BrandedPay™ Holiday 2020 Report
Forecasting a big year for gift cards
Looking to Holiday 2020

This holiday shopping season will be unlike any other year. Consumers are trying to plan around the unknown and are getting ready to celebrate remotely. As the holidays approach with COVID-19 pandemic restrictions in full force in the US, consumers and retailers alike are getting ready to find new ways to connect to friends and family this year.

To understand consumers’ feelings about holiday shopping this year, we conducted a survey of 1,500 Americans in late August, 2020. We combined that data with analysis of our own sales data across 50,000 US merchant locations from the last two years. In the end, we’re forecasting that shoppers are going to shop earlier, shop online more and shop for gift cards specifically more than ever.

The convenience and flexibility that gift cards offer have always been appealing, but this year consumers plan to turn to gift cards to help deal with the uncertainty and difficulty of shopping in 2020.
Some shoppers say that they plan to start holiday shopping earlier this year. Items are out of stock, store hours are restricted, lines are long and everything moves a little bit slower.

28% of consumers surveyed are starting their holiday shopping earlier this year, and many are point to the pandemic as their reasoning.

The top 3 reasons surveyed consumers report they are shopping earlier are:

- They are worried COVID-19 will impact their ability to shop 46%
- They want to avoid crowds and long lines 41%
- They are trying to budget their holiday spending 40%
Turning to Gift Cards

Gift cards are an appealing solution to many of the problems faced by holiday shoppers this year. As a result, they are more interested in gift cards and plan to buy more of them this year.

- 52% say they are more likely to buy more gift cards this year
- 2X 10 gift cards on average—twice as many as last year
- 40% of their holiday gifting budgets are going to gift cards—$313 on average and a 19% increase over 2019
- 82% of surveyed employees would like to receive a gift card from their employers this year

Friends and family have been exchanging gift cards throughout the pandemic, and many of those unused gifts are about to be used.

- 66% of surveyed shoppers have an unused gift card purchased or received during the pandemic
- 72% plan to use them for holiday shopping
- 56% for self-use
- 28% for gifting
Everyone has adapted to 2020 by going digital, and holiday shoppers plan to continue that trend.

- 49% plan to do more holiday shopping online than last year
- 60% of their holiday shopping will be online
- 21% increase in eCommerce gift card sales already this year
- 75% say gift cards are a good option because they can be purchased digitally

Use of eGifts has also grown a lot this year: Blackhawk Network sales data shows that eGifts sold on merchant websites are up 74% over 2019.

A few of the gift card categories that are seeing a lot of growth are also some of the most popular gift card categories for holiday shopping, including:

- 71% increase in home goods
- 29% increase in restaurant
- 18% increase in fashion
Uncertainty and lockdown restrictions have created economic chaos as well, and as a result many members of our communities are struggling. People have responded with an outpouring of charity and support. Shoppers are interested in options like the Giving Good™ gift cards, which donate a portion of the face value of the card to a selected charity.

- 88% plan to make a charitable donation this year
- 30% plan to donate more than last year
- 66% are interested in a gift card that gives back
- 53% are likely to purchase gift cards as a way to give back
Like everything else this year, COVID-19 is impacting shoppers’ holiday plans. Everyone in the US is making plans to celebrate remotely and send gifts to friends and family they won’t be able to visit in person.

This year:

- **57%** are likely to change their gifting habits
- **67%** plan to focus on what others need instead of what they want themselves
- **61%** are likely to send a gift to someone because they have experienced hardship
- **63%** are likely to travel less and buy gift cards instead
The American workplace has been a focus of upheaval during 2020. Office parties and holiday team-building exercises are most likely canceled and many companies are struggling to stay afloat. Fewer employees expect to get gifts from work this year, but those that do would prefer to get gift cards.

**Gifts From Work**

- 40% anticipate getting a holiday gift from their employer
- 82% would like to receive a gift card from their employer
- 18% lower than 2019

**Top 3 favorite holiday gifts:**
- Gift cards
- Cash
- Holiday bonuses

**Employees say they like gift cards because:**
- 76% They can choose what they want
- 46% Gift cards can be delivered physically or digitally
- 29% Recipients can re-gift the gift card

In 2019, only 12% of employees were interested in re-gifting an employer’s gift card.
About Blackhawk Network

Blackhawk Network delivers branded payment programs to meet our partners’ business objectives. We collaborate with our partners to innovate, translating marketing trends in branded payments to increase reach, loyalty and revenue. With more than 1,000 brands and card partners in more than 280,000 retail locations in 28 countries, we connect with more than 300 million shoppers across the globe each week. Join us as we shape the future of global branded payments.