

Why Everything is Going to Get More Expensive

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Have your grocery bills been increasing lately? Does everything seem more expensive? If you're feeling the pinch, you're not alone - prices *have* been increasing, and we foresee that everything is going to be more expensive in the coming months - even promotional products.



Lockdowns shut factories and workplaces, and most people (except essential service workers) started working from home.

COVID SHUT THE WORLD DOWN

1 SHIPPING DELAYS & PRICE INCREASES

Container prices go up by 4-5 times more, while delays of 1-2 weeks are common. Ports have reduced capacity to process loading/unloading due to health protocols restricting the number of people allowed.

2 DEPLETED INVENTORY OR SHORTAGE

Lockdowns meant people spent more time in their homes, and they wanted to be comfortable while doing it. Cue new home office furniture, exercise equipment and hobbies - and they buy out the retailers' stock for the year.

3 CURRENCY FLUCTUATIONS

Retailers typically pay their overseas suppliers in USD, who then pay their workers in local currency. With a weaker dollar tied to so many global currencies, overseas suppliers have to raise their USD prices to compensate.



Chris Rogers, supply-chain analyst at S&P Global Market Intelligence Panjiva

PRICE INCREASES

With price increases from so many different directions on the suppliers side, the costs are no longer sustainable on their end - and they have to pass it down to the consumers aka you and me.

“SOMEONE'S GOING PAY FOR THAT. IT'S EITHER GONNA COME OFF THE COMPANY'S PROFITS, OR THEY'RE GONNA PASS IT THROUGH TO THE CONSUMERS. THE LONGER (THE SITUATION) LASTS, THE MORE LIKELY IT IS THAT CONSUMERS ARE GONNA PAY FOR IT.”

INCREASED SHIPPING COSTS
WEAK U.S. DOLLAR
INCREASED RAW MATERIAL COSTS

GOODS



How is this going to affect promotional products?

1 OUT OF STOCK ITEMS

When items run out of stock, that might be it (for now). Although we'll always try to give you what you're looking for, we hope you'll understand if we let you know that a particular product / colour / style is out of stock.

2 MORE EXPENSIVE

With the rise in shipping prices, raw materials and a weakened U.S. dollar, our suppliers have been informing us about their price changes for the foreseeable future. That means the next time you order promo products, your bill might be higher. You might want to buy more of something (if you know you're going to reorder in the future).

3 LONGER WAITS

If you have your heart set on a particular product for your marketing campaign, order early. Although our suppliers have been restocking their products months in advance, no one knows for sure when new inventory will arrive due to shipping congestion delays.



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If you've enjoyed this infographic, we would appreciate it if you would share it with someone who would find it helpful!

Source: outstandingbranding.ca/blog/why-everything-more-expensive