack (1983) proposed a model of industry to illustrate the flow of "sales effort" and the flow of "order" in the specialty advertising industry. (13)

They divide distributors into 3 groups :

- "product-oriented",
- "idea-oriented",
- "program-oriented", and they point out that

(13) Herpel and Slack, op. cit., p. 46

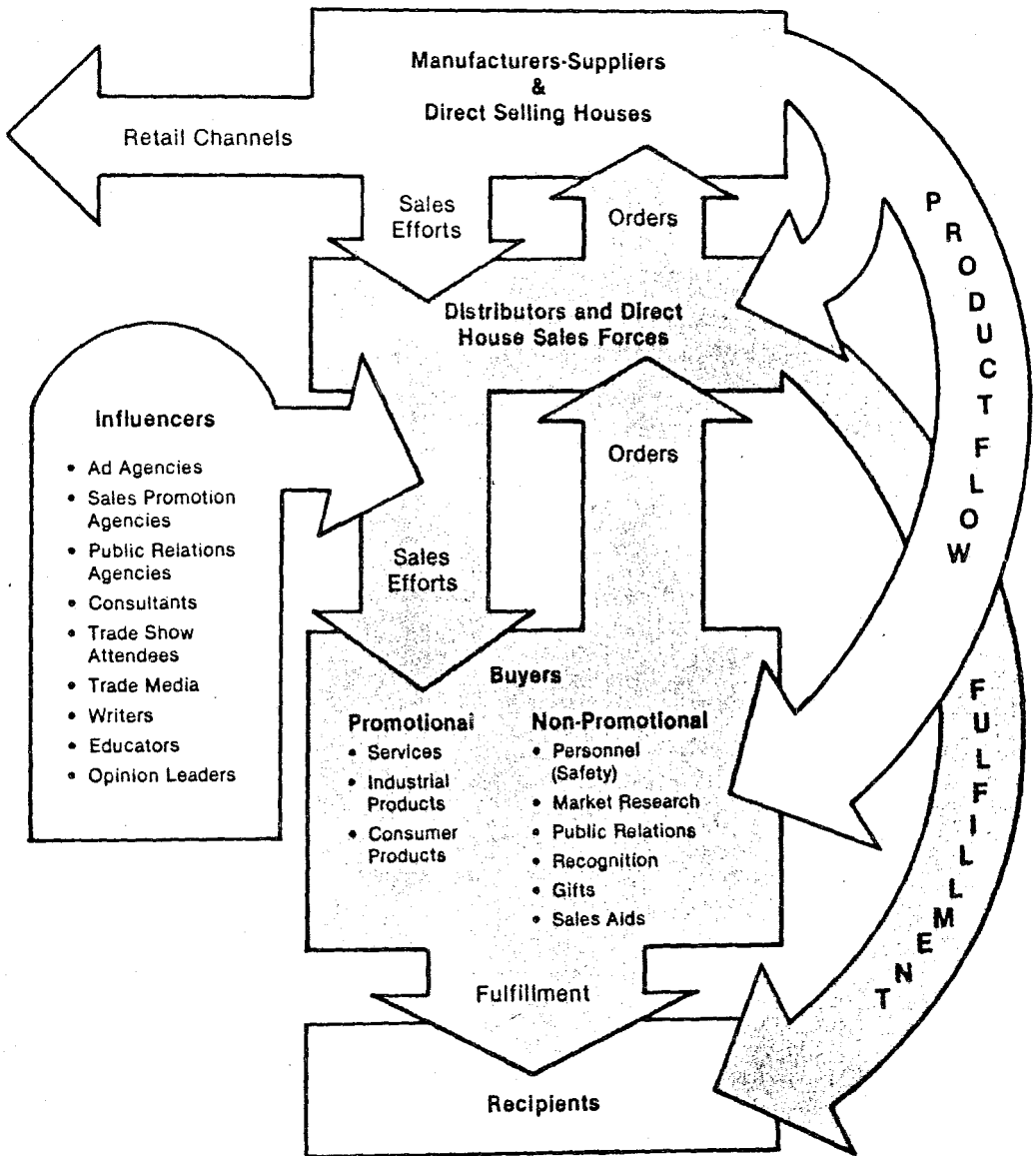


Figure 2.1 : A Model of Industry Structure and Channels
 Source : G.L. Herpel and S. Slack, Specialty Advertising: New Dimensions in Creative Marketing, Irving; Texas: SAAI, 1983 p.46

"each of these groups perform a vital function and there is no one group thought to be more important than another, they simply choose to seek a niche of their own".(14)

M.J. Caballera and C.S. Madden prepared a report in 1985 in order to examine the image of specialty advertising industry and made a research involving more than 70 indepth interviews with people inside and outside industry (distributors, suppliers, users, non-users, agency executives, media editors, academics). According to this study the specialty advertising and industry is defined in several ways. The authors divided the distributors into 4 groups according to their perceptions of the industry.(15)

- "order takers", who focus on the product,

- "order getters", who focus on selling process,

- "order makers", who focus on creativity and programs,

- "marketing strategists", who involve themselves in selling objectives and making comprehensive marketing plans for client. They observed "a bit of class-structure" in the industry, based on increasing size of clients, budgets and marketing sophistication. Distributors see specialty advertising as an industry with a very poor image in the

(14) Ibid, p. 96.

(15) M.J. Cabellero and Charles S. Madden, The Image of the Specialty Advertising Industry: Findings and Implications Irving Texas: SAAI, 1985 p. 1-2.

business community and it is found that negative aspects of the industry were frequently mentioned:(16)

- Specialty advertising seen as an industry of peddlers

- Specialty advertising seen as mostly part-timers and retirees

- Products seen as cheap

- Specialty Advertising not seen as "real advertising"

- Distributors seen as highpressure sales people

- Distributors seen as unprofessional

Another group that was interviewed in the same study was the suppliers. There appeared to be basically two kinds of suppliers represented in the course of interviews:

- the product-oriented suppliers

- the customer-oriented suppliers

The product-oriented supplier typically saw the industry as only having problems such as competition, cheap merchandise, dishonest delivery promises, misleading information. The customer-oriented supplier saw the industry as having problems that were associated with the channel or with lack of customer service and image.

(16) Ibid, pp. 15-16

Users viewed specialty advertising as a support medium that should be designed to reinforce and complement their advertising effort and their entire marketing program. Non-users have a poor image of the industry even though they have never used specialty advertising. Similarly to users, ad. agencies rarely differentiated specialties from premiums, they regarded such a distinction as trivial. They believed that specialty advertising was advertising but it functioned in an adjunct role to the rest of advertising effort. So they felt that specialty advertising was neither complex nor sophisticated. Media editors said that they were not given enough information about the specialty advertising industry but the image of specialty advertising was generally positive.(17)

When Cabellero and Madden asked their question to academics, the lack of research and empirical studies in the field of specialty advertising were emphasized. Academics agreed on their recommendations of the key activities to improve the image of specialty advertising, as conducting quality cases, publishable research, subjects for textbooks.(18)

As mentioned before the poor image of the industry is especially pointed out by the distributors. The authors'

(17) Ibid, pp. 22-50.

(18) Ibid, pp. 51-52.

implication is that there is "a bit of an inferiority complex" present in the industry.(19)

On the other hand, some in the industry believe that a natural evolution has begun in the status of distributors. Even in 1963, in a special edition of Advertising Age entitled "The World of Advertising", the distributors in the specialty advertising industry were defined as follows:(20) "In many ways the advertising specialty industry is unique there are order-takers, aggressive salesmen, specialists and 'engineers'. Particular emphasis these days is being given to the advertising specialty 'engineer' frequently called 'specialty counselors'. It is recognized that, they must sell not only merchandise, but ideas as to how it can be used effectively since these counselors carry literally thousands of items in their lines, they are able to select the right specialty to fit almost every situation."

As shown in Figure 2.2 the evolution in the distributors role in the industry is a progression from "product-oriented distributor" to "sales promotion agency".

(19) Ibid, p.V

(20) "The World of Advertising", Advertising Age, 1963, Vol: 34 No.3, pp. 144-152

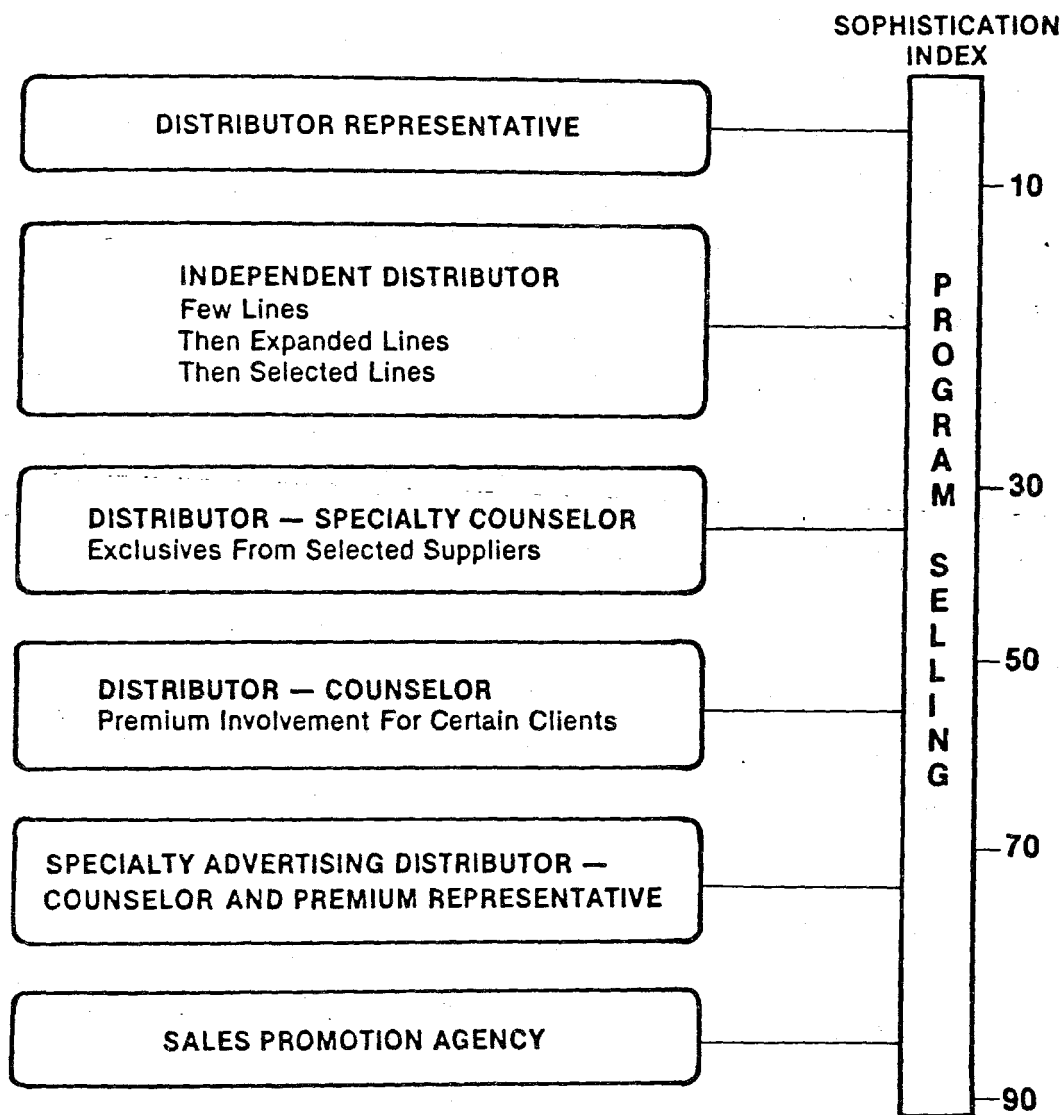


Figure 2.2 : A model of distributor evolution

Source : G.L. Herpel and S. Slack, "Specialty Advertising in Creative Marketing", Irving, Texas: SAAI, 1983 p. 62.

Herpel and Slack point out that someone may be highly successful as a distributor representative (or independent agent) and grow by increasing volume with no desire to change his/her operation and they add there's nothing wrong with this. On the other hand some distributors operate with the idea of program selling. They try to learn all about sales promotion media and besides specialty advertising and premiums they include point-of-purchase advertising, couponing, sampling, sweepstakes and contests and advertising allowances in their program. Knowledge of direct mail methods, product publicity techniques and basic market research is also helpful. Herpel and Slack say by doing so these distributors become sales promotion agencies. (21) The level of sophistication in the program selling determines the role and status of distributors in the industry. In their research, Cabellero and Madden used the term "marketing strategists" for high level of sophistication. (22)

(21) Ibid.

(22) Cabellero and Madden, op. cit., pp. 5-6

2.3. Specialty Advertising Industry in Various Countries

History of specialty advertising and the structure of the industry have been discussed in the previous sections of this chapter.

Now, some additional information will be given regarding with the European countries and the United States of America. An overview of specialty advertising in Turkey will also be provided.

2.3.1. United States of America

The sector of specialty advertising in the U.S.A. reveals a picture of an organized industry. As mentioned earlier, the trend is toward developing specialty advertising solutions, for reaching specific advertising and promotion objectives and away from a "peddling cute gimmicks orientation". A major evaluation in the specialty advertising industry over the years, especially in the U.S.A., has been its shift from a "product orientation" to an "idea-orientation".(23)

Another aspect of the organized American industry of specialty advertising is, its support systems or groups

(23) Bagley, op. cit., p. 4.

that provide valuable services to their constituents. One of the best known specialty advertising industry groups is "Specialty Advertising Association International" which was founded in 1903 under the name of "Advertising Novelty Manufacturers' Association" (then "National Association of Advertising Specialty Manufacturers" in 1912 and "Advertising Specialties National Association 'ASNA' in 1930s).(24)

Today SAA International has more than 3.500 members including, suppliers, distributors, direct selling houses and international members. Its main purpose is to promote the general welfare of the specialty advertising industry and to improve its services to the general public.

The second best know organization in U.S.A. is the Advertising Specialty Institute (ASI) which provides a broad range of confidential information on suppliers and sales promotion services to qualified distributor subscribers for more than three decades.(25)

In the United States it is estimated that there are 6000 specialty distributors operating, and about 1200 suppliers in specialty advertising as their principal business.(26)

(24) Herpel and Slack, op. cit., pp. 16-19.

(25) Ibid, pp. 70-71.

(26) H.Ted, Olson. "Specialty Advertising in the United States of America" PSI Nachrichten, January, 1986, No. 1/2, p. 20

U.S. companies spent \$ 54 billion on advertising in 1985, and while that is an increase over the previous year, it is sales promotion (\$ 100 billion) that continues to draw most attention. (27) Ted Olson, president of SAA International, Irving, Texas states (1987) :

"Apparently advertisers like what sales promotion offers: short-term stimulants to sales and the ability to measure results. We believe that specialty advertising will play an increasing large role in sales promotion." (28)

Sales of specialty advertising products by distributors and direct houses totaled \$ 3.075.031.425 in 1985, according to figures released by SAA International. This amounts to an overall 4 percent increase over 1984. (29)

The July 1986, issue of "Specialty Advertising Business" gives the results of a study conducted by SAA International staff. This study, surveying distributors with sales over \$ 1 million, provides a percentage breakdown in sales by product category. Wearables that are the leading product category for 1985, enjoy a substantial increase in sales, from 14 percent (1984) to 19.3 percent (1985).

(27) H. Ted, Olson, "Specialty Advertising Association International, USA-Irving" PSI Nachrichten, January 1987, No 1 p. 78.

(28) Ibid.

(29) "\$ 3.1 Billion in Specialties Sold in '85" Specialty Advertising Business, July 1986, p. 13.

Major product categories are :

- Wearables, 19.3%
- Writing instruments, 16.5%
- Calendars, 12.1%
- Leather/vinyl, 10.6%
- Glass/ceramics, 7.8%
- Recognition awards/emblematic jewelry, 5.9%
- Electronics, 4.2%
- Personal identification products, 3.1%
- Housewares, 3.1%
- All other specialties, 17.3%

Items used as business gifts in these product categories amount to \$ 40.756.590 which makes up 17.2% of total sales.(30)

The SAA International's Long Range Planning Committee surveyed in 1986 several hundred member opinion leaders to see what they thought would be happening in the industry in five years. Four sales trends were forecast.

1. More toward full-service distributors with enhanced creative services; a sales promotion agency approach to meet competitive forces in the market place.

2. Greater use of direct-mail and telemarketing.

3. Trend toward higher ticket items and premiums.

(30) Ibid., pp. 13-14

4. Distributors will have fewer accounts; however, these accounts would be a greater dollar volume.

Survey respondents also predicted there would be more consolidation and mergers of all kinds of industry firms.(31)

The president of Specialty Advertising Association International, Ted Olson, has very interesting and valuable comments on the "European and American Specialty Advertising Markets". He believes that it is difficult to project future intercourse between European and American Specialty Advertising companies. In most cases European manufactures are the main sources for U.S. suppliers. After importing the product, the U.S. supplier often imprints it, before selling the item through distributors to the end user.(32)

According to Olson, whether this activity will increase in the coming years is contingent on at least two factors. One of the factors is the rate of exchange and the other one is the availability of unusual or unique products not found in the U.S. .

(31) H.Ted, Olson "Specialty Advertising Association, U.S.A., Irving" PSI Nachrichten, January 1987, No.1, p.78.

(32) H.Ted, Olson "Specialty Advertising in the United States of America", PSI Nachrichten, January 1986, No. 1/2, p.22

He mentions, it is estimated that the American dollar could decline as much as 20% in the next 2 years; if this holds true, European goods are not going to be as attractive to American suppliers as they were previously. What's more, the American products may gain entry to European markets, in this case. On the contrary, if the rate of exchange goes up again, European products will probably experience increased sales in American markets.

On the other hand, unusual or unique products which have good applications to the U.S. market and are not manufactured in the United States are likely to be imported.

He concludes that although overseas business will lead to some problems; such as long distance communication difficulties, the language barrier, shipping time and cost, customs regulations, credit and payment arrangements, and currency fluctuation; the two markets will continue to influence each other. (33)

2.3.2. Germany

As far as the sector of specialty advertising is concerned, Germany has a different place in Europe. The

(33) Ibid.

increasing amount of new and interesting products and more sophisticated structure of the industry at supplier and distributor levels are the main indicators.

The availability of statistical data shows the importance given to this sector, in this country.

In Germany there is also an international association called "Praesent Service Institut" whose activities are similar to SAA International in the U.S., at both national and international basis. A reciprocal membership arrangement exists also between them.

In Germany, the "Central committee of the Advertising Industry" finds out that in 1984, the limit of DM 15 billions has been overcome and that an increase of 5.7 percent in comparison with last year is results can be registered.(34)

W.G. Jung (1984), president of Praesent Service Institut, gives results of a survey, conducted by Professor Klein -Blankers of the University of Cologne about the expenditures of specialty advertising, the gift and promotional sectors. The specialty advertising branch with its turn-over of DM 1.5 billion is classed in the

(34) W.G. Jung "Positons", PSI Nachrichten, June 1985, No. 4, p.2.

fourth position after newspaper, magazin and direct advertising but before commercial television.

Value advertising has a part of 9.7 to 10 percent of total expenses including costs for administration, distribution and material. Jung also adds:

"It is surprising that most of the industrialized countries achieved almost the same results if the particularities of national markets are being taken into account". (35)

On the other hand, approximately 47 percent of all advertising specialties are directly or indirectly imported in Germany. (36) Regardless the country, it is hardly possible to find another industry depending upon exports and imports at such an extent as the specialty advertising branch.

2.3.3. United Kingdom

Although the development of the British Specialty Advertising Industry is slower than of U.S.A. and Western Europe, it has been pointed out that it is shifting more and more towards the service industry. Firms are less in-

(35) W.G. Jung "Orientation", PSI Nachrichten, April 1985, No. 3, p.2.

(36) *ibid.*

terested in Christmas gift and more in gifts all the year around.

Since the Christmas trade is basically a three month seasonal trade, it entails a bigger demand for gifts. (37)

According to Hochfeld, general secretary of British Advertising Gift Distributor Association, the increase is particularly in small gifts, the so-called "give-aways" such as writing utensils, pocket articles and gimmicks, including cheap electronic lines as well as medium priced articles. Diaries and calendars are still leading in the Christmas trade and the turnover in these is constantly and greatly rising. (38)

It must also be said that whilst on the whole the gift trade turnover is up, there are many firms which more or less have given up gifts.

There is a trend toward an increase in sales of goods directly from the manufacturer to the commercial advertiser. Only those gift houses which show great imagination and are able to help the client with good ideas can stand up

(37) Herbert, Hochfeld. "Trends in the Publicity Gift Trade in the United Kingdom" PSI Nachrichten, January 1987, No. 1, p. 30

(38) Ibid.

to these manufacturers.

Alex T. Sibbald of "Creative Promotions", Glasgow states that "the main difference between the British and Continental markets is that legislation has not acted in the U.K. against the distribution of premium gifts, on-packs, in-packs, or incentives etc. as it has on the Continent.... Since 1980 a higher proportion of company budgets are being spent below the line and research has shown that this trend will continue. In 1983 a survey showed that 4% of spending on promotional merchandise went on advertising gifts compared to 28% for Germany and 29.5% for the U.S.A". (39)

There is a growing awareness of the part to be played by incentives within the marketing mix of an organization. More and more companies in the U.K. are turning the promotional and advertising gifts to put over their sales message loud and clear. (40)

2.3.4. France

Specialty Advertising in France has a "poor image" as

(39) Alex T. Sibbald "U.K. Trends in incentive and Promotional Merchandise" PSI Nachrichten, June 1986, No. 4., p.98.

(40) Ibid., pp. 98-101.

a business and it is also less or misunderstood.

High number of small suppliers and heterogeneous structure of users prevent realistic and qualitative data from being recorded. C.Uzan, a specialty advertising businessman states: "no official statistics have been published in France with regard to our activity, consequently it is difficult to realize a report on the whole business, which is really to be regretted". (41)

But, still, the specialty advertising industry shows a progress which is rather slow in business gifts, but very important in advertising specialties. Henri Wayntraub gives some approximate figures and points out that as far as advertising specialties and sales promotion are concerned, 1985 was a good year for all enterprises due to the increase of 25 to 40 percent. (42)

Specialty advertising in France with a sales volume about 3.5 billion French francs, concerns directly or indirectly 200.000 persons. Various sectors are more or less dealing with supplying products to specialty advertising

(41) C. Uzan "France and Advertising Gifts" PSI Nachrichten, January 1987, No. 1, p.22.

(42) Henri, Wayntraub "L'objet - Cadeau en France", PSI Nachrichten, January 1987, No. 1, p. 24.

industry: (43)

-Watch and Clock suppliers	, 10 to 20 percent
-"Maitre-Cartier"	, 50%
-Lether-Vinyl articles	, 20%
-Manufacturers of lighters	, 20%
-Ceramics and Glass	, 15%
-Faience and Porcellain	, 15%
-Candy and Confectionery	, 30%
-Producers of writing utensils	, 15%
-Carton sector	, 15%
-Handicrafts	, 20%
-Publications	, 10% , etc.

Another interesting aspect of French specialty advertising industry is that, the value of advertising gifts is limited to 200 F. (V.A.T. included), which makes it difficult to sell these items.(44)

National Union of Specialty Advertising was founded in 1960s, to prevent business gifts and promotional items from being eliminated by the Ministry of Finance.

(43) Henri, Wayntraub, "La Publicité par l'objet en France" PSI Nachrichten, January 1986, No. 1/2, p. 232.

(44) Uzan, Loc. cit.

This union tries to overcome the rigid restriction of 200 F. nowadays.(45)

2.3.5. Specialty Advertising in Turkey

Advertising and promotion of the goods and services have been started to gain a great importance in Turkey. Advertising industry reveals an unprecedented development in the last ten years. Total spending on advertising in Turkey was ₺ 76.2 billion (\$ 113 million) in 1985, compared with only ₺ 44 billion (\$ 65 million) the year before. It is predicted that in 1986 advertising expenditures will pass the ₺ 100 billion (\$ 147 million) according to Fahri Atasoy of Manajans.(46) Advertising agencies are in a transition period regarding with their development and they have recently started contacting with the world's famous agencies. The trend towards tie-ups between Turkish agencies and the big international names continues.(47)

In a parallel growth to advertising, specialty advertising has been used to a great deal in the advertising and promotion of goods and services. Increasing

(45) Henri Wayntraub, "La Publicité par l'objet en France" PSI Nachrichten, January 1986, No. 1/2, p. 227.

(46) David, Barchard, "Report on Turkey: Outlook Sunny as Ad Spend Rockets" Focus, July 1986, p. 41.

(47) Ibid.

relations with foreign countries and number of multinational companies as well as joint-ventures lead to a new approach in the demand for advertising specialties. Companies that distribute gift items are seeking for novelties, interesting and functional products to build a good image of their company.

When compared with western countries the usage of specialty advertising is relatively low, and it is a new field in Turkey, so there are some problems in supplying the items demanded. The technological insufficiency in the production sector and the lack of new and interesting designs created a disparity between supply and demand.

On the other hand, while there's a number of international associations which are composed of distributors, and suppliers of specialties in most of the European countries and in the U.S., even the firms that can fulfill the needs of the market are recently being established in Turkey.

In fulfilling the need of specialties the individual salesmen and peddlers have been holding the market for a long time, and this situation caused many problems from the point of variety and quality of the goods, delivery in time, price and presentation. This resulted in the loss of confidence of the buyer to the market.

In addition, some other problems arise from the firms that demand specialties. Among these firms some of them do not actually have departments that determine the need for specialties and make its planning and budgeting. The decision maker is usually someone from the top management. Sometimes this might lead to negative influences on advertising and promotional activities simply because the ideas of admen could be interpreted as useless efforts by the top management.

Some firms prefer to go directly to the manufacturers in order to reduce the cost of advertising gifts and avoid the middle men. What they expected is interesting products with high quality at reasonable prices, but, what they find is the products of insufficient technology and low quality.

With the beginning of institutionalization many problems in the specialty advertising market will be solved and and firms at the desired standards will be established to meet the demand. Besides the technology transfer supported with various publications and researches as well as trained manpower will help to solve many problems.

It is estimated that the total expenditure in 1985 is between \$ 118-130 million (TL 80-90 billion) and will

increase to \$ 180 million (TL 120 billion) in 1986-1987.(48)

There is a lack of research and statistical data in this field, thus these are approximate figures.

Other aspects of the Turkish Specialty Advertising Market will be studied in relation to an empirical research conducted in the pharmaceutical industry. And, the importance of the pharmaceutical industry from the point of specialty advertising will be emphasized in the last chapter of study.

(48) Interview with the CNR, the fair organization which organized the first "International Trade Fair for Premiums, Promotional Articles and Business Gifts" in September, 1986.

Chapter Three

SPECIALTY ADVERTISING AND MARKETING THEORIES

3.1 Specialty Advertising in the Promotional Mix

The promotional mix, composed of personal selling, media advertising, sales promotion, packaging and publicity, plays an important part in today's marketing efforts.

Similarly, the role of specialty advertising expands as both an advertising medium and sales promotion activity; therefore specialty advertising should be studied in the context of promotional mix, in this chapter.

3.1.1. Specialty Advertising and Other Promotional Activities

All sources researched, unanimously regard specialty advertising not as a stand-alone activity but as part of a full campaign.

Richard L. Sanderson says (1975), advertising specialties can do one of two things in marketing communications:

"1. If used promiscuously, with nothing in mind more objective than leaving 'a trinket with a customer', specialty items can contribute more to the image of a

salesman as a travelling good humor man than a competent, but

2. If used as an integral part of the total advertising media-mix, in support of definite communication objectives, they can be highly effective."(1)

Specialty advertising, when used, in concert with other promotional activities-mass media advertising, product publicity, packaging, direct selling and the various forms of sales promotion can be valuable addition to the promotional mix:

In 1967, an article in "Sales Management", entitled "Specialty Advertising's Special Problems", mentions a frustrating paradox, which is still valid to some extent:(2)

"On the one hand, specialty advertising is coordinated with major national campaigns in print and broadcast media; on the other hand, specialty advertising often is at its best when it supplements, instead of replaces, other media".

According to R.C. Rollings; president of Specialty

(1) Richard L. Sanderson, "U.S. Steel Precious Stone Mailer Backs Ballast Line", Industrial Marketing, February 1975, p. 53.

(2) "Advertising and Promotion: Specialty Advertising's Special Problems", Sales Management, October 15, 1967 p.100

Advertising Association, Chicago at that time (1967), specialty advertising has at least two advantages: (3)

"First many of the items are useful products and are not thought of as advertising. Second, some campaigns are truly entertaining and enjoyed by the target audience". Rollings stresses that, specialty advertising doesn't compete with mass media but it augments it.

"Specialty advertising is not a mass medium, although many advertising campaigns and promotions may use advertising specialties in massive quantities. In addition to standing alone, specialty advertising to a great extent is used to complement or supplement other media campaigns" the same writer says in 1986. (4) This shows that supplementary and complementary aspect of specialty advertising in the promotional mix is still the major concern of the marketing people.

Similar statements take place in "specialty advertising in marketing" : "Specialty advertising should complement and supplement a total promotional campaign. The careful planner, in creating his campaign, must be sure to

(3) Ibid.

(4) R.C. Rollings, Specialty Advertising: A History. Irving Texas: SAAI, 1986, p. 2.

prepare a many-faceted approach. It would be as much a mistake to ignore magazines and newspapers as it would be to overlook specialty advertising for unless a general awareness of the company and its products exists prior to the use of specialty advertising, the campaign may fail in its mission simply because specialty advertising may not be able to overcome a complete ignorance of the product. Specialty advertising is concerned with ideas, not goods. The advertising specialty itself can only transmit and apply the message of the campaign; it can not constitute the promotion in and of itself".(5)

Ebel also states that specialty advertising, by reinforcing other media, can be a powerful marketing tactic. (6)

Specialty advertising creates new dimensions in terms of incentive programs as well. The editors of "Incentive Marketing" magazine (1977) mention that "specialty advertising is an accompaniment to more and more incentive programs of all types -and especially carrier of themes and ideas to salesmen and dealers. In these cases, the specialties are for

(5) G.L. Herpel and R.A. Collins, Specialty Advertising in Marketing. Homewood, Illinois; Dow - Jones - Irwin Inc., 1972, pp. 11-12

(6) Richard G. Ebel, "Specialty Advertising 9 1/2 ways to Use a Powerful Marketing Tactic" Industrial Marketing, Vol: 1, February, 1982, pp. 80, 82.

more than "reminders"- they are incisive point -provers and communicators of the incentive program's key message".(7)

They gave examples of how specialties add dimensions to incentive promotion;

- as teaser items in trade mailings,
- as reinforcers of an incentive travel theme,
- as point of sale support in consumer promotions,
- as communicators of the message to everyone involved in the campaign.(8)

Most organizations used combinations of media, and rarely assign separate objectives to one medium. It is obvious that revolutionary changes are taking place in electronic communication, which will effect every aspect of society and media. Therefore when specialty advertising is compared with other methods of communications, especially the mass media and promotion activities, it should be examined not only as a separate entity but also a changing supplemental part of any communication mix.

As mentioned in the first chapter, although mass media such as radio, tv, newspaper, outdoor advertising or magazines have better defined roles in the promotional mix,

(7) Dan S. Bagley III. Specialty Advertising: A New Look. SAAI and SAA Southwest, 1978, p. 8.

(8) Ibid.

they lack flexibility. On the contrary specialty advertising, through its flexibility can often achieve results in a number of marketing situations. This flexibility contributes to the supplementary and complementary feature of specialty advertising.

A researcher, James S. Gould, associate professor of marketing of the Lubin Graduate School of Business at Pace University (1986), points out that people really aren't aware of this medium and its potential impact. "The glamour is with tv. and print", he says. (9)

Another researcher Ernest F. Cooke of the Memphis State University's marketing department, conducted a survey in 1983 and found out that specialty advertising was third most frequently used medium of advertising and sales promotion in the US and Ohio.(10) Printed media (newspapers and magazines) were first and yellow pages were the second.

The research also shows the percent of businesses using different media between 1971-1983, in Ohio and the rest of US. (Table 3.1) The use of print advertising by

(9) Van Wallach. "Specialty Products Put Weight Behind the Message", Advertising Age, May 5, 1986, p. s-21.

(10) "What Users Think About Specialty Advertising and Specialty Salespeople". Pamphlet based on research commissioned by SAAI and conducted by Ernst F. Cooke. Irving, Texas: SAAI, 1983, p.1.

Ohio businesses declined from 83.2% in 1971 to 66.7% in 1983; in the rest of the U.S. , 75.2% of business firms used print advertising.

Table : 3.1 Percent of Businesses Using Different Media
1971-1983 (Ohio and Rest of U.S.)

Media	Ohio(1971)	Ohio(1983)	Rest of US(1983)
Newspaper and magazines	83.2 (1)	66.7 (2)	75.2 (1)
Yellow pages	65.0 (2)	70.1 (1)	59.9 (2)
Specialty Advertising	62.0 (3)	63.8 (3)	58.0 (3)
Direct mail	56.9 (4)	51.7 (4)	52.9 (4)
Radio or TV	40.2 (7)	38.5 (7)	47.1 (5)
Catalogs and other printed material	50.7 (5)	39.7 (6)	44.6 (6)
Trade shows	43.8 (6)	40.8 (5)	43.0 (7)
Special Events, sponsorships	N.S.	33.9 (8)	28.7 (8)
Publicity	N.S.	32.2 (9)	28.3 (9)
Point-of-purchase material, displays	27.7 (8)	29.9 (10)	28.0 (10)
Contests	N.S.	20.7 (11)	20.4 (11)
Coupons	7.7 (11)	19.5 (12)	18.8 (12)
Outdoor	21.0 (9)	17.2 (13)	18.5 (13)
Premiums	14.5 (10)	14.4 (14)	15.3 (14)
none of these	N.S.	5.2 (15)	5.4 (15)

Rank is shown in parenthesis
N.S. means not surveyed

Source : "What Users Think About Specialty Advertising and Specialty Salespeople". Pamphlet based on research commissioned by SAAI and conducted by E.F. Cooke. Irving, Texas:SAAI, 1983, p. 2.

The use of specialty advertising by Ohio businesses increased about 2% (to 63.8%) in 1983. In the rest of the U.S. 58% of businesses used specialty advertising. (11)

The survey reveals also which types of firms use what media. The statistics for all firms in Table 2 are for all businesses in the U.S. in 1983. In that respect they differ somewhat from Table 1, which was for firms in the U.S. less Ohio.

Banks and other financial institutions were the biggest users of specialty advertising (85.1%). They were also the biggest users of most forms of advertising and sales promotion.

Manufacturing firms, although significant users of specialty advertising, rely more on print advertising, catalogs, trade shows and the yellow pages.

Wholesale and retail firms place their promotional emphasis on print advertising, yellow pages, radio and tv, and rank specialty advertising fourth in usage.

Nearly ten percent of companies not classified as manufacturing wholesale/retail or banks do not use any form of advertising or sales promotion. (12)

(11) Ibid., pp. 1-2.

(12) Ibid., pp. 3-4

Table : 3.2 Use of Different Media by Type of Firm.

	All Firms	Mfg. Firms	Wholesale and Retail Firms	Banks, S and L and Finance Firms	All Other Firms
Print advertising	72.1%	69.6%	73.2%	97.9%	65.6%
Yellow pages	63.5	51.2	68.6	89.4	60.7
Specialty advertising	60.0	55.2	56.2	85.1	60.1
Direct mail	52.5	48.8	54.9	74.5	46.6
Radio and TV	44.1	18.4	60.8	87.2	35.6
Catalogs	42.8	68.8	37.9	36.2	29.4
Trade shows	42.2	64.0	39.2	19.1	35.0
Special events	30.5	23.2	31.4	61.7	26.4
Publicity	29.7	32.8	14.4	72.3	29.4
P-O-P and Display	28.7	26.4	36.6	44.7	18.4
Contests	20.5	13.6	21.6	40.4	19.0
Coupons	19.1	15.2	24.8	14.9	17.8
Outdoor	18.0	7.2	15.7	55.3	17.8
Premiums	15.0	8.8	15.0	38.3	12.9
Nothing	5.3	3.2	3.2	0	9.8
All 14 Media	.8	0	.7	4.3	.6

Source : "What Users Think About Specialty Advertising and Specialty Salespeople". Pamphlet based on a research commissioned by SAAI and conducted by Ernst F. Cooke. Irving, Texas: SAAI, 1983, p.4.

3.2. Some Marketing Factors and Specialty Advertising

Developing promotional activities requires the careful consideration of other marketing factors, such as product planning, pricing strategy, channel analysis, identification of purchase location, funding, and positioning.

"Promotional strategy cannot eliminate risk. But planning and goal setting should control or minimize risk. This is why every element of promotion must be considered either as a separate, independent entity or as part of compound promotional mix", Herpel and Slack say. (13)

Many vital marketing factors have some relationship to specialty advertising. Those with the greatest impact on specialty advertising are considered in the following paragraphs.

3.2.1. Segmentation:

Marketing strategists identify their prospects or customers' characteristics before they set up plans and objectives. They want to know the similarities and differences

(13) George L. Herpel and Steve Slack. Specialty Advertising: New Dimensions in Creative Marketing, Irving Texas: SAAI, 1983, p.22.

among people that are relevant to the products or services the marketers offer.

According to Plummer, segmentation is useful because it moves beyond total scores or averages and reveals important differences that can be acted upon. He also mentions two general approaches: namely people-oriented and product-oriented segmentation. (14)

One of the initial steps in segmentation is to determine how to identify and measure any part of the market. Historically, geographic location is one criterion. Herpel and Slack state; demographics (age, sex, income, spending patterns, education, occupation, family size and stage, ethnic make-up, etc.) and psychographic factors (personality, attitudes and life styles including opinions, interests and values) have also been used. (15)

Specialty advertising is well suited to segmentation, perhaps more than any other medium. It can be used to reach ever the smallest market segment. "Reachability is an essential ingredient to any plan" say Herpel and Slack. (16)

(14) Joseph T. Plummer. "The Concept and Application of Life Style Segmentation" Journal of Marketing. January, 1974, pp. 33-37

(15) Herpel and Slack. op. cit., p.23.

(16) Ibid. , p. 24.

Specialty advertising has an advantage over the other media for the marketer who wishes to reach a particular market segment, as it can be tailored to a specific group regardless of the size of the segment. In fact a company can use different items for different segments, e.g. one specialty for men and another for women. A company can use the same item but different messages or different segments. Similar items of different levels of quality can be used, depending on the importance of the customer to the advertiser. In the end when someone receives an item or gift from a representative of any organization, this receiver is the smallest possible segment, "one person". As Herpel and Slack states (1983, "it is often impossible to address a message to small market segment using most other media without incurring considerable wasted effort and cost". (17)

3.2.2 Branding:

The second factor is branding. A brand is a name, design, logo, or symbol, term or combination of these which differentiates a product. Many corporations put significant efforts and expenditures for creating brand awareness. In addition to product, brands also relate also to price, packaging and advertising appeal.

W.J. Stanton (1978) states:

"The management of various features of a product -its brand,
(17) Ibid., p. 26.

packaging, labeling, design, color, quality, warranty and servicing- is an integral part of effective product planning. A brand is a means of identifying and differentiating the products or services of an organization. Branding aids sellers in managing their promotional and pricing activities. Brand ownership carries dual responsibilities of promoting the brand and maintaining consistent level of quality".(18)

As differences between competing products decrease, the importance of the brand or company identity increases. For this reason, creating consumer brand identity and loyalty is an important marketing goal for many companies. As far as branding is concerned; a name, design, logo, trade mark, slogan, product picture or feature used on and with specialty items plays an important role in building up impressions and reinforcing brand identity.

3.2.3. Positioning

The third marketing factor that has a relationship with specialty advertising is positioning. On the one hand, the term refers to the rank of certain product in the marketplace as compared with competing products; on the other

(18) W.J. Stanton. Fundamentals of Marketing. New York: Mc Graw-Hill Book Co. , 1978, pp.229-230.

hand the term has a meaning that applies to where a product ranks in consumer acceptance. According to Herpel and Slack, this second meaning has become a key ingredient in strategic planning and there is certainly a relationship between the product and consumer. "User preference will result in more sales volume, a greater market share, and a stronger competitive position. (For our purposes the term "consumer" means purchaser or user.)" they add. (19)

In positioning, some literature emphasizes attaining a more favorable position through additional promotional campaigns. Other approaches emphasize product differentiation, channel selection or modification of segments.

Today, marketers devote much research to positioning their products, defining their target audiences and selecting the benefits they promise in their advertising, according to Ogilvy and Raphaelson. (20)

Positioning efforts may have different objectives. Kurtz and Brown suggest some strategies, such as, balancing strategy, market retention strategy, market development strategy, growth strategy and new venture strategy.

(19) Herpel and Slack, op. cit. , p.27.

(20) David Ogilvy and Joel Raphaelson "Research on Advertising Techniques that Work and don't Work" Harvard Business Review, July - August, 1982, p.14.

They point out that these strategies, based on identification and emphasis of product or service features, could differ to a large extent even in the same company. (21)

There are many product alternatives in the marketplace and many of them are quite similar. Therefore distinguishing appeals and media may be used to get a favorable reaction from consumers. Herpel and Slack emphasize the "promotional differentiation", which creates preferences primarily through promotional efforts. (22)

Positioning as a strategy, seeks to scratch out its own unique image and position in the consumer's mind. Given unique positioning some literature suggests retention of advertising messages is based on three things:

- relevance
- repetition
- reward

"Relevance", is simply how the message relates to a person and his state of mind. Ideally positioning places a

(21) David L. Kurtz and L.S. Brown. Marketing. Chicago III: Dryden Press, Adopted from David Crovens, "Marketing Strategy Position" Business Horizons. Indiana University, December 1975, p.57.

(23) Herpel and Slack, op. cit., p.29.

unique relevant message in the mind, for later retrieval.

Bagley mentions that (1978) "Since humans are symbolic animals, it is quite common for them to rely on tangible symbols to remember In a business vein, the recall factor is a function of specialty advertising items. Whether it is simply a book of matches from a visited resort or an executive gift from a trade show, if the message or situation that accompanied that item originally had relevance, chances are that exposure to the advertising specialty will help reinforce recollection". (23)

As the people filter out what is not currently relevant to them, another factor for message recollection is the "repetition". It makes the probability of an advertising message being perceived when the particular need arises.

"Reward" is the third "r" of positioning. By being free and useful, specialty advertising items have the reward element built in.

While planning a strategy of positioning, specialties have an important role in marketing, being tangible items with imprinted messages; which provides continuous

(23) Dan S., Bagley III Specialty Advertising: A New Look. SAAI and SAA Southwest, 1978, pp. 19-20.

repetition.

3.2.4. Word - of - Mouth Communication:

Word -of - mouth communication is a non-commercial message about a product or service delivered by personal contact or observation. Friends, relatives, neighbors, work colleagues etc. can be the sources of this message. It can either be said by someone who is highly satisfied with a product or service or by someone who had a particularly bad experience with a product, service or retail outlet.

"Even though these comments may be charged with a degree of emotion, the fact that it's a non - commercial message reduces the bias listeners attach to it because friends have no vested interest in the product", Herpel and Slack say. (24)

There are several ways advertisers can prove their intentions and specialties can be invaluable aids in accomplishing the goals to do this.

Consequently, the use and the users of specialty advertising are almost limitless in marketing and communications. All companies need to communicate, to sell

(24) Herpel and Slack, op. cit., p.29.

their products or services. Although many companies have the same product line, they have certain unique aspects and product differentials. That's where specialty advertising comes in. Herpel and Collins state;(25)

"Differentiation of the product may be greatly enhanced through the use of the ad specialty item. First, the ad specialty can be designed to be a miniature version or illustration of the product itself, enabling the consumer or user to actually see the design features of the product. Secondly the trademark may be designed into the advertising specialty, allowing the manufacturer or distributor differentiation to be more clearly supported and emphasized to the final user. Third, the very act of distribution of the advertising specialty itself may help to distinguish the product or brand from others in the same product classification.

Receipt of the ad specialty item may be sufficient to cause a product to have a psychological edge over those of its competitors! Fourth, the ad specialty may be designed to concentrate attention on only a particular characteristic of the product or service, thus enlarging and glorifying the primary trait that causes a single product to be different from all others".

(25) Herpel and Collins, op. cit., p. 67.

3.3. Behavioral Aspects of Specialty Advertising

After having discussed how the vital marketing factors relate to specialty advertising, behavioral factors should also be taken into consideration in order to understand the relationship between consumer behavior and specialty advertising.

With an objective marketing approach, progressive companies started "follow up" programs to see if the customer received the proper merchandise in good condition, to learn if it was used to optimum advantage, and to evaluate the propriety of what had been purchased.

Research on buyers' reactions, problems and desires started in the late of 1950s. Leon A. Festinger's "A Theory of Cognitive Dissonance" was one of the pioneering efforts on this subject. D.F. Wrench and C.Wrench (1974) define cognitive dissonance as an unpleasant state resulting from discrepancy between a person's beliefs and his behavior. (26) This is a feeling of discomfort, of being unsettled, the belief that something might be wrong. According to the theory, the purchaser is in the need of searching and evaluating the validity of his or her buying decision

(26) David F. Wrench and Chris Wrench, Psychology: A Social Approach. New York: Mc Graw-Hill, Inc., 1973, pp. 391-392.

against the alternative choices. These "second thoughts" or needs for justification force consumers to look for messages, information or anything to reinforce the wisdom of his or her choice. Herpel and Slack (1983) point out that "if they find such reinforcements, greater brand preference is built up and may result in repeat purchases of the product or service", and they add, "any information from an ad, from another buyer of same merchandise, a report or article or even a friend's compliment on the product" may be the reinforcement for the purchase decision.(27)

To seek such reinforcing facts is called a search for "consonant" (the opposite of dissonant) support of the purchase decision.

In order to provide a support to the purchaser to reinforce his or her buying decision, the advertiser should give the message at the right time, with the highest interest rating and under the best conditions, because people are really oversaturated when it comes to messages.

According to SAA International, once it is estimated that there are 1500 advertising messages that come within the consciousness of each prospect everyday. Everyone knows, from her/his own experience, how many tv. commercials, how many radio commercials, how many magazine and newspaper ads

(27) Herpel and Slack, op. cit., p. 35.

impinge on his/her consciousness each day without making a lasting impression. The natural defenses filter out all unrelated and unwanted messages, as people just can't handle so many incoming messages.(28)

"Selective perception" is a term to explain the filtering of the incoming messages. It is a part of the individual's controlled network of decisions which range from whether to be confronted with a message to how to act on it. The components of selective perception has been identified in the marketing literature as follows:(29)

Selective exposure: to seek or avoid any message. Secord and Beckman (1974) define selective exposure as, "the process by which an individual chooses to notice communications that are consonant with his attitudes and chooses not to notice communications that are dissonant with them".(30)

Selective attention: whether to pay attention consciously to a message.

Selective distortion: how to treat a message, in view of feelings, attitudes and predispositions.

(28) Selling Specialty Advertising Today. Irving, Texas: SAAI, November 1984, Booklet 1, p. 3.

(29) Herpel and Slack, op. cit., p. 37

(30) P.F. Secord and C.L. Beckman, Social Psychology, Tokyo: Mc Graw-Hill Kogakusha, Ltd., 1974, p. 563.

Selective retention: whether to attempt to recall a message when an action is necessary.

Selective response: If a message is recalled, a judgement on the total value of the present meaning.

Herpel and Slack say "no one medium has a total advantage or answer to reducing the rejection of a message" but "the proper specialty item can reduce resistance to a message". They give the following reasons why specialties have this advantage:(31)

1. Often the receipt of some item will commit the receiver to listen at least to a presentation or consider product benefits.

2. Any item that assists concentration will increase the amount of attention given by a viewer or receiver.

3. Not many actions can change a receiver's set or mood. But if it is neutral, perhaps some piece of merchandise can sway the attitude more favorably.

4. If something will multiply the effectiveness of a stated product feature, there can be no question that retention of the appeals used will be enhanced. To what

(31) Herpel and Slack, op. cit., p. 38.

degree this is done is, of course, a matter of speculation. Experienced practitioner state, without a doubt, that, when used properly, specialties amplify the memory of a recipient.

5. Selective response is a sum total of all inputs. No one stimulus can be credited with creating a favorable reaction, since the S.R (stimulus-response) bond in the world of promotion would be almost impossible to measure. So no particular medium can claim credit if the action is favorable for the marketing organization. At least, however if a specialty aids in "recognition" of a product, this may be important. Research has suggested that it is easier for buyers to recognize a brand or product than to recall its benefits. Recall depends on memory, while, recognition relates more to a factor such as being able to discriminate among similar stimuli "brands". Some purchase behavior may depend heavily on recall. Others adhere more to recognition. Whatever, specialties can provide the extra ingredient to enhance either factor in the minds of buyers.

Another aspect of specialty advertising is, its role in persuasion of susceptible individuals. Secord and Beckman (1974) mention there are several kinds of effects of mass communication. "One effect is to expose persons to information about various aspects of reality, a second

effects is to persuade people to buy, or to behave in other ways in accordance with the communicator's wishes. A third class of effects, which has little to do with persuasive intent, includes the many kinds of reactions to the entertainment content of the mass media". (32)

They point out the importance of "repeated exposure" in influencing people towards a commercial product.

"Whether or not such exposure leads to acceptance of the product depends upon many other factors, including the person's attitude toward the use of product, the degree to which his habits are already established, and the number of competing communications. If the individual's attitude is relatively neutral, if he does not have established preferences, and if competing communications are few, an intensive advertising campaign may be highly effective".(33)

Specialty advertising does have an advantage over the mass media, as it is a "lasting medium" of advertising. Although the space for an advertising message on most articles is often limited to a short slogan, the name, address and telephone number of the advertiser, the article is used frequently and seen often. Therefore, with a "repeated exposure", the articles serve as a reminder of the advertising program of which they are part. Most importantly, they keep the name

(32) Secord and Beckman, op. cit., p.157.

(33) Ibid., pp. 156-157.

of the advertiser in front of the prospect's mind.

Through specialties marketers directly communicate with clients and prospects. C.S.Madden and M.Caballero (1984) made a research to shed some light on specialty advertising and they reported, that, "handing a customer a gift or premium has a more personal impact than advertising. Customers can touch the message and take it with them". (34) They say "specialty advertising can provide behavioral rather than cognitive reinforcement". (35)

By using specialty advertising, the advertiser is able to accomplish a direct and personal touch with his audience. In "Selling Specialty Advertising Today" (1984), the following statement was used by SAA International:

"Thus we say specialty advertising is a four-dimensional medium, because it has length, height, width, and feeling". (36)

(34) Wallch, op. cit., p. s.21-22

(35) Ibid., p. s-22

(36) Selling Specialty Advertising Today. Irving, Texas: SAAI, November, 1984, Booklet 1, p.2.

Chapter Four

HOW TO USE SPECIALTY ADVERTISING?

As a sales promotion, public relations and advertising medium specialty advertising can be applicable to many situations. According to Abbot (1965), business representatives use specialties as "personal business cards". A business card is less likely to be kept than useful specialty, which contains all the information and more than is found on a typical card. (1)

"There is the ingratiation principle" Ebel says. (2) People like to get something for nothing, no matter how inexpensive the "something" may be.

The medium can be used passively or actively. At one time specialties were primarily used as either reminder or goodwill advertising. In this latent-passive sense, ad-imprinted calendars, cigarette lighters and other specialties can be given to recipients. According to Ebel this is an uncomplicated distribution and he says it is just "putting something out there", with an artless use of medium.(3)

(1) Brian C. Abbot. How to Use Specialties in Public Relations. Public Relations Journal, June 1965, p.24.

(2) Richard G. Ebel. Specialty Advertising: 9 1/2 Ways to Use a Powerful Marketing Tactic, Industrial Marketing, February, 1982, Vol: 1, p. 80.

(3) Ibid.

In recent years specialty advertising has taken on an active or spontaneous-catalytic role in marketing.

"Active use.... turns to specialties as part of a fully orchestrated marketing program, tailoring specialties to the advertising objectives and strategy". Ebel states, and he offers "9 1/2 ways" in which specialties can be a powerful marketing tactic, rather than just "putting something out there". These are: (4)

1. Reinforcing other media
2. Symbolizing (Easily identified symbols tend to gain acceptance and retention).
3. Demonstrating product/service capability (Using an object which enhances understanding of a product or service).
4. Delaying or sustaining fulfillment (specialty advertising is not thought of as an incentive medium since recipients get specialties free but there may be incentives or ways to sustain prospect's interest and use of specialty).
5. Obtaining audience participation
6. Using serial distribution (Using specialties when visiting prospects either personally or by mail some frequency).
7. Influencing influencers (Enlist the support of people in a position to recommend the product or service to potential heavy users).

(4) Ibid. pp. 80, 82, 85-87.

8. Stimulating salespeople
9. Embellishing events (Openings, press parties, anniversaries are the events where specialties can be used).
- 9 1/2. Developing partnership promotions (Ebel states, that this is not quite a 10th way to use specialty advertising because a single advertiser is only part of the effort. A spread-the-cost approach sometimes is beneficial to advertisers with non competing lines pursuing the same markets or even to competitors going after different economic or geographic markets.)

Through these techniques a strategy is offered as opposed to the unplanned and indiscriminate selection and distribution of advertising specialties. With well-defined objectives and well-planned programs remarkable result can be achieved. Herpel and Slack (1983) outline the elements of a model program (Figure 4.1) , starting with isolating objectives and ending with measuring results. Not all specialty advertising clients and distributors consciously plan such elements as, "objectives, theme development and implementation" (which will be discussed later in this chapter), but this model will help to clarify the components of a total specialty advertising campaign and understand how specialty advertising works in practise.

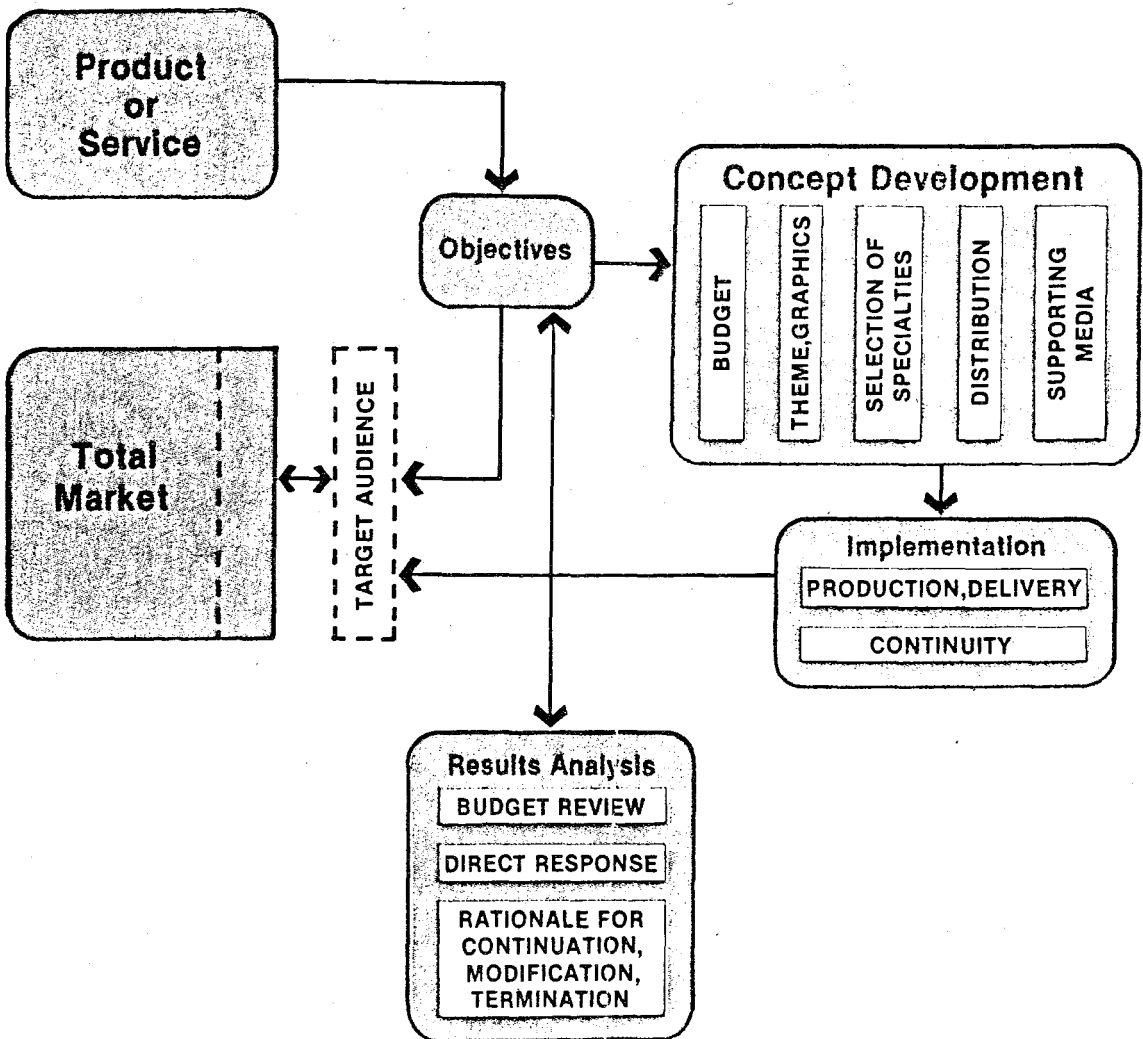


Figure: 4.1 A model for developing a specialty advertising program

Source: G.L. Herpel and Slack, Specialty Advertising: New Dimensions in Creative Marketing, Irving, Texas: SAAI, 1983, p. 97.

Any succesful plan or promotion depends on a link between all phases of development. When a link in the chain is broken, problems surface as the continuity of the plan is interrupted. (5)

Rollings (1967) believes that a specialty advertising program should be developed in the same way as other advertising campaigns. He says:

"A specialty advertising counselor should first determine what the problem is that the advertiser trying to overcome. Does the advertiser want to attract new customers, retain old ones, introduce a new product, or just remind prospects of his preset products? Second, the group that the advertiser wants to reach must be defined. Third, the best way to reach this audience must be determined. Should a specialty item be given out in stores, delivered by route-men, or sent by direct-mail? Fourth, the counselor must then determine which specialty item to use. This is the last step, but, too many start with it". (6)

Rollings concludes, "In specialty advertising there

(5) G.L. Herpel and S.Slack. Specialty Advertising: New Dimensions in Creative Marketing. Irving, Texas: SAAI, 1983, p. 97.

(6) "Advertising and Promotion: Specialty Advertising's Special Problems" Sales Management, October 15, 1967, p. 100.

must be an item, but don't put the item first." (7)

In putting together a program, Eve Becker Doyle (1982) says there are six steps for the counselor to follow:

- 1- Define a specific objective,
- 2- Identify the audience to be reached,
- 3- Determine the distribution plan to that particular audience,
- 4- Create a central theme for the promotion,
- 5- Develop a message to support that theme and,
- 6- Select an appropriate advertising specialty, preferably one, that bears a natural relationship to the product, service, advertiser, or theme.

While doing these she suggests a cooperation between the counselor and client. (8)

Similarly Herpel and Slack (1983) make a list of elements under the title of "anatomy of specialty advertising program" ;

1. Objectives
2. Target audience

(7) Ibid. , p. 102.

(8) Eve Becker Doyle "How Specialty Advertising Can Work for Your Bank". Reprinted by SAAI, Irving, Texas, 1982 by the permission from Bank Marketing Magazine, March, 1982, p. 1.

3. Concept Development

a. What are the promotion theme, logo and graphics to be?

b. What specific specialty advertising should be selected?

c. Distribution: - How are the specialties to be delivered to the target audience?

- Can distribution be planned after the campaign is developed?

- Is distribution the key ingredient of the total effort?

- Should distribution be based on the target audience selected?

- Will distribution be based on budget allocations?

d. Supporting media use: How can other media be effectively used to achieve these objectives?

e. Budgeting: - Will the client provide some guideline to be used in developing the concept or promotion?

- Does the advertiser have the flexibility to determine costs based on the research and idea development before making the final presentation.

4. Implementation

a. How are timeframes established for:

- Production and delivery of product, or support materials.

- Planned distribution techniques based on delivery of all components.

- Implementing the total plan, especially when other media are involved.

- Continuity in order to maintain awareness and strengthen the links of the program.

b. Putting the plan into motion

5. Analysing Results

a. Can specific results based on the original objective be anticipated?

b. The post-campaign review should include:

- budget review

- direct response analysis

- justification or continuation

of program with a new slant.

- rationale for more intense efforts in the future. Herpel and Slack conclude, in "typical" specialty advertising usage many of these elements are completely overlooked, misunderstood and neglected. (9)

(9) Herpel and Slack, op. cit., pp. 98-99.

4.1. Objectives:

Specialty Advertising Association International, has listed 17 marketing objectives that specialty advertising can help to meet: (10)

- Promotional branch openings
- Introducing new products/services
- Motivating salesmen/sales department employees
- Opening new accounts
- Stimulating sales meetings
- Developing trade show traffic
- Balancing improper product mix
- Activating inactive accounts
- Changing names or products
- Using sales aids for door openers
- Motivating consumers through premiums
- Motivating products at dealer level
- Improving client or customer relations
- Building institutional or product image
- Motivating employees
- Promoting new facilities
- Introducing new salesmen

According to Bagley III (1978), the purpose of this list is to emphasize that specialty advertising has many

(10)"The Case for Specialty Advertising". Pamphlet. Irving, Texas: SAAI, March 1986, p.1.

applications, and the list is important in three ways. First it draws attention to some applications of specialty advertising which might otherwise go unrecognized by many. Second it emphasizes that building goodwill is just one of the many objectives specialty advertising can help attain. Third, the list represents a trend toward stronger marketing professionalism within the specialty advertising industry. (11)

On the other hand Herpel and Slack (1983) say that this list is not all inclusive, but it does cover the major areas. They give some more uses of specialty advertising. The use of specialties can be incorporated under employee motivation or recognition such as reduced absenteeism, improved product quality, safety improvement, personnel promotions, general job excellence, health programs, specific holidays or anniversaries, recruitment assistance etc. These are internally oriented uses of specialties whereas externally oriented ones are as follows:

Stockholder relations, publicity events, goal achievement, changing or extending selling seasons, offsetting activities, supplementing other media campaigns, overcoming negative users. (12)

(11) Dan S. Bagley III, Specialty Advertising: A New Look, SAAI and SAA Southwest, 1978, pp. 6-7.

(12) Herpel and Slack, op. cit., p.58.

They add also some other uses for specialty advertising:

- Increased responses in market research projects,
- Referrals for additional sale leads.
- Reduction of bad debts.
- Fund raising.
- Promoting political referenda.
- Promoting attendance of special events.
- Building audience involvement
- Increasing contest participation
- Promoting a promotion
- Increasing awareness of social issues. (13)

Similarly Olson (1981) says, "in addition to functions which are in the normal marketing context, it is used to motivate employees, promote plant safety, recognize achievers and donors, communicate special occasions, and perform a myriad of other assignments that have little to do with marketing. (14)

Another area that specialties can be used is public relations. Herpel and Slack mention that this is a non-pro-

(13) Ibid.

(14) H. Ted Olson "In the Media Mix, Specialty Advertising Merits a Place" Specialty Advertising Business, February, 1981, 24-26.

motional use of specialty advertising. (15) There are many occasions in which specialties can help achieve public relations objectives. In addition to press conferences, open houses, plant opennings, employee parties, birthdays, anniversaries, personel visits, conventions and trade show exhibits can be given as examples of opportunities for the creative use of specialties.

There is no limit to situations in which specialties can be used. In order to develop a successful program, all the facts about the overall objectives must be taken into consideration. Since the objectives are synonymous with problem solutions, the objective or goal is to solve the problem. While trying to solve the problems setting realistic, attainable goals are of great importance.

Some successful cases in achieving objectives can be given in order to understand how specialty advertising works in practice.

To generate awareness and sales of a newly introduced industrial strenght detergent, Planisol, Inc. in Georgia (USA), chose an environmental theme to encourage 1.000.000 + industrial manutacturing facilities to try its ecologically safe cleaner/degreaser. A reply card, offering an imprinted micro instru-

(15) Herpel and Slack, op. cit., p. 47.

ment and explainin non-toxic aspects of the biodegradable chemical, was distributed through multiple cardpack mailings. The instrument and a product literature packet were sent to the respondent whether or not a purchase was made to carry out the theme, the chemical container was custom labeled with information reaffirming the product's capabilities and carried a message of appreciation. When the purchaser open the container, a healthy potted plant seedling was found on top of the clearing powder. The seedling premium, exposed to the cleaner with no ill effects, demonstrated the advertiser's claim of environmental safety.

Planisol's president reported a 700% increase in inquiries and a 264% sales increase as a result. (16)

"Grand openings" are one of the events designed to call attention to a business. The 'High Q.'a hotel in Orlando, used an out-of-the-ordinary promotion to attract prospects to its grand opening and to give them an occasion they would remember. The event was billed as the First International Invitational Aerial Exposition Competition of the World". Some 600 business firms in central Florida received invitations in a mailing tube containing parts for a balsa model airplane. Once they got to the Hotel guests received there

(16) "The Case for Specialty Advertising". Pamphlet. Irving, Texas: SAAI, March, 1986, p. 2.

"wings", a stylized name badge and, were escorted to the 21st floor where they launched their assembled airplanes toward a target painted in the parking lot below. Winners received prizes. Each participant received a coffee mug imprinted with the hotel name. The objective, to encourage prospects to attend and see meeting and housing facilities for themselves, was accomplished, with 70 percent of the persons invited showing up. (17)

Bayfront Medical Center, St. Petersburg, Florida, used specialty advertising in an interesting way to encourage physicians and their families to attend a conference in Florida. They sought a "high-impact" invitation for their seminar which they claimed was an excellent opportunity for personal growth. An apothecary jar, imprinted with the theme, "A Golden Opportunity for Personal Growth", was hand-delivered to 300 staff physicians by a model costumed in beach attire. To tie in with the "golden opportunity" theme, a live goldfish was placed in the water-filled jar. An invitation printed on the front of an envelope containing fish food, was attached to the jar. Detailed information and reservation forms were mailed to the physicians the day the gift was delivered.

Seven weeks before the conference 163 physicians had

(17) Ebel, op. cit., pp. 86-87

signed up, surpassing the 100 hoped for by Medical Center personnel. (18)

Another succesful specialty advertising campaign was performed by Wyeth Laboratories, in 1986. In order to introduce a new formulation of an existing cough syrup, knit ski imprinted with "Phenergen Syrups" were mailed to 19,000 general and family physicians across the United States. Accompanying the hats were a brochure ("Hats off to new Phenergen Syrup") explaining product features and a reply card designed to measure recipient response to the message. Doctors were promised a muffler to match the ski hat if they returned the card, and the scarves were delivered in person by Wyeth detailmen.

The company spokesperson reported 8,250 (or 43.5 percent), of the doctors responded. A normal response for this product group is 15 percent. (19)

There are many other cases that can be given as interesting examples of achieving the objectives through specialties. With the increasing number of interesting items and ways of using them, successful examples of specialty advertising campaigns can be multiplied.

(18) "Promotions By Design". Booklet published in Irving, Texas by SAAI, 1985, p. 2.

(19) Ideabook:Sect.9 Changing Names or Products. Irving, Texas: SAAI,1986, vol:1, p. WM.303.

4.2. Target Audience:

As mentioned previously, the targetability of specialty advertising contributes to the cost-effectiveness of the campaign. While incurring little or no wasted circulation specialty advertising and its messages reach the selected target audience of any size, demographic or psychographic definition.

Through its reachability specialty advertising is particularly effective when used to influence a specific market segment. Herpel and Slack (1983) state, "target audience is a clearly defined segment of a market. It can be an age group, a neighborhood or combination of geographic areas, a certain type of business, a certain type of business person, household selected by income, or defined by other characteristics. It represent the highest possible number of potential customers or clients to whom a message is to be communicated. (20)

For instance, a pharmaceutical firm planning to display its products at an upcoming medical association convention would direct its promotion to pre-registrant to the convention. On the other hand, when distributing specialties to thank customers, a famous hotel would select travel agencies that bring significant business or companies

(20) Herpel and Slack, op. cit., p.100.

that always work with them as target audiences.

According to Rollings (1967), specialty advertising should be used to do a particular job with a particular audience. "If the audience is not carefully pre-selected, there is no point in using specialty advertising", he says. (21)

Firms can choose various media such as television, radio, magazines, newspapers, trade publications, direct mail, billboards and etc., including specialty advertising, to deliver their messages.

The important consideration is that which medium will most effectively reach the target audience. Mass media are charged for time and space to reach mass audiences, however, if the target audience is specific the distribution of the budget is more effective. Specialty advertising works best in this context. "The more specifically an advertiser can define its prospects, the more effective specialty advertising becomes as a means of reaching those prospects", say Herpel and Slack.(22)

Abbott (1965), in "Public Relations Journal" gives the following select groups to whom specialties are often distributed: specific list of prospects, such as businessmen, brides, club members; opinion leaders who are in a position to recommend a company's products or services; hotel guests; company visitors.(23)

(21) "Advertising and Promotion: Specialty Advertising's Special Problems" Sales Management, October 15, 1967, p.100-102

(22) Herpel and Slack, op. cit., p. 101.

(23) Abbott, op. cit., p. 24.

(23) Abbott, op. cit., p. 24

4.3. Distribution Plan and Techniques:

A distribution plan is the basic element of the promotion plan. It should state, in simple terms, the means by which the specialties are going to get to the desired group of people.

"Selling Specialty Advertising Today" (1984) describes the distribution plan as follows:

"It must cover not only the physical means of getting a specialty into the right hand, but a definition of the target audience, a statement of what action you wish the target group to take, and what material will be used with the specialty to persuade that group to take the desired action. (24)

The number of distribution plans is unlimited, one can be tailored to each specific situation. The following ten types of plans are given by the same book: (25)

- Christmas plan,
- Birthday plan,
- Anniversary plan,
- Thank-you-for-the-order plan,
- Store traffic plan,

(24) Selling Specialty Advertising Today, Irving, Texas: SAAI, November, 1984, Booklet 9, p. 2.

(25) Ibid, pp, 3-5.

- End of payment plan,
- Customer registration plan,
- Direct-mail plan,
- Employee relations plan,
- Customer-recontact plan

Distribution, a key factor in specialty advertising, is often overlooked. If the specialty doesn't reach the selected target audience, it doesn't work. Budget, theme, product, and target audience must all be considered in selecting the distribution channel. Whether distribution is done face to face or by direct-mail, creativity can make a difference.

According to Herpel and Slack (1983) distribution is the pivotal phase in success or failure of a specialty advertising program. (26) They also conclude;

"Distribution alone may be the only creative element in specialty advertising program. An ordinary imprinted item delivered in a special way tends to take on special meetings, and, therefore, produces the desired result". (27)

Although most other media have fixed methods of delivery, specialty advertising can be delivered in a number of ways. There are three principle means of distribution.

(26) Herpel and Slack, op. cit., p.103.

(27) Ibid., p. 105.

The first is the use of mail or another delivery service. This approach is flexible and can be completed quickly. It is less costly and time consuming for the advertiser. On the other hand, using the mail or another delivery service lacks the personal touch or relationship between the advertiser and the recipient.

A second method is to go directly to the offices or homes of customers or prospects, utilizing the personnel of the advertiser, usually the sales force. This can be quite time consuming. To overcome this cost/time problem many organizations have their sales personnel distribute specialties on normal sales calls, or a sales call can be tied into the delivery of the ad specialty. The principal benefit of this approach is the great personal touch that is added.

The third distribution method is at the site of the advertiser's business operations, such as office, retail outlet, factory or any other place where the prospect or customer is in contact with the advertiser.

Exhibits and conventions, for example, are places where advertising specialty are frequently used. The August issue of "Specialty Advertising Business" (1986) gives the results of a survey conducted by International Exhibitors Association (I.E.A.). The survey was mailed to 1189 IEA

members, 157 usable responses were received for a return of 13.2 per cent.

As far as the frequency of using specialties in exhibits, target audience, and objectives are concerned the following results were obtained;

- 31 percent of the respondents said they use specialties more than 75% of the time whereas 32% of them said they use less than 10% of the time.

- The respondents answered the question of "to whom they gave specialties" as follows;

- 37 percent said to anyone stopping at the booth

- 33 percent said selective distribution, but to at least half,

- 30 percent said only to top customers or prospects.

They gave the following rank as to why they use specialties;

1. to establish or enhance company or product image
2. to attract visitors to booth
3. to provide tangible sales tool to exhibit personnel
4. to show appreciation for past business
5. to demonstrate creativity of company in promotion
6. to meet visitors' expectations of a hand-out

souvenir.

7. Other: as a post-show reminder of visit to booth, get name out on show floor; advertising specialty may get

back to office even if literature does not, to reference new product introduction. (28)

According to Abbott, various ways of distribution require a proper greeting -either oral or written- and the right atmosphere.

"The personal touch is most important in effective specialty promotion. It is best to tailor the greeting to the particular situation. For example, many companies distribute calendars at the end of the year by placing each calendar in an individual envelope labeled with the name of the recipient and present it in person (via a company representative) with a verbal greeting." he says. (29)

Similarly Herpel and Slack (1983) point out that, "... the specialty distributor must analyze the cost of the distribution method selected, the proper timing, the situation or circumstances in which recipients receive the items, convenience for the recipients, and the environment in which the recipients find themselves." (30)

(28) "Exhibitor Use of Specialties" Specialty Advertising Business, August 1986, p. 20.

(29) Abbott, Loc. cit.

(30) Herpel and Slack, op. cit., p.48.

4.4. Selection of the Specialty Item:

It has been said that there are more than 20.000 items which can be used as specialties. (31) Selection of the proper item is a vital decision within the program.

As stated earlier some writers emphasize the importance of selection of an item but suggest that this should be the last step within the program, where as others put the item selection as a step coming after the selection of target audience, but before the decision of distribution.

Whatever the given priority is, the selection of the item is one of the most important steps in the specialty advertising program.

Once the primary objective is established and the target audience is decided upon, a plan must be discovered that effectively communicates the desired message with an appropriate specialty item. Elements of this communication plan are the theme of the promotion, visual presentation (graphics), copy lines and specialty products used. (32)

A variety of consideration limit the choices when selecting the specialty item. Logo or theme idea may direct the distributor to certain items. Budget considerations may eliminate some. Other limiting factors include target audience characteristics and ultimate distribution technique.

(31)"The Case for Specialty Advertising". Pamphlet Irving, Texas:SAAI, March,1986, p. 1.

(32) Herpel and Slack, op. cit., p. 102.

4.5. Implementation of the Program and Analyzing Results:

As far as the implementation of the program is concerned timing is very important. Timing has two points of view: The advertiser's and the recipient's. The advertiser may link his specialty promotion to a special event (a store opening, introduction of a new product line, an anniversary etc.). The best timing for recipients is much more difficult to determine. The advertiser should try to make sure that the recipient receives an item when he or she is not under stress, is not saturated with advertising stimuli or is in an environment conducive to a favorable reaction. These situations are often difficult to detect.

Implementation is putting the plan to work. Time frames should be established for production and delivery of the product, and support materials, distribution and implementation, especially with the use of other media. Implementation must result from careful timing, coordination of all promotion elements and periodic follow-ups to assure the continuity of the program from start to finish.

Analyzing the results of the program is the last step and should not be overlooked, although specialty advertising is not always as conducive to measurement as other media. If the target audience is well defined and the distribution channels are planned, the advertiser can reach the audience with the selected message. Because of the product's nature, it can be concluded that an advertising specialty's life span exceeds that of a newspaper, magazine, television or radio advertisement.

4.6. Effectiveness of Specialty Advertising: Its Strengths and Advantages.

The comparative advantage of specialty advertising over other media has been previously emphasized several times, while studying its characteristics, applications and how it relates to various marketing factors.

Evaluation of promotional efforts is one of the most difficult of all marketing functions. The fact that the scarcity of academic and professional research in the field of specialty advertising, makes it even more difficult.

In this section the aim is to outline the advantages of specialty advertising and support its effectiveness through empirical studies.

In "Specialty Advertising: New Dimensions in Creative Marketing" (1983), it is stated that;

"As an advertising medium specialty advertising has the decided advantage of being one of a kind. As an advertising medium made up of tangible objects, specialty advertising can be used to demonstrate features, benefits and functions. When the proper specialty is paired with the proper message, the combination can be extremely effective. It is this interaction of message and medium that makes a ball-

point pen, a calendar, or yardstick something more than simply a product that carries an imprinted message." (33)

The importance of tangibility of specialty advertising is also emphasized by Eugene Mahaney, vice president and director of merchandising at Needham, Harper and Steers, Inc.. Mahaney believes that the materialistic age makes it difficult to communicate without tangible objects. He says few people grasp abstractions easily and it is difficult to form a mental picture of a company. "Most people are "thing-oriented" rather than "idea-oriented" and there in would seem to lie the major advantage of specialties" he says and continues "a 'thing' in the form of a specialty item acts as a reminder of a company and campaign and places the corporation in a favorable frame of refence". (34)

As said previously, specialties are useful items of value given without obligation. The recipient is actually getting a gift in return for being exposed to advertiser's message. An often-claimed advantage of specialty advertising is that, advertisers are likely to be long remembered, as specialties carrying their imprint are used. In 1982, Specialty Advertising Association International sponsored a study made by a market research firm, Schreiber and Associates,

(33) Ibid., p. 135.

(34) Harold F. White "Put Creativity Into Press Functions" Public Relations Journal, February, 1968, p. 38.

Peoria, Illinois. They tried to determine the ability of recipients to recall advertisers' names on the specialties they received. A secondary characteristic of usefulness, relating to where the items were used and by whom, was also investigated. As a result it was found that:

- In some instances 39 percent of persons receiving advertising specialties can recall the name of the advertiser as long as six months after receive the specialty. Aided recall (when the recipient can identify the advertiser after being reminded what specialty he or she was given) is even better 57% on the consumer segment and 59% on the business segment.

- There is some correlation between the usefulness a recipient attaches to a specialty and the ability to recall the advertiser. Also usefulness definitely relates to whether an item is kept and for how long. For example, six months after the consumer segment received three specialties, one was still in use by 66 percent of the recipients. Another by 76% and a third by 80%. For the business segment the retention -and-use rates were 63%, 75% and 67%.

- It is also reported that recipients in the study said that they kept specialties as they are useful and referred to the specialties to look up phone numbers and addresses. It is found that, the more useful the item was, the more likely they were to keep it.

- Recipients tend to associate the quality with which they perceive the advertiser with the quality of the specialty the advertiser distributes. (35)

It is certain that because of their usefulness to the recipients, advertising specialties have life span that is normally longer than that of a newspaper, magazine or billboard advertisement or a radio or television commercial.

Ernst F. Cooke of Memphis State University, compared the effectiveness of different media in his longitudinal study and found out that, in 1972 specialty advertising was third in effectiveness out of the seven media ranked and in 1961, second out of four media. But he says users considered specialty advertising significantly more effective in 1983 than in 1972. (36) (Table 4:1)

(35) "Do They Remember You When It's Time to Buy?" (Pamphlet based on Schreiber and Associates research. Irving, Texas: SAA International, 1982.

(36) Ernst F. Cooke. What Users Think About Specialty Advertising and Specialty Salespeople, Irving, Texas: SAAI, 1983 p. 8.

Table : 4.1. Effectiveness ranking of different advertising and sales promotion media.*

	1983	1972	1961
Specialty Advertising	100 (1)	85 (3)	92 (2)
Direct Mail	93 (2)	100 (1)	N.S.
Yellow Pages	82 (3)	83 (6)	87 (3)
Catalogs, product or service literature	74 (4)	97 (2)	N.S.
Trade shows	70 (5)	84 (5)	N.S.
Publicity	68 (6)	N.S.	N.S.
Special events and sponsorships	59 (7)	N.S.	N.S.
Point-of-purchase material and displays	57 (8)	85 (3)	100 (1)
Coupons, cents-of deals	42 (9)	N.S.	N.S.
Contest and sweepstakes	42 (10)	N.S.	N.S.
Premiums	38 (11)	76 (7)	N.S.
Outdoor advertising	N.S.	N.S.	50 (4)

N.S. means not surveyed

Rank is shown in parenthesis

Source : "What Users Think About Specialty Advertising and Specialty Salespeople". Pamphlet based on a research commissioned by SAAI and conducted by Ernst F. Cooke, Irving, Texas: SAAI, 1983, p. 9.

* Respondents were asked to rank, the effectiveness of 12 different forms of advertising and sales promotion, on the basis of subjective perception. Answers were weighted, summed and index numbers calculated; 100 was the weighted sum of the medium with the highest total.

Another study was made in 1974, by Creative Research Associates, Inc. , Chicago, with Dr. Irving S. White and sponsored by SAA International. 160 interviews were given and following results were obtained:

The majority of respondents had many specialties in their offices or on their person. The variety was quite wide and 70 percent of the respondents recalled the advertiser's name on the items.

A majority of respondents (60%) used specialty items and believed (78%) in their effectiveness.

Usefulness, practicality, uniqueness were the principal characteristics attributed to the items chosen.

Most of the respondents indicated the effectiveness of the "personal medium", as they recalled the ones that were personally delivered and/or identified those as the favorites.(37)

Similarly in 1978, A.C. Nielson company made a survey to determine awareness of and attitudes toward specialty advertising and whether this medium had any influence on subsequent purchase behavior. Following results were obtained:

- 72% of respondents had received several specialties

(37) Irving S. White. A Study of the General Reactions of Businessmen to Specialty Advertising. Irving, Texas: SAAI, 1976.

during the previous year.

- The several items received were appreciated, and some were used consistently for well over a year.

- Identification of the advertisers was a positive finding of the study. This had a long lasting residual effect. (38)

In another study, F.N. Pierce of University of Florida, (1981) finds out that, most businessmen see the practice of executive-gift giving as producing the intended results. Among firms giving business gifts, 47% of respondents thought executive-gift giving was either "effective" or "very effective" and 39% thought it was at least "somewhat effective". Only 2% believed the practice produced no appreciable results.(39)

D.S. Bagley III (1978 claims that "specialty advertising's three main strenghts are its targetability, its lasting ability, and its motivational ability". (40)

He says "like direct mail, specialty advertising distribution is under the control of the advertiser. In fact,

(38) Awareness and Attitudes Toward Specialty Advertising and Its Influence on Patronage Habits (Pamphlet based on A.C. Nielsen Co. research). Irving, Texas: SAAI, 1978.

(39) Frank N. Pierce Business Gifts: How to Use Them Effectively. Irving, Texas: SAAI, 1981.

(40) Bagley III, op. cit., p. 4.

direct mail is a common way of distributing specialty advertising items. Or turned around specialty advertising items are a common way of adding a motivational dimension and/or a lasting ability to direct mail". (41)

In 1984 , Dr. J.S. Gould of Pace University, New York made a research on direct mail-specialty advertising effectiveness, and a promotional mailing was made to 700 residential and business prospects. Some mailings contained specialties, some did not. Some mailings without a specialty promised a specialty gift as a reward for response. Findings in the study indicated following outcomes:

- The higher cost of a direct-mail solicitation using specialty advertising (due to the added cost of the specialties) is offset by higher response rates and greater dollar sales.

- If you make a single mailing with a specialty enclosed, your profit per sale and total-dollar purchase is likely to be greater than if you offer a specialty in return for response. However the cost per sale would be lower on the specialty-for-response mailing.

- If you make a single mailing with a specialty enclosed, you are likely to get a greater profit per sale and a greater total-dollar purchase than you would by making two

(41) Ibid.

mailings without a specialty. (42)

It is stated that, 48 percent of business executives open the direct-mail that they received and the remainin 52 percent open itsometimes or never. It is proposed that, in order to make sure that the sent mail solicitations get opened and read the best way is to combine promotional mailings with specialty advertising. (43)

Specialty advertising offers a wide selection of items which permits the advertiser to find one that fits his message, his audience and his budget. Rollings states specialty advertising has at least two advantages, first, many of items (lighters, and such) are useful products and second some campaigns are truly entertained and enjoyed by the target audience. (44) Certain articles have proved to be popular in the specialty field and have maintained their popularity year after year. New items are constantly being introduced and new ways of using the old items are constantly being developed. So there's a greater flexibility than other media.

Targetability and flexibility of special advertising

(42) How to Improve Direct Mail Response, Irving, Texas:SAAI, 1984.

(43) Ibid.

(44)"Advertising and Promotion: Specialty Advertising's Special Problems" Sales Management, October 15, 1967, p.100.

contribute to the cost-effectiveness. Advertising specialties are purchased on a cost-per-item basis, allowing the advertiser to meet budget objectives.

The importance of avoiding waste circulation is perhaps clearest when considering a firm which sells nationwide to only a thousand or so customers. Examples of this would include companies which sell components to specialized manufacturers, companies which deal solely with city governments, companies which work with public utilities and companies which sell to wholesalers. For the thousands of companies like these, the traditional mass media (ie, newspapers, tv, general interest magazines, radio, and outdoor) simply cannot economically reach such small targets. The main advertising alternatives for those are trade publications, direct mail, and specialty advertising. Non-advertising alternatives are direct-personal sales calls, and trade-shows, which can also be effectively supported by specialty advertising.

Specialty advertising also permits the small businessman to compete on more nearly equal terms with his large competitor than in any other medium-of advertising. The large businessman can afford to go into the mass media much more extensively than the smaller organization can. But both large and small advertisers can buy the same specialties at the

same price, so that the small company can compete with a larger company.

In many instances, specialty advertising is more economical when compared with the cost of other media. Since it is used over and over, its message is read over and over with no additional cost to the advertiser.

Bagley III. (1978) points out the lasting ability of specialty advertising makes it the least expensive advertising medium when figured on cost per exposure basis. For example, an imprinted ashtray may stay on a luncheon counter for years offering tens of thousands of exposures for less than 50 cents. Bagley says "... how a specialty advertising item is used is generally is more important than whichever item is selected". (45)

As being another form of advertising, specialty advertising has the influencing effect on the sales. It would not be right to say specialty advertising has a sole-direct effect on the increase in the sales. But William H. Bolen of Georgia Southern College made a case study and studied the sales data of a drug-store for 13 months (from july 1965 to july 1966) after the firm re-introduced the specialty advertising. In order to find out the effectiveness of specialty

(45) Bagley III., op. cit., pp.5-6.

advertising on sales he tried to keep other influential conditions remain constant. As a result he found out that advertising specialties were effective from a sales standpoint. The specialties used by the drug store were found to generate sales over and above the normally expected increase in sales to a level exceeding the cost of the specialty promotion.(46)

In her article, Eve Becker Boyle (1982) points out another advantage of specialties; "... as a preference builder and as an attitude reinforcing mechanism, specialty advertising performs impressively. Several studies have indicated that all other things being equal, the customer is more likely to patronize an establishment that has given him an advertising specialty than one that has not". (47)

(46) William H. Bolen, "Profitability of Specialty Advertising" Journal of Advertising Research, June 1973, p. 14-16.

(47) Doyle, op. cit., p. 1.

4.7. Limitations and Disadvantages of Specialty Advertising:

Like so many other things, some of specialty advertising's greatest strengths are also its weaknesses. Take for example the "thingness" of specialties. While it's this thingness that makes usable and valuable, sometimes there may be the tendency to overlook the item's ability to be a persuasive communication medium. "One's name and phone number are seldom in themselves persuasive even on an advertising specialty" Bagley says. (48)

In the professional advertising community, one of the most consistent criticism of specialty advertising is the limited space available for imprinting on many of the items. Herpel and Slack mention, "this is why a specialty is used in concert with other media when longer messages are necessary". (49)

"Some people worry that if the item malfunctions or if it is not appropriate to the theme of campaign, then the recipient is left with a negative impression", add Herpel and Slack. This limitation can be avoided by a careful and planned program and item selection.

Specialties often require more production lead time,

(48) Bagley, op. cit., p.13.

(49) Herpel and Slack, op. cit., pp. 48-49.

planning and coordination than most other media. This may be seen as a disadvantage from time to time. Unlike the short lead time required to make an announcement on a local broadcast station or in a local paper, very few customized advertising specialties can be ordered and delivered in less than two or three weeks because of production and shipping time.(50)

Another limitation may be that, the advertisers' intent would create suspicion if the item used is unreasonably expensive. This suspicion is also observed by Schreiber and Associates Co. (1982), in their previously mentioned study as a reaction of the recipients. (51) Unreasonably expensive specialty items will lead the question of whether it is a "gift" or "bribe" in some circumstances.

(50) Doyle, op. cit., p.1

(51) Do they Remember You When It's Time to Buy?
(Pamphlet based on Schreiber and Associates Research).
Irving, Texas: SAAI, 1982.

Chapter Five

AN EMPIRICAL STUDY : SPECIALTY ADVERTISING IN THE PHARMACEUTICAL INDUSTRY

After having reviewed the available literature on the specialty advertising, an empirical study, conducted in the pharmaceutical industry, will be presented in this chapter. First, the reasons why the pharmaceutical industry is selected as the target group to illustrate the importance of specialty advertising, will be given. Then, the methodology of the empirical study will be discussed with its purposes, objectives, sample selection and analyses. Finally the research findings and implications will be provided.

5.1. Why the Pharmaceutical Sector Is Identified As the Target Group?

Some observations in the specialty advertising sector have shown that the pharmaceutical industry reveals a great potential in this market. There's something special which differentiates the pharmaceutical industry, from other sectors.

5.1.1. A Brief Picture of the Pharmaceutical Industry in Turkey.

In Turkey, pharmaceutical industry shows activity in two groups, as government and private sector. Government

sector consists of five organizations: (1)

1. Social Security Administration drug factory
2. Ministry of Defence drug factory
3. Bolvadin Alkaloid Raw Material factories
4. Refik Saydam Hygiene Institute
5. Kızılay Plasma fraction Laboratories.

There are 81 pharma companies (74 domestic and 7 foreign) in the private sector, which produce drugs and raw materials. These firms are mostly established around Istanbul, due to transportation and communication facilities, importation of huge quantity of raw materials, concentration of packing industry such as glass, paper, plastics etc. near Istanbul.

It is pointed out that while the total drug consumption in Turkey is ₺ 229 billion in 1985, total sales of 81 pharmaceutical firms amount to ₺ 350 billion. Seven foreign companies are the branches of worldwide spread multinational companies and their market share in the industry is considerably high, which was 37.36% in 1985. These seven firms take place in the first 15 companies whose market share was 78.5% of total sales during the period of April 1985 to April 1986.(2)

(1) Interview with the manager of a pharmaceutical company, during the empirical study.

(2) "81 İlaç firmasının 1986 cirosu 350 milyar lira". Dünya Gazetesi, Dünya Dosyası 8: Tıp-İlaç Eki, 16 Şubat 1987, p.

On the other hand, most Turkish firms work with licences of three or more foreign firms. Thus, in addition to foreign investment which brings know-how, technology and competition licensing arrangements enabled domestic manufacturers to widen their technical knowledge and develop their own products. In fact the relations between foreign and Turkish firms started after the law of encouragement of foreign investment which had passed in 1954. (3)

The following figures are gathered from several sources related to the pharmaceutical industry.

Table : 5.1. Distribution of the first 30 Pharmaceutical Companies by Their Market Shares, in Turkey.

Companies	Market Share %	No. of Foreign Capital Plants
First 5	44.99	2
First 10	67.63	6
First 15	79.36	7
First 20	87.19	7
First 25	91.77	7
First 30	94.35	7

Source: 1985 Reports of International Marketing Services (IMS), on Turkey, Zug, Switzerland : IMS Ag, Vol. 4, 1986, p. 1-2

(3) Saba Başbuğ "Marketing Planning and Perceived Effectiveness of Pharmaceutical Firms: A Comparative Study Between Domestic and Multinational Companies in Turkey" (Master's Thesis) Boğaziçi University, 1984, pp. 44,47.

Table : 5.2. Market Shares of the Domestic and Foreign Capital Companies in 1985:

74 Domestic Capital Companies			62.64%
3 Swiss	"	"	18.45%
2 German	"	"	11.79%
2 U.S.	"	"	<u>7.2 %</u>
7 Foreign Capital Companies			37.36%

Source: Dünya Gazetesi, Dünya Dosyası 8 : Tıp-İlaç Eki, 16, Şubat, 1987, p.1.

It should be added that even leader firms have a market share of about 10%, which shows how much this industry is open to competition. (4)

It has been also said that 94% of the production is realized by the first 30 companies. In Turkey, there are 1862 pharmaceutical drugs for different illnesses, presented in 3586 different ways.

5.1.2. Distribution Channels and Promotional Activities of the Pharmaceutical Companies.

Distribution of the pharmaceutical products are generally made through wholesalers. 80% of the products are sold to wholesalers, and from there the pharmacies buy them.

(4) Faruk Yöneyman "Önümüzdeki Yıllarda İlaç Sektöründe Kıyasıya Rekabet Olacaktır". Karizma, October 1986, p. 28.

15-17% of the products are sold to state and Social Insurance Hospitals and the rest are sold by bids or directly to pharmacies.

The most important aspect that differentiates the pharmaceutical industry from others is that, the products of this sector are directly related to health. Thus, special attention should be paid in promotional activities. Usman et al. (1979) state; "the drug-industry, more than any other, has a big stake in the information conveyed by its advertising and the effect of this advertising on its target audience". (5)

Some legal restrictions had been taken by the Ministry of Health and Social Welfare. For example, advertising is strictly forbidden in the mass media such as radio, tv., newspapers or magazines. The medical publications are the exception and very limited information through announcements can appear in newspapers only for new products. (6)

The promotional programs and activities are not directed toward end-users in the pharmaceutical industry. While

(5) Syed I. Usman, Cinda Marshall and M.C.Smith "Differences Between Actual and Advertised Uses of Drugs: A Replicated Study" Journal of Advertising Research, Vol. 19/4, August 1979, pp. 65-68.

(6) TRT Reklâm Yönetmeliği, Madde 28 Kasım Cemal Güven İlaç ile İlgili Yasalar ve Yönetmelikler, İstanbul: 1984, p. 38, Madde: 13.

developing such programs the purpose of the company is generally to influence the reference groups such as physicians, pharmacists, medical academics etc. Another group is the wholesalers to be motivated through promotional programs.

The role of the end-user is negligible in the decision process concerning the product and brand preferences. It is the physician who decides. Doctors, can of course be informed about new pharmaceutical products through national and international publications. Faruk Yöneyman (1986) says, "however it may not be possible for all of the doctors (more than 34.000) who prescribe in Turkey, to follow these publication with their own resources. The obvious result is that the promotion of the pharmaceutical products should be performed by visiting the doctors personally". (7)

Sales personnel of the firms handle these kinds of activities. S. Başbuğ (1984) explains the promotional activities in the pharmaceutical industry as follows:

"Drugs are first to be introduced to the doctors by specifying all of the effects, side effects. specifications, ingredients etc. This is the job of the sales personnel of the firms who conduct periodic visits to doctors specialized in the field where the drug shall be used. If doctors believe

(7) Yöneyman, op. cit., p. 55.

that this drug works in curing a sickness, he shall prescribe in to the patient. So the main target of the pharmaceutical firms is the doctors. For drugs that are newly introduced to markets, manufacturers organize symposiums or meetings directed to doctors, mainly of university hospitals, their own sales personnel who are already given information on the drug". (8)

Benson P. Shapiro (1977) emphasizes the importance of distribution channels in the context of promotional mix. He points out that:

"There are two general kinds of promotional devices. One, the sell-in, is designed to improve the manufacturer's sales to the institutions in the channel of distribution. The other the sell-out, is designed to improve the movement of merchandise from the channel of distribution to the ultimate consumer". (9)

It is convenient to call the promotional devices practised in the pharmaceutical industry as the "sell-in" devices.

Physicians, pharmacies, wholesalers, hospitals etc.

(8) Başbuğ, op. cit.,

(9) Benson P. Shapiro: "Improve Distribution with Your Promotional Mix", Harvard Business Review, March-April, 1977, p. 119.

can be interpreted as the target institutions in the channel of distribution according to Shapiro's definition.

Consequently, direct personal sales calls are the major activities of the promotional mix, in the pharmaceutical industry. These activities are supplemented by such materials as booklets and brochures which give specific information related to drugs, periodical publications and literature in which new developments are presented. Apart from these, specialty advertising is widespreadly used as an advertising medium, especially due to legal restrictions of mass-media advertising; and as a sales promotion and public relations medium for reinforcing "personal selling".

5.1.3. What is the Role of Specialty Advertising in the Promotional Activities of Pharmaceutical Companies.

It is not surprising to observe the great potential of the pharmaceutical industry in the specialty advertising market. It is estimated that the expenditures of pharmaceutical companies on specialties are at least fl. 3.5-4 billions.(10)

The demand of pharmaceutical firms for specialty advertising is not seasonal, but it spreads all the year around.

(10) Interview with the manager of a pharmaceutical Company, during the empirical study.

The lack of mass media advertising due to the legal restrictions can be compensated by specialty advertising. It acts as an effective advertising medium when a properly selected item is paired with a proper message.

On the other hand it can be used as a supplementable aid for the non-advertising activities such as, direct personal sales calls, conferences and symposiums.

As far as market segmentation is concerned, perhaps more than any other medium, specialty advertising is well-suited to the pharmaceutical industry. As there's a certain number of physicians, pharmacies, and wholesalers that the company would like to reach, the "targetability" and "reachability" of specialty advertising can be considered as the impressive aspect. If there were not any legal restrictions, specialty advertising would still be the preference, as the mass media could hardly reach economically such well defined prospects. For instance, a firm which introduces a new product against heart-attacks, wishes to reach only the doctors specialized in cardiology, which is a more specific and smaller market segment. In this case, it is the specialty advertising which serves best without any waste circulation. Another aspect of specialty advertising which enhances the direct personal selling is the "personal touch".

Promotional activities related to brand loyalty and company identity are emphasized to a large extent, since there are many equivalent products, which substitute each other in a highly competitive environment. In order to create brand loyalty a useful item can be given to the doctor which plays an associative role to recall the company's products. While prescribing a drug to the patient, the doctor will remind the company and its products as the item is in front of him.

Receipt of an advertising specialty item may cause a product to have a psychological edge over those of its competitors. Differentiation of the product can be enhanced through an extraordinary item, or an extraordinary presentation or message. For example, the specialty item can be designed to be a miniature version or illustration of the product itself which makes a single product different from all others. Such an item will increase the amount of attention given by the receiver and it is also important in terms of selective perception.

In addition to segmentation, branding and selective perception; positioning strategy also finds effective applications through the use of specialty advertising in the pharmaceutical industry. It helps a lot to position a new or improved product in the minds of reference groups and in the marketplace.

Sometimes it is the company name which makes a new product acceptable, so pharmaceutical companies, especially the multinational ones emphasize both the company image the brand loyalty.

In the pharmaceutical industry the use of specialty advertising is something more than thank-you-to the customer. With a "program selling approach" it can be used as a powerful marketing tactic.

5.2. The Research Methodology.

5.2.1. Purpose and Objectives.

The purpose of the study is to find out how the Turkish pharmaceutical firms view and use specialty advertising.

The study can be defined as a cross-section of descriptive and explanatory designs, since its aim is to discover and explain the tendencies of managers, the circumstances under which specialty advertising is used and the reasons of using this medium in the pharmaceutical industry.

The following objectives are set up in the study:

- What are the promotional elements used by firms?
- Under which circumstances specialty advertising

is used?

- Which specialty items are generally and particularly selected?
- What are the opinions and evaluation of companies with respect to specialty advertising?
- Who is responsible for budgeting and planning of promotional activities?
- What is the budget allocated to specialty advertising?
- What is the role of advertising agencies?
- What are the sources of supply to obtain specialty items?
- To whom specialties are distributed?

5.2.2. Sample Selection.

As mentioned previously there are 81 companies in the Turkish pharmaceutical industry. And the first 30 companies had a market share of 94.35% during 1985.

In the study the first 30 companies which were determined according to IMS (International Marketing Services) Reports, were selected as a representative sample of the whole industry. Interviews were conducted with 26 of them. Four of the companies in the first 30, could not be reached due to various reasons; ie, one of them was specialized in the production of baby food, the other one was closed down, the remaining two couldn't be reached for an interview. However, the 26 companies contacted have had at least 90 percent

market share, which is sufficient to represent the whole industry. (The names of the companies contacted are listed in Appendix 1.)

5.2.3. Data Collection Procedure and Instrument.

The data collection instrument of the study was a structured questionnaire which was administered to the respondents through personal interviews.

This method and instrument of data collection were preferred primarily because, response rate would be higher, and it was possible to control data gathering to a greater extent. Also, the respondents might give additional information about the subject in face to face interview.

The questionnaire is made up of 26 undisguised questions. Most of them are structured (close ended), but in order to have the respondents' opinions in depth some questions are designed as unstructured (open ended). Finally there are few dichotomous questions. (A sample questionnaire is presented in Appendix 2.)

5.2.4. Variables and Relationships

In the light of the purpose and the objectives of the empirical study, variables can be divided into 5 groups according to the relationships investigated:

1. Role of specialty advertising among other promotional elements and its usage:

- promotional mix elements used by pharmaceutical firms
- priority of elements in terms of effectiveness and budget allocated
- the circumstances under which specialty advertising is used
- particularly selected specialties
- place of usage
- choice factors

2. Decision process of promotional activities in the pharmaceutical companies; planning and budgeting of specialty advertising

- organization of pharmaceutical companies
- planning and budgeting
- budget allocated for specialty advertising
- its share in total promotional expenditures
- its relationships with sales volume and the number of products.

3. The sources of supply and the role Advertising Agencies as suppliers of specialty advertising

- Sources of supply to obtain advertising specialties
- The tendency of working with advertising agencies
- The services offered by advertising agencies
- Their role in the field of specialty advertising
- Performance evaluation of the advertising agencies

by the pharmaceutical companies.

4. Target audience and the emphasized image by the specialties.

5. Performance evaluation of pharmaceutical companies in the field of specialty advertising.

5.2.5. Findings of the Empirical Study

In order to identify the features of pharmaceutical firms and their activities related to specialty advertising, frequencies of most variables were primarily studied. A Spearman rank correlation test, concerning the priority of promotional mix element in terms of effectiveness and budget allocated, was also made. In addition, Pearson Correlation tests were made to find out, particularly the relationships between the budget allocated for specialty advertising and several variables such as, sales volume, number of products, circumstances under which specialty were used.

a. Findings on the role of specialty advertising among other promotional elements and its usage:

Only two out of 26 firms, do not distribute advertising specialties. One of them has not allocated budget for specialty advertising since 1980 due to increasingly high costs and expenditures. The manager of this firm pointed out that they actually did not feel a need to use specialties as they had not introduced new products during this period. Another reason given by the manager was that pharmaceuticals of their product line, could be hardly substituted, so that they didn't need compete with other companies through specialties.

The other firm stopped allocating budget for advertising specialties in 1986, although they used specialties until 1985. According to their manager it was almost impossible to compete with advertising gifts distributed by other firms, and it was better not to use specialty advertising when it was associated with bad images because of expensive items with poor quality.

The managers were asked to give a ranking number (most important:1) to each promotional mix element that they used according to budget allocated and how they perceived the effectiveness of this element (most effective:1). The following table shows the promotional mix elements used by firms

and the ranking means in terms of budget and effectiveness. (Table 5.3) The table also gives a significant result of the spearman rank correlation, found between the ranking of "distribution of drug samples" in terms of budget and ranking in terms of effectiveness. Similarly, another significant relationship, resulted from the same test, was found between the ranking of published materials (booklets, cards, brochures and literature) with respect to budget and effectiveness.

Table 5.3 Ranking of the Promotional Elements Used by Pharmaceutical Companies, in terms of Budget and Effectiveness.

Promotional Elements	Ranking mean in terms of Budget	n(1)	Ranking means in terms of Effectiveness	n	Vs	
Drug Sample	1.462	26	1.654	26	.4591	.009 * (2)
Published Material	1.880	25	1.680	25	.3656	.036 *
Advertising Specialties	2.880	25	3.160	25	.2309	.133
Conferences, Seminars	3.619	21	3.364	22	.1571	.248

(1) n = number of responses for each element

(2) * = level of significant correlations

As shown in Table 5.3 , specialty advertising was ranked by the managers as the third element in terms of both budget effectiveness.

However, there is not a significant relationship

between the ranks given to specialty advertising with respect to budget and effectiveness.

Without any exception, all the managers contacted regard specialty advertising as a reinforcing element for other promotional activities.

Twelve companies out of 26, made the same ranking for all promotional elements in terms of budget and effectiveness. The ranking means of specialty advertising was quite close to that of conferences/seminars, in terms of effectiveness. Managers stated, they believed that conferences and seminars would play an important part in promoting new products, in the near future.

The circumstances under which specialty advertising is most commonly used and their appropriateness according to the managers was also studied.

Managers were asked to rank the usage of specialty advertising under these circumstances and then, give an appropriateness rate to each alternative circumstance. Table 5.4 gives the means related to the usage rank and assigned appropriateness for using specialties under each circumstance.

Table 5.4 The Circumstances Under Which Specialty Advertising is Used and Their Appropriateness

<u>Circumstances</u>	<u>Mean of Usage Rank</u>	<u>n(1)</u>	<u>Appropriateness mean (2)</u>	<u>n(1)</u>
Supplementing other Promotional campaigns	1.619	21	3.308	26
Introducing new products	1.773	21	3.231	26
Conference / Seminar	3.263	19	2.946	26
New Year / Christmas	3.769	13	1.808	26
As a tradition or habit	4.167	6	1.840	26
Anniversaries	4.5	4	1.269	26

(1) n = number of responses given for each circumstances.

(2) Very appropriate = 4 , appropriate = 3 , somewhat appropriate = 2 , not appropriate = 1

As shown in the above table specialty advertising was used especially for supplementing other promotional campaigns and in introducing new products. Conferences /seminars was the third occasion and the new year / Christmas was the fourth one in the ranking.

Variables which yield high usage rank were also found highly appropriate by the managers. The Pearson correlation test revealed a significant relationship between the usage rank of specialty advertising in introducing new products and its appropriateness. ($r=.6724$, $p=.000$)

Although the figures also showed some consistencies for other variables, such as supplementing other promotional campaigns, conference/seminars, new year programs; they were not significant according to Pearson correlation test.

The usage of specialty advertising with respect to product life-cycle was also studied. Findings supported the high usage rank of specialties when introducing new products. At the decline stage specialties were less used.

Table 5.5 The Usage of Specialties in the Product Life-Cycle:

<u>P L C Stage</u>	<u>mean %</u>	<u>n</u>
Introducing New Products	47.1%	23
Growth	30.6%	24
Decline	18.5%	21

While studying specialty items that were generally delivered 62.5% of firms (15 firms) gave "pens" as the major item that was frequently and repeatedly distributed during the recent years. The second preferred item was "memo-pads" with 50 percent. The third one was "calendars" with 29 percent. Thermometers, spatulas, magnifiers were given as examples of functional items that had been previously distributed. According to the managers the reason, why pens had been frequently and repeatedly distributed was that, prescription writing was an indispensable part of activities of any physicians and thus, a carefully se-

lected pen paired with a proper message will hit the target.

The managers were also asked to rank the reason why some items were generally selected as specialties (Most important reason: 1). Lack of time to search for different and interesting products was the most important reason, with a mean of 1.667 (no of responses "n" = 9). Secondly, the demand of recipients for the same item appeared to be an important reason with a mean of 2.091 (n=11). Lack of information about the sources that can supply the specialties was the third one with a mean of 2.125 (n=8). Four of the respondents showed, giving useful and memorable items as the most important reason (mean=1 , n=4). Other reasons were as follows

- Giving a particular specialty item becomes a habit, (mean: 2.286 , n=7)

- Believe in benefits of distributing a well known or famous brand as an advertising specialty (mean=4.333 , n=3)

- Giving the same item is supported by the advertising agency with which the firm works (mean= 5 , n= 1).

As far as the place of usage is concerned the following figures, shown in Table 5.6 , were obtained.

Table 5.6 The Place of Usage by Mean Ranking

	<u>mean</u>	<u>n (*)</u>
Desk-tops	1.583	24
Personal products	2.000	23
Functional items that are used by medical people	2.188	16
Other items used in office	3.182	11
Items used at home	4.667	3
Items used in automobile	5.000	3

(*) number of responses

As the table shows "desk-tops" were the product category that was preferred and given high usage rankings by most of the managers, with a mean of 1.583. Personal products were the second most preferred category (mean=2.00), whereas the functional items were the third one with a quite close figure (mean 2.188).

Another finding was quality, quantity and the unit price of the selected specialty item. It was found out that there were mainly two approaches in distributing specialties:

- Selective distribution: Distributing high quality and expensive items in small quantities.

- Extensive distribution: Distributing items in large quantities (i.e. 15.000 - 20.000 pieces) , with low unit price.

While studying the tendencies, ten of the pharmaceutical companies (39%) stated that they distributed specialty items with low unit price in large quantities. 4 Companies (15%) stated that they distribute, both items with low unit price in large quantities and high quality and expensive items in small quantities in different campaigns.

Four companies (15%) were distributing high quality items whatever the quantity was, whereas 2 companies (7.5%) distributed high quality / expensive items in small quantities.

Some companies stated that they tried to distribute items which were appropriate to the target audience and objectives of the campaign regardless of the price and quality.

b. Findings on decision process of promotional activities in the pharmaceutical companies; planning and budgeting:

Decisions related to promotional activities are taken within the marketing department of the pharmaceutical firms. Although there are some differences among the organizational structure of the firms, procedure for planning and budgeting of these activities seems to be quite similar whatever the company is.

The marketing manager and his subordinates such as sales manager, promotion manager, field force manager and

product managers take various responsibilities for promotional activities and their budgeting. Some of the firms have their advertising manager or advertising chief to perform certain functions. On the other hand, especially in larger firms the medical department manager also plays an important role in promotional activities.

Without exception, general manager and / or board of members are those who give the final approval for budgeting of promotional activities including specialty advertising.

Although some firms do not have product managers, generally these people execute promotional activities at the headquarter, together with sales people who work throughout the country.

In general terms, the decisions concerning distribution and selection of advertising specialties are the responsibility of the marketing department.

Apart from these, in family companies the owners have a great impact on budgeting, decision of distributing specialties and even on the specialty item to be selected.

Twelve firms out of 26, did not give the budget allocated to specialty advertising in 1985, and six firms avoided giving the budget amount for 1986. When considering

the 1986 figures nearly 80 million ₺ was the average amount per company allocated to specialty advertising, which reveals a market of 2.5 billion ₺ for specialty advertising in Turkish pharmaceutical industry.

16 percent of total promotional expenditures was found as the mean of allocated budget to specialty advertising.

Two of the pharmaceutical companies reduced their budget allocated to specialty advertising in 1986 while one of the companies stopped to allocate budget to specialties.

The following table gives significant results of Pearson correlation test between the rank given specialty advertising in terms of budget and allocated budget in ₺ and in percentage.

Table 5.7 The Rank of Specialty Advertising and Allocated Budget

	<u>Budget (%)</u>	<u>Budget (₺)</u>
Rank of specialty	$r = .4480$	$r = .3318$
advertising in terms	$p = .012$	$p = .097$
of budget	$n = 25$	$n = 19$

As mentioned earlier, when compared with other promotional mix elements specialty advertising was ranked as the third one, by the managers in terms of budget. The amount of

budget allocated to specialty advertising and its percentage in total promotional mix expenditures supported the rankings given according to budget by the managers with a positive correlation.

Similarly some other significant relationships were found between the budget allocated to specialty advertising (₹ and percentage) and the variables such as sales volume, distributing advertising specialties at Christmas and distributing specialties as a habit (Table 5.8.).

Table 5.8 Budget Allocated to Specialty Advertising and its Relationship with Some of the Variables.

	<u>Budget (%)</u>	<u>Budget (₹)</u>
Sales Volume		$r = .4045$ $p = .023$ $n = 20$
Distributing Advertising Specialties at Christmas	$r = .4368$ $p = .067$ $n = 13$	$r = .5195$ $p = .092$ $n = 8$
Distributing Advertising Specialties as a Habit	$r = .8167$ $p = .021$ $n = 6$	

As shown in the table 5.8 , as sales volume increases the budget allocated to specialty advertising increases. There is also a positive relationship between the budget allocated to specialty advertising (in ₹ and percentage) and distributing advertising specialties at Christmas. Similarly, the tendency to distribute advertising specialties as a habit in-

creases as the percentage of budget allocated increases.

c. Findings on the Sources of Supply and Advertising Agencies.

As far as the sources of supply to obtain specialties are concerned the managers were asked to assign a number which would indicate the frequency of using different sources. The scale used was; Never = 1 , Sometimes = 2 , Generally = 3 , Always = 4 .

The following table gives the means concerning the use of different sources of supply.

Table 5.9 The Frequency of Using Different Sources of Supply to Obtain Specialties

	<u>Mean Usage as Supplier</u>	<u>n(%)</u>
Domestic Manufacturers	2.43	22
Domestic Marketing Firms (Distributors)	2.4	21
Advertising Agencies	1.28	4
Foreign Manufacturers	1.2	4

(%) n = number of responses

It was seen that the most commonly used source was the domestic manufacturers with a mean of 2.43 (22 firms pointed out that they use this group as a source of supply with different frequencies). The second group was domestic

marketing firms with a mean of 2.4 (21 firms used marketing firms as a source of supply with changing frequencies.

Only four firms out of 26 mentioned that their advertising agencies were engaged in handling the specialty advertising activities. These firms were asked to evaluate the effectiveness of the advertising agencies that they worked with. A ten-unit scale was used to measure the effectiveness. (Very effective -10- -Not effective-1-) As a result it was found that the effectiveness mean of advertising agencies in the specialty advertising activities was 5.25 indicating a medium effectiveness.

On the other hand it was also found that nine firms out of 26 (35 percent) were working with advertising agencies for their promotional activities. Out of these nine firms working with ad agencies two of them said they were quite satisfied with the activities of their agencies and six of them rather satisfied, whereas one of them said they were rather dissatisfied with the activities of the ad agency.

d. Findings on the Target Audience and the Emphasized Image by the Specialties.

All the firms contacted pointed out that their first target group was primarily the doctors. The second target group mentioned was the pharmacists for the 24 firms out of 25 that distribute advertising specialties. Four of the firms that

were dealing with veterinary products indicated that veterinarians were their secondary or tertiary target group. The following table gives the ranking means related to the various target groups that pharmaceutical firms had aimed to reach.

Table 5.10 The Priority of the Target Groups for Specialties

	<u>Ranking Mean</u>
Doctors	1.000
Pharmacists	2.080
Veterinarians	2.750
Nurses	3.455
Wholesalers	3.700
Others	4.250

A striking point was that the firms that produce birth-control drugs directed their distribution of specialties to the end users -to women- through pharmacies.

Brand image was emphasized primarily by the 19 firms out of 26 contacted, whereas company image emphasized together with the brand image by a number of companies. Table 5.11 shows the ranking means of emphasized images by the specialties.

Table 5.11 The Image Emphasized by the Advertising Specialties:

	<u>Ranking Mean</u>	<u>n(*)</u>
Brand Image	1.250	24
Company Image	2.458	24
Both	2.240	25

(*)n= number of responses

The multinational companies seemed to be more inclined to emphasize the company image.

e. Findings on Performance Evaluation of Pharmaceutical Companies in the Field of Specialty Advertising.

All the firms distributing advertising specialties mentioned that they made follow-up studies to evaluate the success of their specialty advertising campaigns.

The reports coming from various regions and sales force's opinions were the data used by all these firms to measure the performance of the specialty advertising program. Eight firms pointed out that they also got the opinions of some doctors and pharmacists. Five firms tried to find out the influence of advertising specialties distributed on the sales volume, in addition to activities mentioned above.

Apart from these, only one firm conducted research through

its headquarter personnel to evaluate the performance of the specialty advertising program. By doing this, they aimed to make a more objective evaluation.

When the managers were asked to rank the factors influencing the success of a specialty advertising campaign, the most important factor was found to be the quality of the specialty item. Other influencing factors and their ranking means are shown in Table 5.12.

Table 5.12 The Factors that Influence the Success of a Specialty Advertising Campaign.

	<u>Ranking mean</u>	<u>n(*)</u>
Quality of the specialty item	1.556	18
Price of the specialty item	2.182	11
Presentation	2.550	20
Type of specialty item	2.556	9
Timing	2.652	23

(*) n= number of responses

Another question was about the reactions of the companies when their impression was negative after the follow-up study. 50 percent of the companies contacted mentioned that they tried to find another specialty item which would be more interesting and effective, whereas 38.5 percent of the companies said that they changed the source of supply that they

had obtained the specialty items.

While some of the firms tended to improve the same campaign for the next time, 2 of the firms reduced the allocated budget to specialty advertising or eliminated it completely.

When the impressions of the companies were positive, they mostly (16 firms out of 26) tended to continue to work with the same sources of supply and search new and interesting items to improve the effectiveness of the specialty advertising activities. Eight firms said they went on distributing the same item.

5.2.6. Limitations of the Study

It won't be wrong to say that this study was the first attempt to investigate the specialty advertising in Turkey. This interesting contribution can be interpreted as a pilot study for further research, but it also brought some difficulties ie. lack of research experience in this field was one of the most important problems.

On the other hand, the structure of the pharmaceutical industry in which specialties are widely used, created some limitations. The sample size of 26 firms was small, but the first 30 companies yielded a market share of 95%. As a

result the rest of the companies (almost 50) were competing for a market share of 5%. Although a larger sample would have revealed more precise results, as the findings showed, there was a relationship between the sales volume and the budget allocated to specialty advertising; which implies that specialties would not probably be used by the smaller firms.

In addition, some comparative studies couldn't be made due to the limited number of multinational companies.

Another limitation created by the small sample size was that, the significant relationship among different variables could hardly be reached. For example several cross-tabulations and Pearson correlations were found insignificant. Therefore, in addition to Spearman rank correlation test and some Pearson correlation tests, frequency analyses were primarily used to identify the relationship.

Apart from these, some budget figures couldn't be obtained and there's also a doubt about the accuracy of the given figures. For some of the companies it is estimated that the actual figures of budget would have been higher than the given figures.

Chapter Six

CONCLUSION, IMPLICATIONS AND SUGGESTIONS

6.1. Conclusion

Based on the findings, it can be concluded that the usage of specialty advertising was considerably high in the pharmaceutical industry. Although specialty advertising has been ranked as the third promotional mix element in terms of both budget and effectiveness, there was no significant positive correlation between these two criteria. Pharmaceutical firms tended to allocate budget to specialty advertising even though they didn't find it highly effective.

Specialty advertising was especially used for supplementing other promotional activities and in introducing new products. Conferences and seminars were the third occasion in which specialty advertising was used. Giving specialties in supplementing other promotional activities and for introducing new products were found highly appropriate by the managers interviewed.

Specialty advertising was interpreted as a reinforcing activity in the promotion of pharmaceutical products. It was an advertising medium which should substitute for mass media

due to the legal restrictions in the industry and it was also a sales promotion and public relations medium in various circumstances.

Pens, memo pads and calendars were the specialty items that were generally and repeatedly selected. A similar result was found by Birleşim Medikal Araştırmalar Limited Şirketi (1986): according to physicians, pens are the most appropriate and useful items with a percentage of 15.4. (1).

As far as the place of usage is concerned "desk-tops" were the specialty items that were primarily preferred by the most of the managers. Personal products and functional items such as thermometers, spatulas, manifliers were also quite popular as advertising specialties.

Generally, pharmaceutical firms tend to distribute items with low unit price, in large quantities.

The decisions concerning the distribution and the selection of advertising specialties are mostly the responsibility of the marketing department. In family-owned companies the owners have a great impact on budgeting and the decision of distributing specialties and even on the specialty item to be selected.

It was found that the pharmaceutical industry reveals

(1) "Eczacı-Doktor Paneli 11" Birleşim Medikal Araştırmalar Limited Şirketi, 1986, p:9.

a market of 2.5 billion ₺ for specialty advertising, but it was estimated that for some of the companies, the actual budget figures would have been higher than the given figures. In addition, budget figures of some firms that couldn't be obtained would probably augment the mean of allocated budget (₺), in other words the total market itself.

Some significant and positive relationship concerning the budget allocated to specialty advertising were also found. Pharmaceutical firms which had high sales volume tended to allocate greater budget (in ₺) to specialty advertising. In addition, the tendency to distribute advertising specialties as a habit increases as the percentage of budget allocated increases. Similarly, there is a positive relationship between the budget allocated to specialty advertising (in ₺ and percentage) and distributing advertising specialties at Christmas.

Pharmaceutical firms preferred to obtain the specialty item mostly from domestic manufacturers. It won't be wrong to say that the firms tend to avoid the middle men, in order to reduce their expenditures of specialty advertising. On the other hand, domestic marketing firms or distributors were the second preferred group to obtain specialties. Only a few firms consult and delegate their advertising agencies when distributing advertising specialties. In addition, the effectiveness of these advertising agencies in the field of specialty advertising remained

at a moderate level. It can be also concluded that, one third of the companies contacted were working with advertising agencies for their promotional activities.

All the firms contacted, pointed out that their target group was primarily the doctors. The second group was the pharmacists to whom specialties were widespreadly distributed. A striking point was that, the firms that produce birth-control drugs, directed their distribution of advertising specialties to the end users -to women- through pharmacies.

Brand image was primarily emphasized by the firms whereas brand image paired with company image was also emphasized, to a large extent. On the other hand, the multinational companies seemed to be more inclined to emphasize the company image which was well-known throughout the world.

All the firms distributing specialties mentioned that they made follow-up studies to evaluate the performance of their advertising specialty campaigns. The reports coming from various regions and sales forces opinions were the data used by all these firms. Some of the firms also got the opinions of physicians and pharmacists and some others tried to find out the influence of specialties on the sales volume, in addition to the activities mentioned above. Another interesting result was that, one of the firms conducted research through its headquarter personnel in order to be more objective.

While studying the factors influencing the success of a specialty campaign, the most important factor was found to be the quality of the specialty item. Secondly, the price factor also played an important part in the success of a specialty advertising campaign.

When the impression was negative after the follow-up study, half of the companies contacted, tried to find another specialty item which would be more interesting and effective. Nearly 40 percent of the firms tended to change the source of supply that they had obtained the specialty items.

When the impression of the companies was positive, they mostly tended to continue to work with the same sources of supply and search for new and interesting items to improve the effectiveness of specialty advertising activities. Some of the firms went on distributing the same item.

6.2. Implications of the Study

This study has some implications for the firms in the specialty advertising industry, for the firms in the pharmaceutical industry and other sectors, as well as the advertising agencies. Implications for further studies and academics will be also provided.

6.2.1. Implications for the Firms in Specialty Advertising Industry

The Turkish pharmaceutical industry reveals a market of more than 2.5-3 billion ₺ for the firms that deal with advertising specialties. As a customer of specialty advertising industry, pharmaceutical companies have a particularly important role because of the limitations that restrict the use of mass media. Pharmaceutical companies with larger sales volume and larger number of products can be a market segment that tends to allocate more budget to specialty advertising. The multinational companies in the pharmaceutical industry have also great opportunities for promotional activities including specialty advertising.

Pharmaceutical firms distribute specialties mostly for supplementing other promotional campaigns and in introducing new products. New year activities and conference / seminars are also the occasions in which specialties are commonly used. The increasing importance of conference / seminars in the promotion of pharmaceutical products would create additional opportunities for specialty advertising.

In general , firms tend to distribute items with low unit price, in large quantities. Especially in extensive distributions, this tendency becomes more visible, in order to reach every single individual of the target audience.

Pens, memo pads and calendars are the items that are generally and repeatedly selected. Desk-tops, personal products and functional products for the medical people are others that were preferred.

The quality of the advertising specialty item and its pricing are important factors. Presentation and punctual delivery take also an important part in preferring the source of supply to obtain advertising specialties.

Nearly 40 percent of the firms tended to change the source of supply when the impressions were negative. And it is pointed out that negative impressions were mostly caused by the lack of quality. When the impressions were positive, they mostly tended to continue to work with the same source of supply for new and interesting items to improve the effectiveness of the specialty advertising activities. Some of the firms went on distributing the same item. Consequently, firms dealing with specialty advertising business should consider all these points in order to meet the demands.

6.2.2. Implications for the Pharmaceutical Firms and the Firms of Other Sectors

Many implications stated for the firms in the specialty advertising industry are also valid for pharmaceutical firms, since they give the picture of the pharmaceutical industry

with respect to specialty advertising. Almost all the firms tend to distribute.

Specialties and allocate budget for it, at various levels. The mean percentage of the specialty advertising budget in the total promotional expenditures of the pharmaceutical firms is 16.

The primary target group of the pharmaceutical firms is the "doctors" and the second one the "pharmacists". The increase in the use of "over the counter" products, which are sold without doctors' prescription will augment the importance of the pharmacists as a target group in the near future.

It is also expected that in the coming years, specialty advertising would be more widely used by pharmaceutical firms as well as firms of other sectors, as an advertising medium or sales promotion or public relations medium.

As a door opener, advertising specialties can facilitate and reinforce the task of sales people of any company, in addition to supplementing other promotional activities.

6.2.3. Implications for the Advertising Agencies

It was seen that advertising agencies engaged to a limited extent in handling the promotional activities of

pharmaceutical firms. This limitation may be a result of some restrictions related to mass media advertising. The role of advertising agencies in the field of specialty advertising is even more limited, and only four firms consult and delegate advertising agencies for selecting and purchasing specialty items.

The widespread usage of the specialty advertising in the pharmaceutical industry and the expanding role of the advertising specialties in various sectors could create great opportunities for advertising agencies and specialty advertising suppliers and distributors that cooperate with each other. When the role of specialty advertising in supplementing other media is realized it can easily be said that promotional or advertising campaign supported by specialty advertising could be even more effective.

6.2.4. Implications for Further Studies

As previously mentioned this study should be interpreted as a pilot study.

Similar studies could be made in the pharmaceutical industry with a larger sample and by using some index methods concerning the budgets, to reach significant results.

Through more detailed questions, the identification and the image of the specialty advertising industry and the

reasons why specialties are distributed could be more specifically found out.

Another study could focus on the relationship of specialty advertising with some marketing concepts such as segmentation, positioning and branding. Therefore it could be studied how managers relate the specialty advertising to these marketing factors.

Within the pharmaceutical industry, a comparative study can also be conducted, as far as the variables are concerned, such as, sales volume, number of products, structure of the organization, and whether it is a multinational company or not.

Similar studies could be made for various sectors such as, oil industry, detergent sector, tourism, insurance, food and beverage, cosmetics etc.

The use of advertising specialties at the exhibitions and in the conferences / seminars could also be investigated through further research.

A more extensive study could also be made in order to identify the general tendencies of the Turkish firms regardless of the sector.

6.2.5. Implications for the Academics

As mentioned at the beginning of the study, specialty advertising is a medium, which is more commonly used, yet less understood and little research is made in this field as well.

In addition to this, when compared with Western Countries the usage of specialty advertising is relatively low and it is a new field in Turkey. Therefore academic people would be aware of this communication and marketing tool through this study. Theoretical background of the study and its empirical findings would give some ideas to the marketing people for their lectures and research.

Implications made for further studies provide some guidelines with respect to the subjects, scope and sector in which research for specialty advertising would be made.

The specialty advertising industry and the marketing people of the firms could also benefit from these studies.

In the light of theoretical background, conclusion, and implications of the study, some suggestions can be made. Firms dealing with advertising specialties should take into consideration the pharmaceutical industry as an important market. A close relationship with these firms would help the specialty advertising industry to supply new and interesting

items with a good timing.

Among pharmaceutical firms, the ones with larger sales volume and larger number of products are extremely important for the specialty advertising industry since they allocate remarkable budgets. The multinational firms also reveal a great potential with their greater opportunities.

Quality, pricing and presentation as well as the punctual delivery are the important points to be considered by the specialty advertising industry.

Since Turkey is a developing country, with its rapid and sustained growth of the marketing activities, specialty advertising would be more widely used by different sectors as an advertising, sales promotion or public relations medium.

On the other hand, a great working cooperation among the firms, advertising agencies and suppliers / distributors of specialty advertising would lead to more effective promotional campaigns.

Apart from these, the expanding role of the service sector would create additional opportunities for the specialty advertising industry. Being physical products, the "thingness" of the specialty items might enable the firms in the service

sector, to differentiate their intangible products through a tangible medium.

Appendix 1 : LIST OF PHARMACEUTICAL COMPANIES CONTACTED :

1. Eczacıbaşı İlaç Sanayi ve Ticaret A.Ş.
2. Fako İlaçları A.Ş. (Turgut Holding)
3. Roche Müstahzarları Sanayi Ltd. Şti.
4. Bifa-Birleşik Alman İlaç Fabrikaları T.A.Ş. (Bayer)
5. Mustafa Nevzat İlaç Sanayi A.Ş.
6. Dilpa İlaç Sanayi ve Pazarlama A.Ş. (Deva Holding İlaç Sanayi)
7. Sandoz İlaç Sanayi Ltd. Şti.
8. Pfizer İlaçları A.Ş.
9. Ciba-Geigy İlaç Sanayi A.Ş.
10. Türk HoechstSan. Tic. A.Ş.
11. Bilim İlaç Sanayi ve Tic. A.Ş.
12. Wyeth Laboratuvarları A.Ş.
13. Birsan Birleşik San. A.Ş.
14. Doğu İlaç A.Ş.
15. Medika İlaç A.Ş. (Organon)
16. Atabay İlaç Fabrikası Ltd. Şti.
17. Abdi İbrahim İlaç San. Tic. A.Ş.
18. Ali Raif İlaç San. A.Ş.
19. Sifar İlaçları A.Ş.
20. Santa Farma İlaç San. A.Ş.
21. Dr. F. Frig İlaç ve Ticaret Ltd. Şti.
22. Glaxo Sağlık Ürünleri San. ve Ltd. Şti.
23. Nobel İlaç San. Tic. A.Ş.
24. Embil İlaç Sanayi Ltd. Şti.
25. Yeni İlaç ve Hammaddeleri San. Tic. A.Ş.
26. Saba İlaç Sanayi Tic A.Ş.

Appendix 2 : A SAMPLE QUESTIONNAIRE :

Firma adı :
 Ürünleri :
 Kuruluş Yılı :
 Personel Sayısı :
 Satışları (1985) :
 Yabancı Ortaklığı Var mı ? () Evet () Hayır

1- Reklam ve Tanıtımınızda kullandığınız araçlar nelerdir ?

a- Ayırdığınız bütçe açısından önem sırasına göre numaralayınız.

b- Verimliliği açısından önem sırasına göre numaralayınız.

2- Reklam/Tanıtım faaliyetlerinde bütçenin belirlenmesinde kim karar veriyor ?

- Yönetim Kurulu Başkanı ()
- Yönetim Kurulu ()
- Genel Müdür ()
- Pazarlama Bölümü ()
- Reklam ve Halkla İlişkiler Bölümü ()
- Ürün Sorumluları ()
- Diğer : _ _ _ _ _ ()

belirtiniz.

3- Reklam/Tanıtım bütçesinin reklam ve diğer tanıtım faaliyetleri arasında nasıl bölüştüreleceğine kim karar veriyor ?

- Yönetim Kurulu Başkanı ()
- Yönetim Kurulu ()
- Genel Müdür ()
- Pazarlama Bölümü ()
- Reklam ve Halkla İlişkiler Bölümü ()
- Ürün Sorumluları ()
- Diğer : _ _ _ _ _ ()

belirtiniz.

4- Firmanızda reklam ve diğer tanıtım faaliyetlerini kim yürütmektedir ?

- Pazarlama Bölümü ()
- Reklam ve Halkla İlişkiler Bölümü ()
- Ürün Sorumluları ()
- Komisyonlar ()
- Gerek duyulduğunda bu konudaki çalışmalarını yürütecek kişilere görev veriliyor ()
- Diğer : _ _ _ _ _ ()

belirtiniz.

5- Reklam/Tanıtıma (Promosyon) yönelik hediyeelik eşya veriyor musunuz ?

- () Evet () Hayır
Hayırsa neden?

(Cevabınız hayırsa 10. soruya geçiniz.)

6- Reklam/Tanıtım bütçesinin Reklama yönelik hediyeelik eşyaya ayrılan bölümü (1985) :

7- 1985 yılında reklama yönelik hediyeelik eşya için yapılan harcamaların tutarı nedir ?

8- 1986 yılında reklama yönelik hediyeelik eşya için ne kadar bir harcama planlanmaktadır ?

9- Firmanızda reklama yönelik hediyeelik eşya dağıtma kararı kime aittir ?

- Yönetim Kurulu Başkanı ()
- Yönetim Kurulu ()
- Genel Müdür ()
- Pazarlama Bölümü ()
- Reklam ve Halkla İlişkiler Bölümü ()
- Ürün Sorumluları ()
- Diğer : _ _ _ _ _ ()

belirtiniz.

10- Reklam hizmetlerinizi yürüten ajans veya ajanslar var mı?

() Evet

() Hayır

İsimleri :

(Hayırsa 14. soruya geçiniz)

11- Ajansınızın size sunduğu hizmetler nelerdir?

12- Reklama yönelik hediyeelik eşya konusunda öneri getirmede (Hediyeelik eşya dağıtma kararı) ve dağıtılacak ürün seçiminde ajansınızın rolünü nasıl değerlendiriyorsunuz?

+-----+-----+-----+-----+-----+-----+-----+-----+-----+
1 2 3 4 5 6 7 8 9 10

Hiç

Etkili

Değil

Çok

Etkili

13- Ajansınızın çalışmalarınızdan memnunmusunuz ?

- Çok ()

- Oldukça ()

- Az ()

- Hiç ()

- 14- a) Geçen yıl boyunca hangi durumlarda hediyeelik eşya dağıttınız ? Yoğunluk açısından önem sırasına göre numaralayınız.

ÖNEM SIRASI

- Kuruluş Günleri ()
- Yıl Başları ()
- Konferanslar/Seminerler ()
- Reklam ve diğer tanıtım kampanyalarının tamamlayıcı bir parçası olarak ()
- Yeni ürün tanıtımı ()
- Sektörün Dönemselliği ()
- Rekabet ()
- Geçmiş yılların bir alışkanlığı olarak ()
- Diğer : _ _ _ _ _ ()

belirtiniz.

- b) Hiç reklam hediyeiliği dağıtmazsanız bile aşağıdaki durumların hangilerinde reklam hediyeiliği dağıtmayı uygun bulursunuz ?

	ÇU	U	AU	UD
- Kuruluş günleri	()	()	()	()
- Yıl başları	()	()	()	()
- Konferans/Seminerler	()	()	()	()
- Reklam ve diğer tanıtım kampanyalarının tamamlayıcı bir parçası olarak	()	()	()	()
- Yeni ürün tanıtımı	()	()	()	()
- Sektörün Dönemselliği	()	()	()	()
- Rekabet	()	()	()	()
- Geçmiş yılların bir alışkanlığı olarak	()	()	()	()
- Diğer : _ _ _ _ _	()	()	()	()

ÇU=Çok Uygun U=Uygun AU= Az Uygun UD=Uygun Değil

15- Ürün yaşam süresi açısından aşağıda belirtilen devrelerin hangisinde reklam hediyeği dağıtıyorsunuz ? (% olarak belirtiniz)

- Yeni ürün tanıtımında : % . . .
- Satışların artma devresinde : % . . .
- Satışların azalma devresinde : % . . .

16- Reklam hediyeğilerinde vurgulanan imaj açısından aşağıdakileri önem sırasına göre numaralayınız.

- Marka İmajı ()
- Kurum İmajı ()
- Genelde bunların hepsini içeren bir tanıtım ()
- Diğer : _ _ _ _ _ ()

belirtiniz.

17- Dağıttığınız reklam hediyeğiler kimlere yönelik oluyor ? Önem sırasına göre numaralayınız.

Önem Sırası

- Doktorlar ()
- Eczacılar ()
- Veteriner Hekimler ()
- İlaç Toptancıları ()
- Hemşireler ()
- Hedef alınan özel bir grup varsa belirtiniz: _ _ ()

18- a) Reklam hediyeğilerini hangi kanallar aracılığı ile elde ediyorsunuz? Lütfen her satırında bir kutu işaretleyiniz.

Sürekli Genellikle Bazen Hiçbir Zaman

- Yurtiçi Üreticilerden () () () ()
- Reklam Ajanslarından () () () ()
- Yurtdışı Üreticilerden () () () ()
- Yurtiçi Pazarlamacı Firmalardan () () () ()
- Yurtdışı Pazarlamacı Firmalardan () () () ()
- Yurtdışındaki yabancı ortaklıktan () () () ()
- Diğer: _ _ _ _ _ () () () ()

belirtiniz.

b) Hatırladığınız Firma isimleri :

19- Geçmiş yıllarda reklam hediyeelikleri dağıtırken seçtiğiniz belirli ürünler var mıydı?

() Evet

Neler :

() Hayır

(Hayırsa 22. soruya geçiniz)

20- Belirli ürün ya da ürünlere yönelmenin nedenleri sizce ne olabilir? Önem sırasına göre numaralayınız.

- Tanınmış bir markayı reklam hediyeeliği olarak vermek ve bunun yararlarına inanmak (Vakko Eşarp, Cross kalem gibi) (
- Farklı ve ilginç ürünler bulmak için yeterli zamanın olmayışı (
- Farklı ve ilginç ürünlerin bulunabileceği Kurumların/ Yerlerin bilinmemesi (
- Belirli bir ürünün verilmesinin alışkanlık haline gelmesi (
- Çalıştığınız Reklam Ajansı hep aynı ürünün verilmesini destekliyor (
- Reklam hediyeeliklerinin dağıtıldığı kesimlerden aynı ürüne yönelik talep gelmesi (
- Diğer: _ _ _ _ _ (

belirtiniz.

21- Reklam hediyeelikleri olarak kullanım alanları açısından ne tür ürünler seçiyorsunuz? Önem sırasına göre numaralayınız.

- Kişisel Ürünler ()
- Masa üstü setleri ()
- Masa üstü setleri dışında Büro'da kullanılanlar ()
- Evde kullanılanlar ()
- Otomobilde kullanılanlar ()
- Meslekle ilgili kullanımı olan fonksiyonel ürünler ()
- Diğer : _ _ _ _ _ ()

belirtiniz.

22- Reklam hediyeelikleri dağıtırken aşağıdakilerden hangisi sizce en önemlidir?

- Miktar olarak az ama kaliteli/pahalı malzeme dağıtmak ()
- Miktar olarak çok ama birim fiyatı düşük malzeme dağıtmak ()
- Ne miktarda olursa olsun kaliteli malzeme dağıtmak ()
- Ne miktarda olursa olsun birim fiyatı düşük malzeme dağıtmak ()
- Diğer : _ _ _ _ _ ()

belirtiniz.

23- Dağıttığınız reklam hediyeleklerinin amaca ulaşmak açısından sonuçlarını izliyor musunuz?

() Evet

() Hayır

Cevabınız evetse nasıl izliyorsunuz?

24-a) Reklam hediyelekleri konusundaki çalışmalarınızda olumlu ve olumsuz olarak nitelendirdiğiniz birer olayı anlatır mısınız

b) Olumlu ve olumsuz durumları yaratan faktörler sizce nelerdir? (Önem sırasına göre numaralayınız)

- Ürünün kalitesi ()
- Ürünün türü ()
- Ürünün fiyatı ()
- Zamanlama ()
- Sunuş (baskı, ambalaj vs.) ()
- Diğer _ _ _ _ _ ()

5- İzlenimler olumsuz olduğunda ne yapıyorsunuz?

- Aynı ürünün reklam hediyeleği olarak dağıtılması sürdürülüyor. ()
- Verilen ürünün eksikleri giderilip, kalitesi yükseltilerek dağıtılmasına devam ediliyor. ()
- Reklam hediyeleklerine ayrılan bütçe arttırılarak daha etkin bir kampanya için çalışılıyor. ()
- Reklam hediyelekleri yerine daha başka bir reklam/tanıtım çalışmasına ağırlık veriliyor. ()
- Reklam hediyeleklerine ayrılan bütçe ya azaltılıyor ya da tamamen kaldırılıyor. ()
- Başka ürün arayışı içine giriliyor. ()
- Reklam hediyeleklerinin sağlandığı kurum değiştiriliyor. ()
- Diğer : _ _ _ _ _ ()

belirtiniz.

6- İzlenimler olumlu olduğunda ne yapıyorsunuz?

- Aynı ürünü vermeye devam ediyoruz. ()
- Aynı kurumla çalışmaya devam ediyoruz. ()
- Aynı kurumla çalışmaya devam edip daha farklı ve ilginç ürün arayışı ile olumlu etkiyi arttırmaya çalışıyoruz. ()
- Aynı ürünü vermeye devam edip aynı kurumla çalışmayı sürdürüyoruz. ()
- Daha yeni ve ilginç ürünleri bulmak amacı ile farklı kurumlar arayışı içine giriyoruz. ()
- Diğer : _ _ _ _ _ ()

belirtiniz.

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