LI BUSINESS



ORDER EARLY or FACE DELAYS

Thats the advice from products firms as holiday gifting season approaches

he promotional products industry felt the impact of covid shutdowns last year, but has been steadily recovering since earlier this year. Now it faces yet another challenge: A global supply chain crunch is making it difficult to get products from overseas for this holiday gifting season.

That means promotional prod-



ucts firms are encouraging clients to move fast in placing holiday orders or potentially risk not getting their gifts in time.

"Supply chain issues that are being experienced across industries are also being felt acutely in the promotional products space and that stands to make corporate gifting more compli-cated this year," says Christo-pher Ruvo, digital news director for the Pennsylvania-based Advertising Specialty Institute (ASI), a membership organiza**Andrew Janosick, of Proforma Executive Business Services in** Bohemia, left, expects supply chain delays to carry into 2022.

tion serving the \$20.7 billion promotional products industry

Supply chain issues

Impacting the global supply chain are such factors as congestion at key ports, insufficient labor and domestic transport capacity, skyrocketing costs for shipping, and power shortages in China, he says, noting that China is where the majority of promotional products sold in the United States are produced.

"It's like everything happening all at once," says Ruvo.

Still, "the challenges are by no means insurmountable if approached the right way," he says.

The biggest takeaway is companies need to place their orders as far in advance as possible because getting product in a timely fashion can be more challenging, Ruvo says.

Mark Angarola, co-founder of Point Lookout-based Hard-Hats, a startup that plans to launch a mobile app later this year that connects construction companies with skilled labor, knows this first hand.

The firm ordered branded long-sleeved T-shirts to give out to potential customers and clients in early August and they took over a month to arrive.

'Usually it's a quick turnaround," he says.

That was a wake-up call and Angarola will be getting a jump on holiday gift orders for employees and clients.

"Normally we wouldn't look to be ordering until closer to November," he says. Instead, he will be placing the order by mid-October with their promo company, Sir Speedy.

Evan Bloom, co-owner of the Westbury, Hauppauge and Melville franchise of Sir Speedy, a print, signage and marketing company, said he started to feel the supply chain crunch at the end of spring.

He does a lot of apparel orders and T-shirts have some of the biggest backlogs. He used to get T-shirts within three days and now it can be more than a month for some styles. Local silk screening and embroidery companies are also backed up, he says.

They're telling us instead of a five-to-10 day turnaround, they want 15-20 day turnaround," Bloom says, describing this corporate gifting season as chaotic. "We're telling customers to order early, but most don't start thinking about



Evan Bloom, co-owner of three Sir Speedy franchise locations on LI, says items that used to arrive quickly now can take over a month.



Mark Angarola, of startup HardHats in Point Lookout, says he's placing holiday orders for custom items now.

holiday orders until Nov. 1."

It's mid-October to Thanksgiving when traditionally most orders come in for the industry, says Leo Friedman, CEO of Chicago-based iPromo, a supplier of promotional products and gifts that works with over 45,000 companies.

But clients can't wait that long if they want a guarantee of their gifts, he says. He said delays could be up to eight weeks or longer.

Clients will also be faced with limited selection and limited colors, he says, noting some hard to get items could include JBL Bluetooth speakers and Apple charging devices.

"They need to taper expectations of what they're able to get this holiday season," Friedman

Customers also should expect price increases given rising shipping costs, with freight being five to eight times more expensive than pre-pandemic, he says. Friedman says he's absorbed some of the costs — as much as 20% on certain promo items but has had to pass some increases on to customers.

In preparation for supply chain shortages, iPromo has in-

THE COVID EFFECT

■ COVID-19's disruption caused promo distributors' collective sales to decline year-over-year for five straight quarters through Q1 2021. But that stopped in the second quarter, with distributors' sales increasing **27.3%** on average, compared with the same period in 2020. But compared with the second quarter of 2019 (pre-pandemic), Q2 2021 revenue was down nearly 30%. **SOURCE:** ASI

creased offerings of promotional products that might be easier to get, such as gift cards they can put in branded packaging and alcohol.

Bloom of Sir Speedy says he's also encouraged customers to be flexible and consider print products he can produce in-house like branded Post-it notes.

Don't procrastinate

And it's not just holiday gifting companies should worry about, but even event giveaway needs for early 2022, says Andrew Janosick, a partner at Proforma Executive Business Services, a Bohemia-based printing and promotional products firm.

"Anyone doing January product launches, early 2022 trade shows or kickoffs should really get a jump on those orders now too because delays will carry into the New Year," he says.

He's reached out to clients and gave them a soft deadline of having their orders in by Oct. 15 if they want to get their holiday gifts in time.

Due to the supply chain crunch he's diversified and added suppliers, but there's still delays. "This is not the year to procrastinate," Janosick says.