



InComm's 2018 Holiday Shopping Index

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- In-Store Shopping Is Still the Preferred Way





Introduction

For 11 years running, the National Retail Foundation (NRF) has found that gift cards are the most requested gift among consumers in its annual holiday forecast survey. Out of all the other categories NRF asked about – like clothing, consumer electronics and jewelry – gift cards have come out on top for more than a decade.

For our 2018 Holiday Shopping Index, we wanted to find out if this finding was a gift request being met by holiday gift givers. In other words, are holiday gift recipients getting what they truly want?

We sought to understand consumer's intended holiday shopping plans for this season, how gift cards factor into their gift-giving plans and their attitudes toward giving gift cards as holiday gifts.

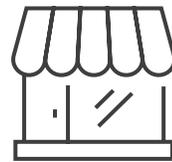
Our key findings include:



Gift cards are supreme among people who buy holiday gifts, and they are viewed as personal and meaningful as any other gift.



Gift card pairing – combining a gift card with another item – is an increasing trend this holiday season. It adds even more meaning to holiday gifts and leads to incremental sales for retailers.



In-store shopping is an important part of the holiday experience for gift givers. Online shopping has not outpaced brick-and-mortar holiday shopping.



Gift Cards Are Supreme Among People Who Buy Holiday Gifts

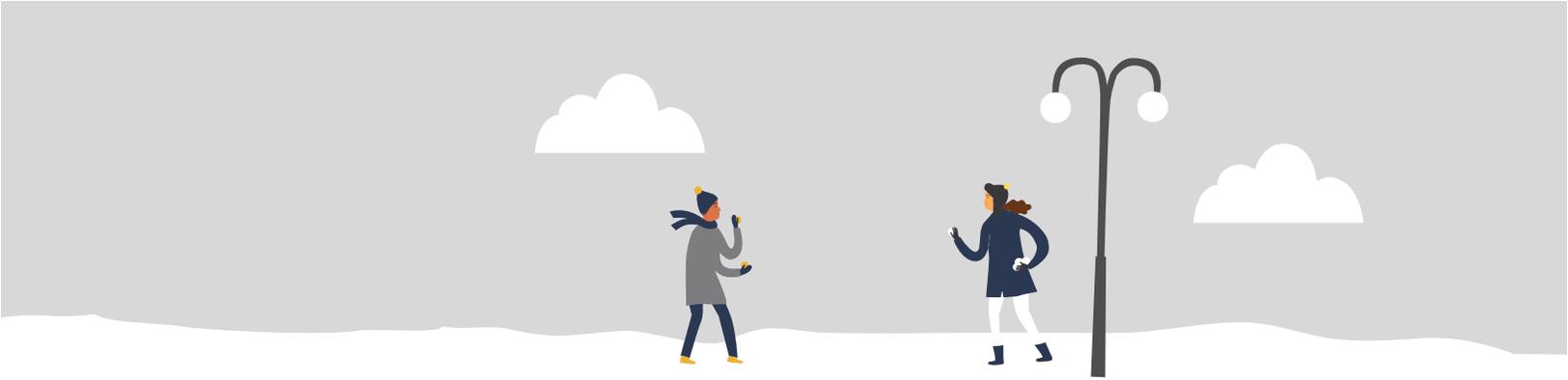
In our 2018 Holiday Shopping Index, we found that gift giving is the number one holiday activity with 65 percent of respondents indicating they will participate this holiday season. Out of 12 different gifting categories that holiday shoppers could choose from, gift cards and clothing were the top picks for holiday gift givers this year. This new data shows that the most requested gift – gift cards – is being met by gift givers.

Not only do gift cards top the list, but many gift givers plan to give gift cards to everyone on their holiday shopping list, including their immediate family, which bucks the belief that gift cards are considered impersonal, last-minute gifts. Our study unveiled that gift givers will buy on average seven gift cards for their family members this holiday season.

Number of gift cards givers plan to give to each recipient

CHILDREN	2
SPOUSE/PARTNER	1
PARENT	1
OTHER FAMILY MEMBERS	3
FRIENDS/NEIGHBORS	2
COWORKERS	1
TEACHERS/COACHES	2
SOMEONE ELSE	2





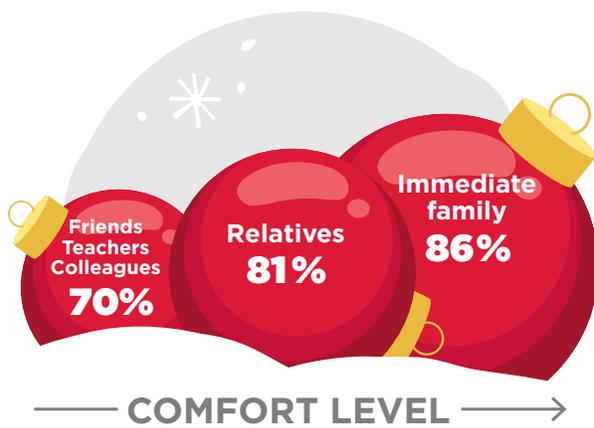
When asked why consumers like to give gift cards during the holidays, there was a strong correlation between how close the person was to the giver and how likely they would be able to choose a gift card brand that they know their recipient likes.

Gift givers have no problem giving gift cards to family members because they are confident that they're going to select a brand that their close family member will enjoy.

On the reverse, the more removed the relationship to the gift giver, the stronger the correlation that the giver picked out a gift card because they don't know exactly what the recipient wants.

In our study, 86 percent of consumers reported that when they receive a gift card, it is for a specific brand that they like, meaning that well over three-fourths of the time gift card givers get it right.

Perhaps this is the strongest reason that gift card leads the gifting list this holiday season as well as in prior years. It can be gifted to a wide range of consumers no matter the relationship to the gift giver. Additionally, our research shows that gift cards are considered as thoughtful and personal as any other gift.



**Gift givers overall felt comfortable picking out the right gift card for their intended recipient; however, their comfort level increased with the closeness of the relationship.*



“My husband gets me gift cards every year and I love them because I can go shopping, get what I want, and [it] doesn't cost me.”



Gift Card Pairing Adds More Meaning to Holiday Gifts Leading to Incremental Sales for Retailers

Not only will consumers be buying gift cards this holiday season, but they will also be pairing the gift card with another item, which is the most popular way to give a gift card this holiday season.



Sending the gift card in a greeting card and combining the gift card with another gift tied for the top choice as the preferred way to give a gift card representing 66 percent of responses. Another 12 percent of respondents give the gift card with a homemade item.

This trend of gift card pairing adds even more meaning and personalization to the gift. For example, for the movie-loving gift recipient, the giver may pair a streaming gift card with a bag of popcorn. For the music lover, the giver may pair an iTunes gift card with earbuds. Adding the popcorn or earbuds allows the giver to get creative with the presentation of the gift.



“I do add another gift with the gift card, and that does add a personal touch such as a book, box of their favorite candy, etc.”

Whether the gift card is paired with a greeting card, another similar item or a homemade gift (in which the maker will have to buy the components), retailers can capitalize on gift card givers’ plan to spend extra money in the store.

A greeting card rack that’s strategically placed near the gift card mall or home improvement gift cards in the home improvement aisle can provide an opportunity for retailers to generate more revenue this holiday season and make the gift card shopping experience more convenient for their customers.



In-Store Shopping Is Still the Preferred Way to Buy Gifts this Holiday Season

A common question among retailers each holiday season is how well in-store holiday shopping will fare.

Our research shows that brick and mortar holiday shopping is the primary way that consumers anticipate buying holiday gifts this year.



According to our study, 50 percent of consumers expect to do nearly all their holiday shopping in a store. An additional 35.1 percent of consumers will do a moderate amount of shopping in a store. Only 1.3 percent said they wouldn't do any in-store holiday shopping.

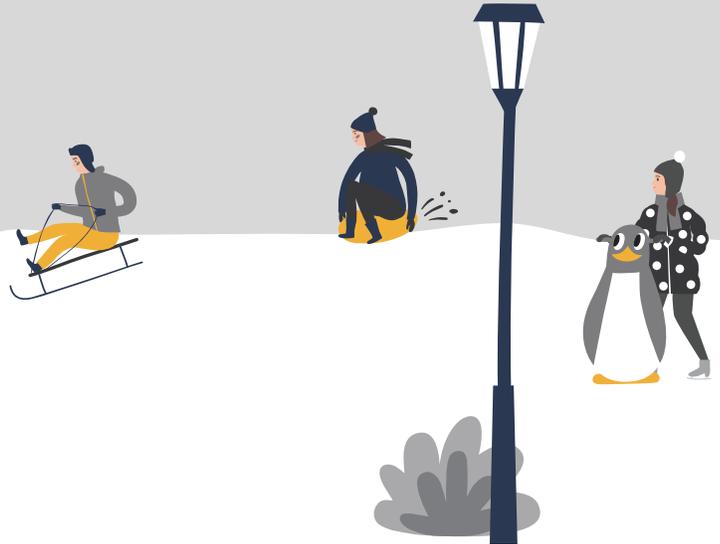
The survey went on to ask, "What do you like most about holiday shopping in person?"

Close to 40 percent of the respondents indicated that shopping in store gets them in the holiday mood. Another 20 percent said they might come across something in store they wouldn't find online, an interesting finding that shows that gift givers are motivated to shop in store to ensure they are aware of all viable gifting options.

This is welcome news for retailers who are constantly challenged by the notion of the brick and mortar retail apocalypse. Consumers have indicated that they view holiday shopping as not merely a means for buying holiday gifts but as part of their entire holiday experience. In fact, nearly 21 percent of respondents said what they like the absolute most about holiday shopping are the festive decorations, displays and sounds of the season at a retail store.



Conclusion



Gift cards reign supreme among not only gift recipients but also gift givers.

The reason they continue their holiday reign lies in their flexibility and versatility as a gift option, which suits a wide range of consumers. Our survey found that it is a preferred gift for immediate family because the giver knows exactly the brand of gift card her recipient will enjoy. When a giver doesn't know the person well, a gift card allows the recipient the ability to pick out what they want rather than the giver taking a guess and potentially getting it wrong.

Gift card pairing will trend this holiday season. Seventy-eight percent of gift card givers are pairing the gift card with another item to add even more personalization to their gift. This is a significant opportunity for retailers to capitalize on incremental sales from gift cards.



“Useful gift cards are a better alternative to giving frivolous gifts that won't be used. I tend to be a practical person, as is my daughter, and we both like gift cards along with other gifts.”

Finally, brick-and-mortar retailers can expect a healthy amount of in-store holiday shoppers this season. Our study suggests that holiday shopping is not just about the act of buying gifts, but it's also one of the ways that consumers get in the holiday mood, making brick-and-mortar retailers an essential part of their holiday experience.

• FOOTNOTE:

- The survey data compiled in this report was collected between September 12-14, 2018
- via an online survey and drew on the responses of 2,433 U.S. consumers about their
- intended gift-giving habits and attitudes for the 2018 holiday season. Respondents
- were naturally distributed among Millennials, Gen X and Baby Boomers.

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