



PARTNER
COUNCIL 2020

BrandedPay Report - 2020

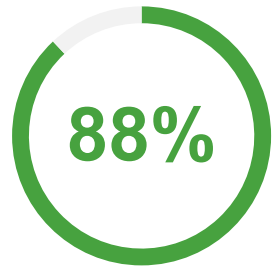
How People Shop, Reward and Pay

Theresa McEndree, VP, Marketing



Adapting to the New Normal

Digital Wallets



88% of shoppers surveyed use a digital wallet of some kind



Before the pandemic hit, fewer than **38% of Americans** said they were using digital wallets to make purchases more or as often as the year before



As the economy reopened, that number jumped to **55%**



1 "BrandedPay: How People and Brands Connect Through Payments" is based on the findings of an internet-based survey conducted by Leger on behalf of Blackhawk Network between February 12 and March 17, 2020. The sample size included over 12,000 respondents in eight countries.

2 The "COVID U.S. Consumer Preferences" study is based on findings of an internet-based survey conducted by SurveyMonkey on behalf of Blackhawk Network on May 22, 2020. The sample size included 1,019 U.S. respondents.

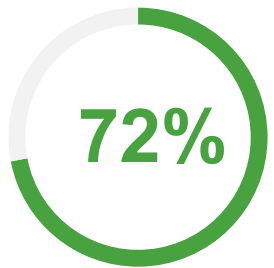
Digital Gift Cards



Of shoppers have purchased or received a digital gift card

3X

Increase in virtual Mastercard and Visa sales YTD



72% of digital incentive recipients report high levels of satisfaction adding the cards to a digital wallet



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Online Shopping

- 53% of shoppers surveyed across the countries shop more frequently online than they do in-store, and regularly shop from mobile devices
- Four-in-ten shoppers across the countries surveyed are using their mobile phones and/or a mobile app to shop online
- 39% of shoppers surveyed across countries have made more online purchases this year than last
- 61% of shoppers surveyed across countries currently make purchases within retailer apps.
 - In the U.S., before the pandemic, just 21% of U.S. consumers were making purchases in retailer apps more often than last year.

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Navigating The Changes

- 55% of consumers feel safe shopping at physical retail locations, but 44% report being unlikely to return to their normal shopping behaviors even as stores reopen
- 78% of consumers expect permanent changes to shopping experiences as a result of COVID-19
- Nearly 70% of consumers are now more likely to shop online with retailers that offer curbside pick-up options



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Impact on Consumer Promotions

- 65% want brands to promote and advertise like they did before COVID-19
- 48% I am looking for special “After COVID-19” sales offers
- 44% I feel negatively when brands reference COVID-19 in promotions and discount

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**Consumers'
digital shift
should drive
reward strategy
innovation**

Holiday Gift Card Trends

Big Spenders—Highest Denominations



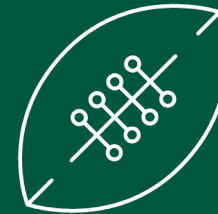
Specialty Retail



Home Goods



Department
and Big Box

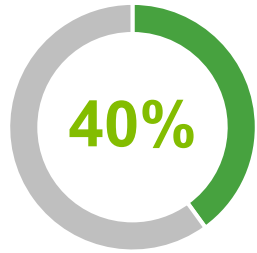


Outdoors and
Sporting Goods

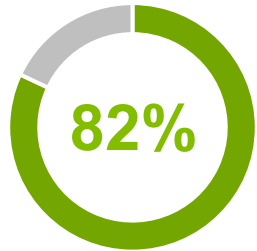


Electronics
and Toys

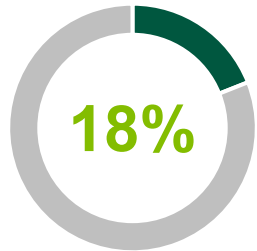
Employee Sentiment This Holiday Season



Anticipate getting a holiday gift from their employer



Would like to receive a gift card from their employer



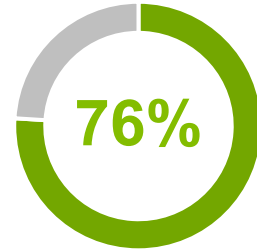
Lower than 2019

The "Receiving Incentives and Rewards from Your Employer" study was an internet-based study conducted by SurveyMonkey on behalf of Blackhawk Network between March 24-25, 2020. The sample size included 1,718 working U.S. employees 18-60.

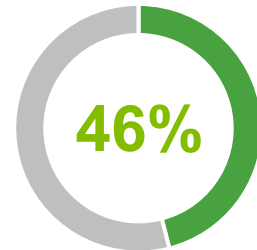




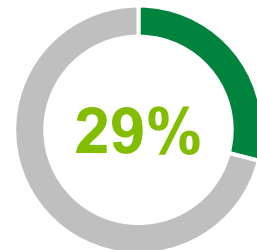
Gift Cards Are The Preferred Holiday Gift



They can choose what they want




Gift cards can be delivered physically and digitally



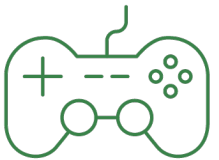
Recipients can re-gift the gift card
In 2019, only 12% of employees were interested in re-gifting an employer's gift card

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Gift Card Trends by Generation




Online products or services



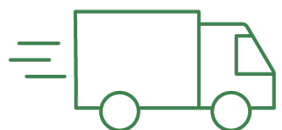
Electronics



Restaurants



Restaurants



Mass merchandisers



Department stores



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Thank You
