



**BLACKHAWK**  
NETWORK

# With Fewer Shopping Days, Santa Is Going to Need a New Helper

**U.S. holiday 2024  
shopper & gift card insights**







# Holiday Shoppers Will Find a Way

Shoppers are resilient. We've seen this proven again and again over the last few years as economic shocks, supply-chain turmoil and a pandemic have upset established holiday shopping norms. But, still. Whether they shop early or late, in-store or with branded apps, the customers still find a way to celebrate and connect with the people they love.

For retailers, the challenge is to read those changing tides of behavior and understand how customers feel this year. To help everyone make better connections this year, Blackhawk Network (BHN) commissioned a global research study into shoppers, how they're feeling, and what they're planning for this year's festive season. In the U.S., that study included more than 2,000 people, whose responses and attitudes form the basis of this guide.

Grocery prices and inflation are still the top concerns for most people this year. However, new trends are emerging around the invention of AI tools and digital discovery—and around shoppers finding extra money tucked away in loyalty accounts. We dive into all of it so you can build better relationships with shoppers this year.



Insights at the  
heart of payments

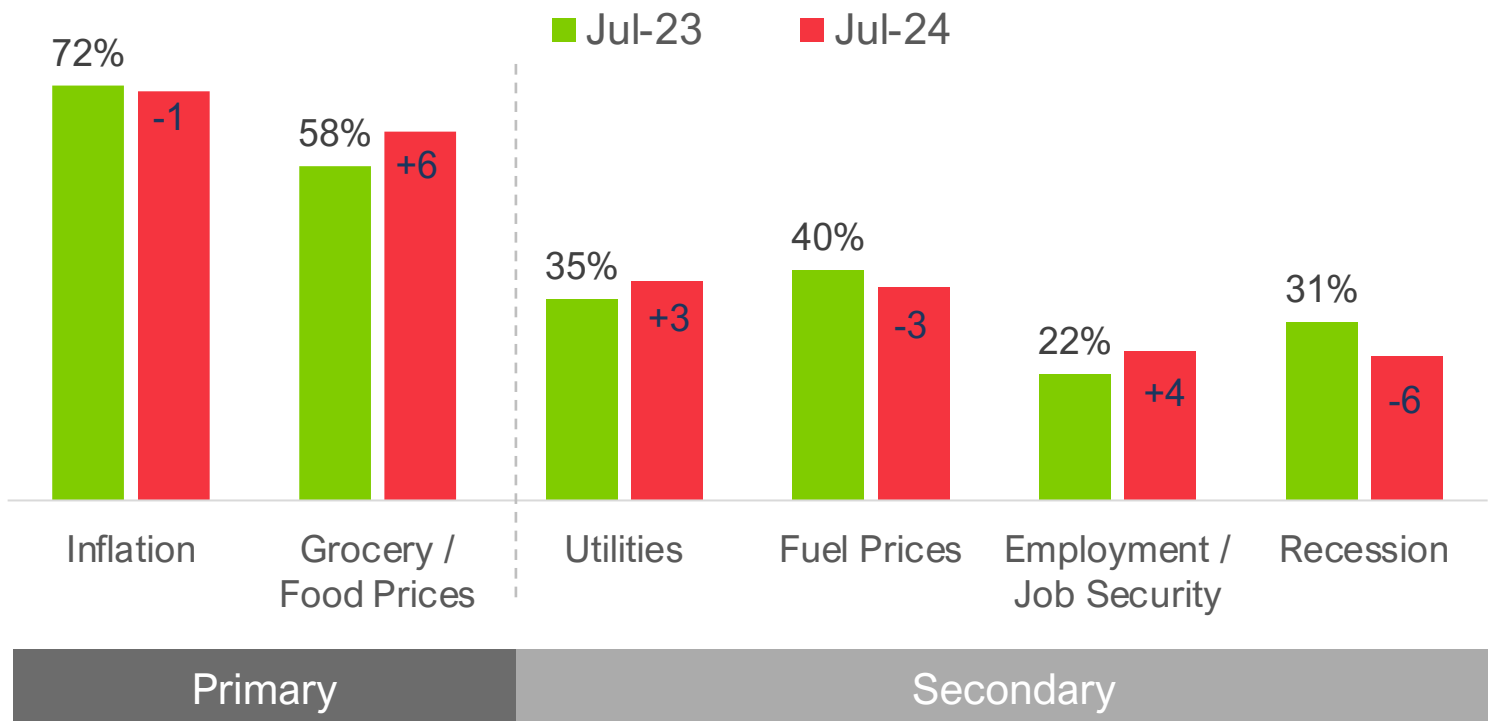
# Proprietary Global Holiday Gifting Research

This July, BHN conducted global research including 20 countries with 2,000 US consumers who are 18+ to better understand consumers' gift card preferences and shopping habits.



# Inflation and Food Prices Remain Top Concerns

## Consumer Top Concerns



## Breakouts



HHI <\$40K

**Food +17**  
**Utilities +8**  
**Fuel +4**



Younger Generations

**+23**  
Employment



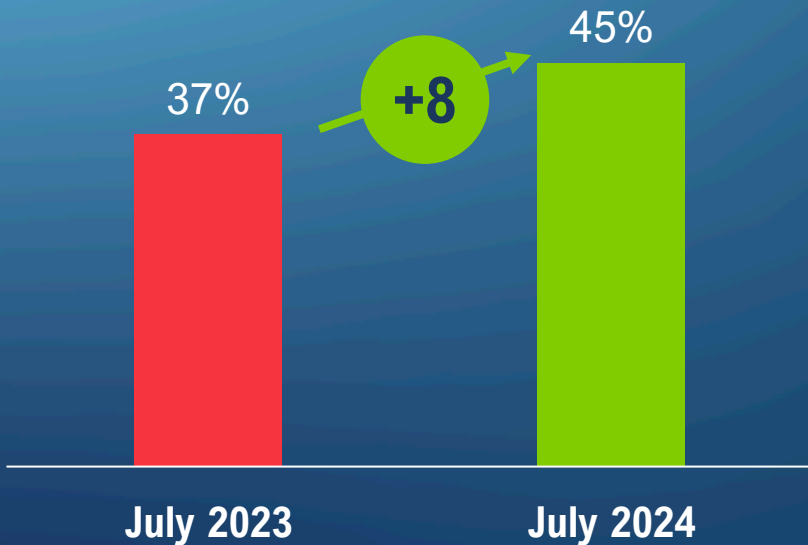
Older Generations

**+11**  
Food Prices

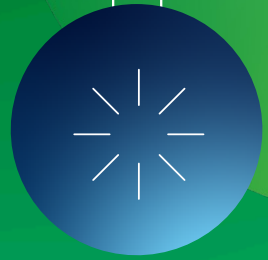


# Shoppers Are Hungry for Deals

% of consumers planning to change their shopping behavior\*



|  | Jul-24 | Change |
|--|--------|--------|
| <b>Primary</b>   |        |        |
| Buying less expensive brands or generic store own brand products | 53%    | +2     |
| Buying more products on sale                                     | 51%    | +4     |
| <b>Secondary</b>   |        |        |
| Buying more products on promotion (i.e. save % or 2 for 1, etc.) | 34%    | +4     |
| Using more vouchers or coupons when shopping                     | 30%    | +5     |
| Buying the same brands / products just fewer of them             | 28%    | +1     |
| Buying products in bulk to reduce costs                          | 26%    | -2     |



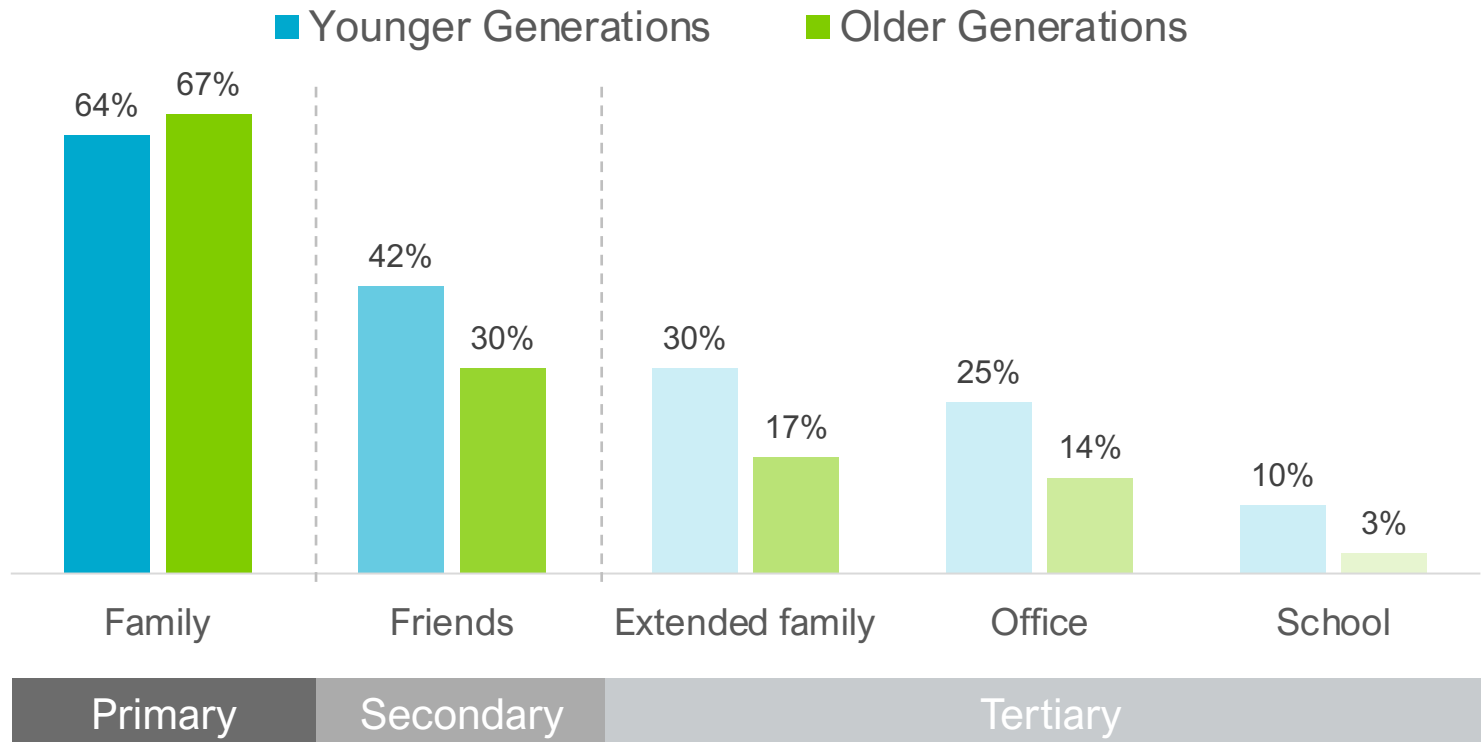
# The Holiday Season Isn't All About One Day





# The Holidays: Multiple Gift Exchanges Across Relationships

## Participation in Holiday Gift Exchanges



## Breakout

### Friends Gift Exchanges

|                |     |
|----------------|-----|
| <b>Gen Z</b>   | 48% |
| <b>Mills</b>   | 39% |
| <b>Gen X</b>   | 36% |
| <b>Boomers</b> | 23% |

**EQ Insight:** Friend holiday gift exchanges are twice as common for Gen Z vs Boomers

# Everyone Remembers a Bad Holiday Gift

“Pair of socks”

“Rooster clock”

“Popcorn”

“Fannypack with the company logo”

“Self-help book”

“T-shirt with the company logo on it”

“Chia Pet”

“Hand sanitizer”

Worst  
Employer  
Holiday  
Gifts





# Help Gifters and Become a Holiday Gifting Destination



**Ask the recipient**  
what they want

## 4 in 10

ask recipient's friends  
and family for gift ideas



**50%** Younger Consumers

vs.

**31%** Older Consumers

## 1 in 4

**check social media** of the  
person they are shopping  
for to get gift ideas



**39%** Younger Consumers

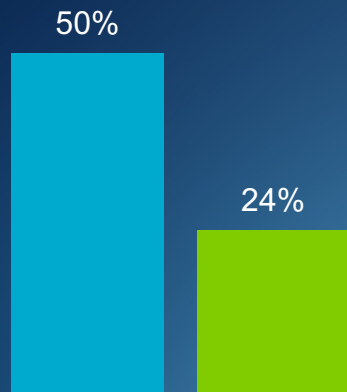
vs.

**13%** Older Consumers

# Prepare for AI's New Role: Santa's Helper

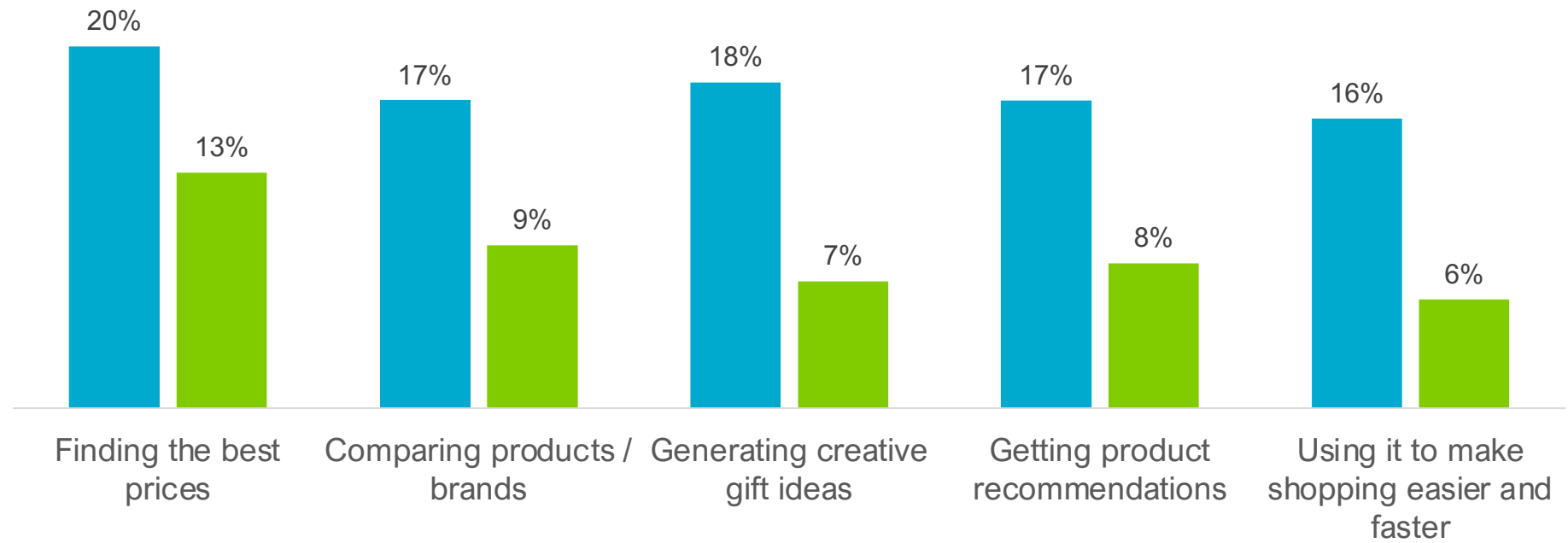
## Plan to use AI for holiday gift shopping

■ Younger Generations  
■ Older Generations



## How AI will be leveraged for holiday shopping

■ Younger Generations ■ Older Generations







# Holiday Gift Recommendations According to AI

**Q**

## What gift should I get my teenage son for xmas?

### ChatGPT Answer

For a teenage son, you might consider the following gift ideas for Christmas:

1. Tech Gadgets
2. Video Games or Gift cards to a gaming platform
3. Fashion
4. Hobbies/Equipment related to his interests
5. Experiences

Think about his interest and hobbies to find something he'll love!



# This Year, Consumers Have **5 Fewer** Shopping Days After Black Friday



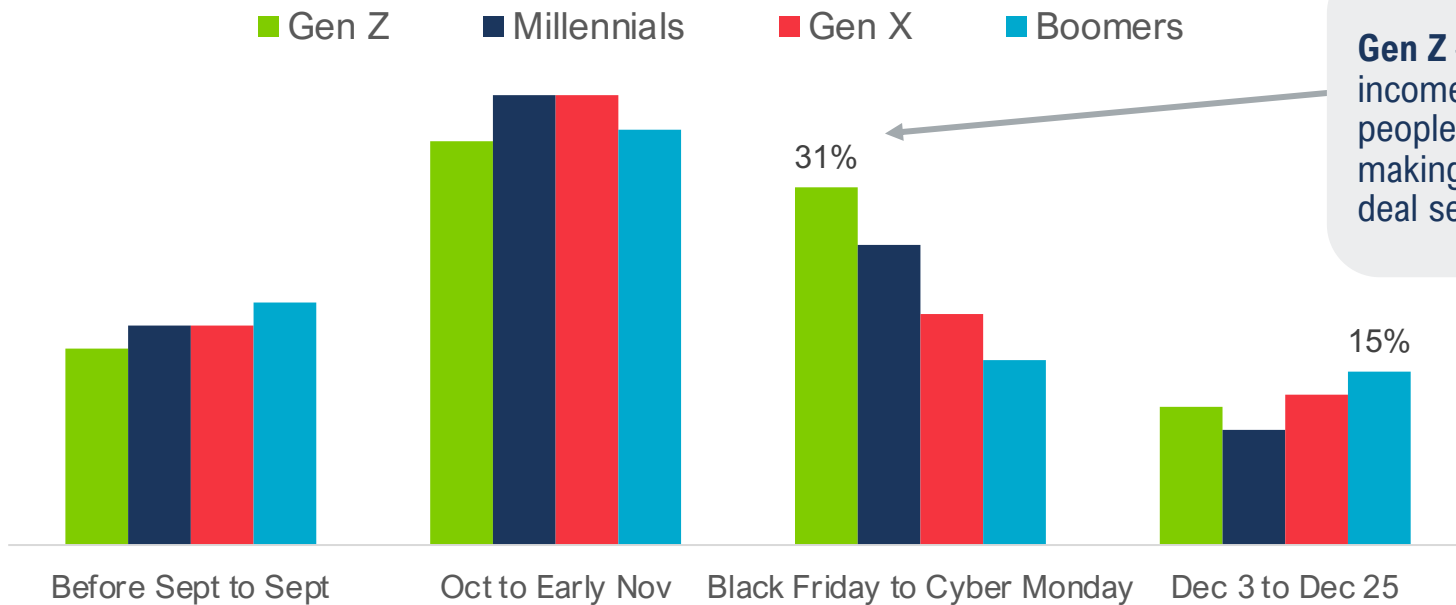
## **BLACK FRIDAY**

Nov. 24  
**2023**

Nov. 29  
**2024**

# Younger Shoppers Are Deal-Driven; Older Shoppers Are Deadline-Driven

## When holiday shopping begins



**Gen Z** – lowest income and most people to shop for, making them more deal sensitive



## Top Holiday Shopping Motivators

- 48% Announcement of sales / promotions
- 44% Start of Christmas season
- 29% Advertisements
- 24% New product releases
- 23% Stories about sales

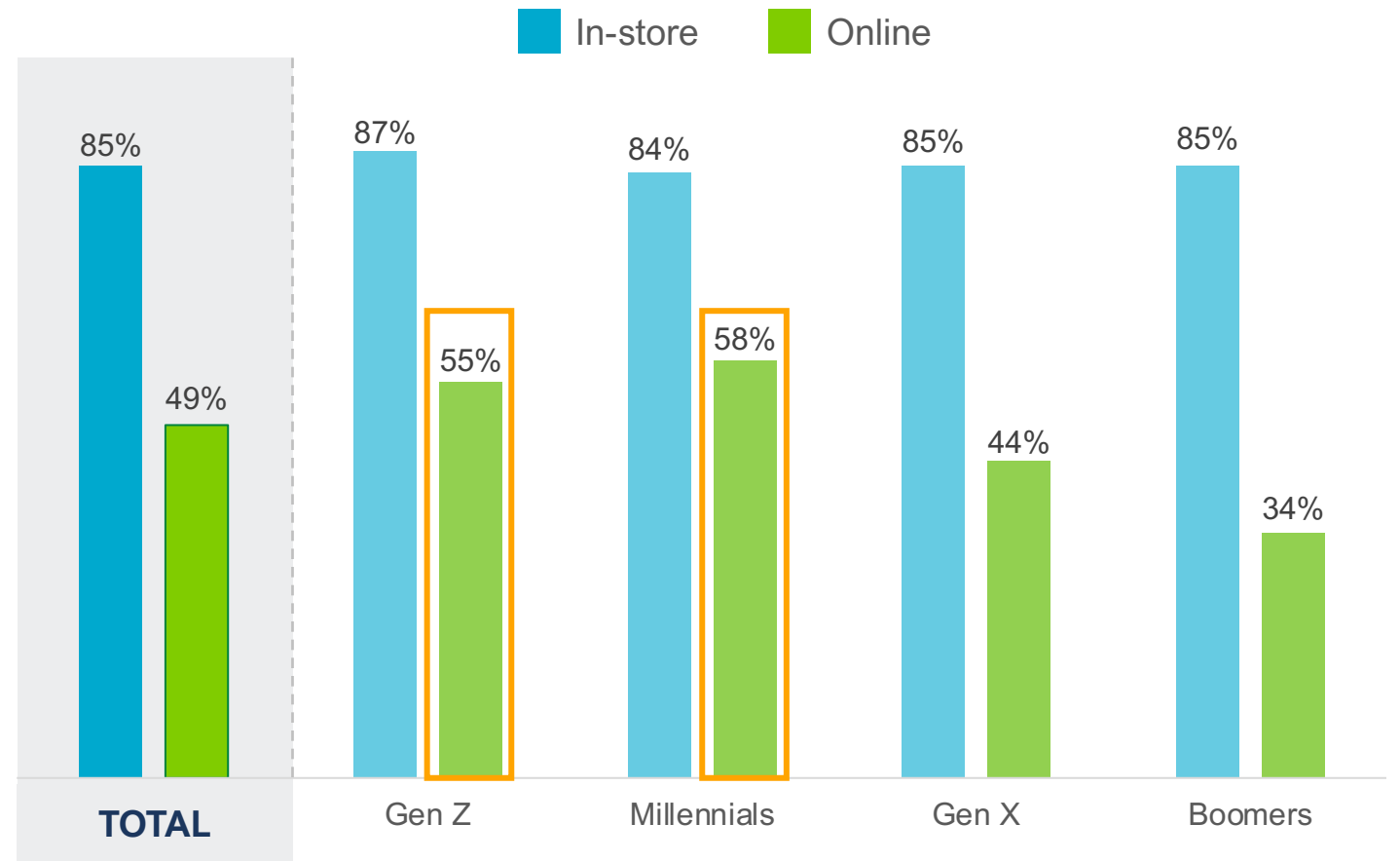
**EQ Insight:** 75% of holiday spend comes after Thanksgiving





Online Shopping  
Is Convenient,  
but **In-store**  
**Shopping is**  
**Still Preferred**

## How consumers plan to purchase gift cards



**EQ Insight:** Gen Z and Millennials are most likely to purchase purchase gift cards online.



# Physical Gift Card Shoppers Seek Out the Best Selection Across Categories

## Top 5 In-Store Gift Card Shopping Destinations

1 **Mass Merchant**

2 **Grocery Store**

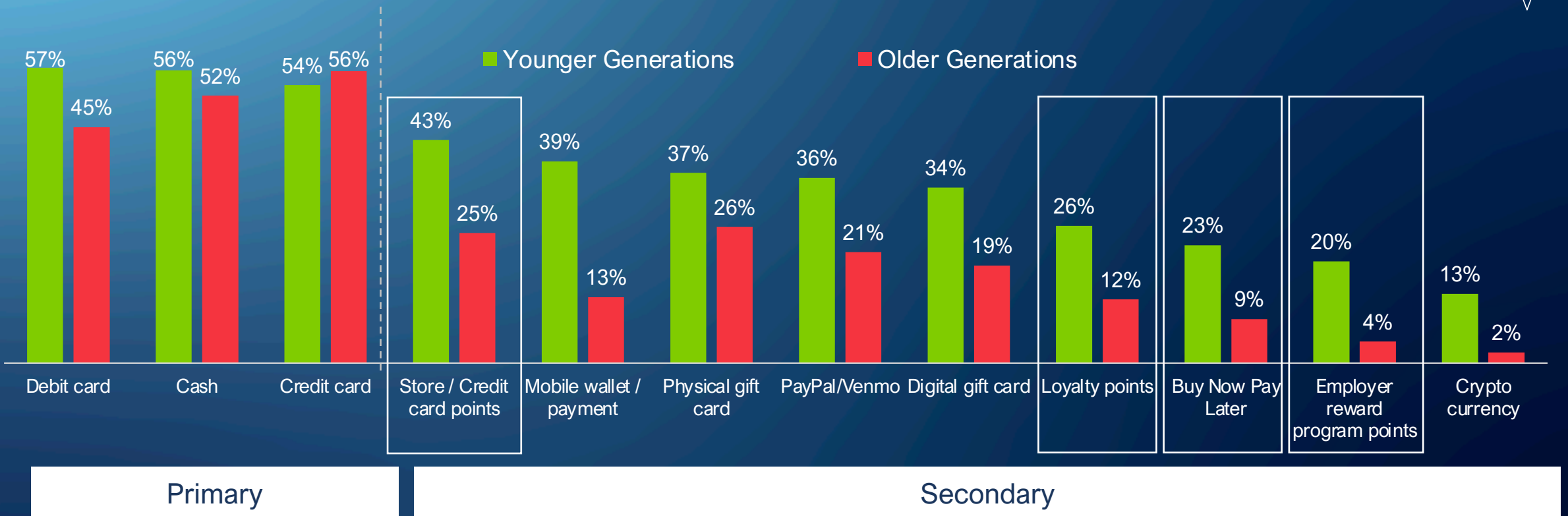
3 **Restaurant**

4 **Department Store**

5 **Dollar Store**

# Younger Generations Will **Continue** Using Secondary Payment Types Much More Often

How do you plan to pay for your holiday gifts this year?





# Holiday 2024 Gift Card Outlook



# Gift Cards Are Now Half of Planned Holiday Spend



## Gift Spend Increases

**\$760**  
**Total Gift Spend**  
**+3% YOY (Planned)**

**48%**  
**on Gift Cards**  
**vs. 39% LY**



Younger Generations

**\$691**



**54% on Gift Cards**  
**vs. 41% LY**

Older Generations

**\$831**

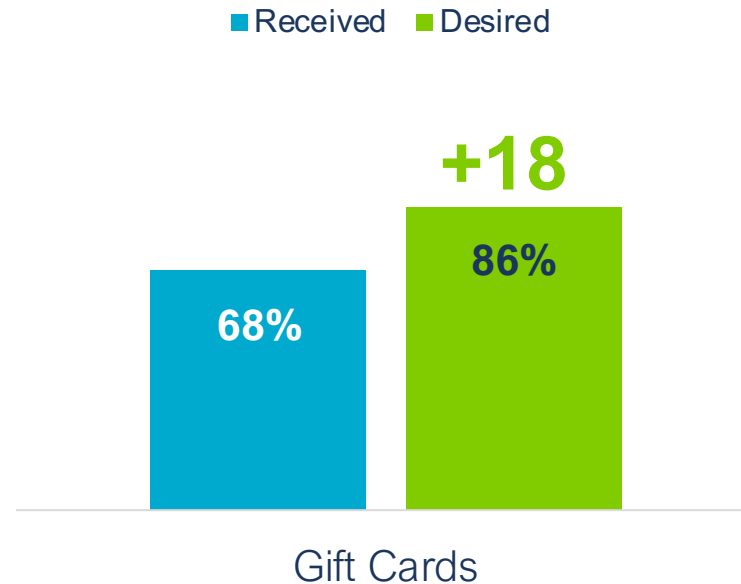
**43% on Gift Cards**  
**vs. 38% LY**



# Shoppers Plan to Buy More Gift Cards This Year

## Holiday 2024 gift cards plans

Post holiday 2023, people wanted MORE gift cards



84%

Plan to purchase gift cards for Holiday

17

Gift cards planned to be purchased for Holiday



# The Digital/Physical Gift Card Gap Has Nearly Closed for Older Generations

## Gift Card Breakout



Physical



Digital

Total

Younger  
Generations

12

7

19

Older  
Generations

9

6

15

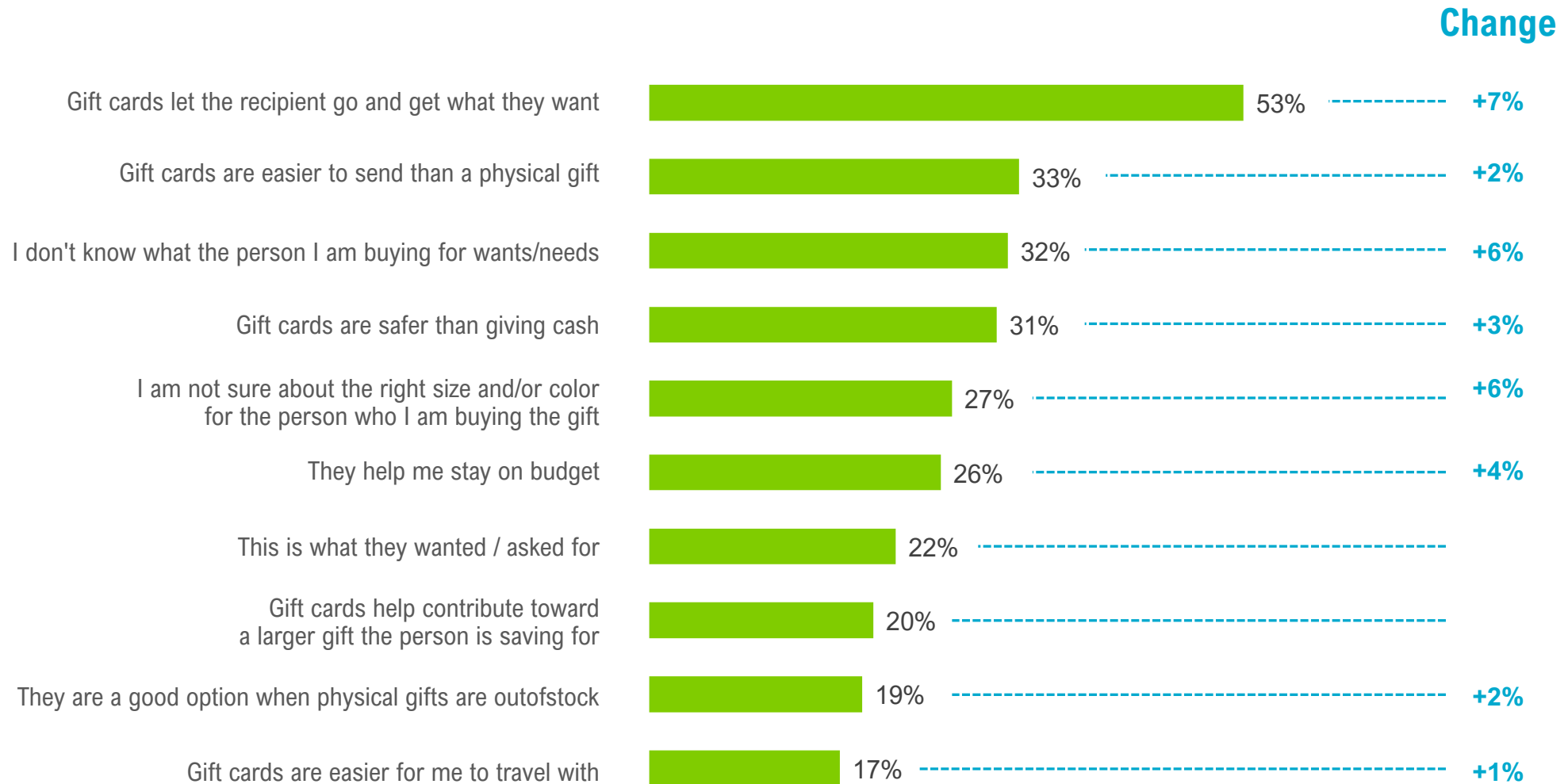


EQ

**EQ Insight:** Younger generations need 25% more gift cards along with more holiday gift exchanges

# Customers See the Appeal in Gift Cards

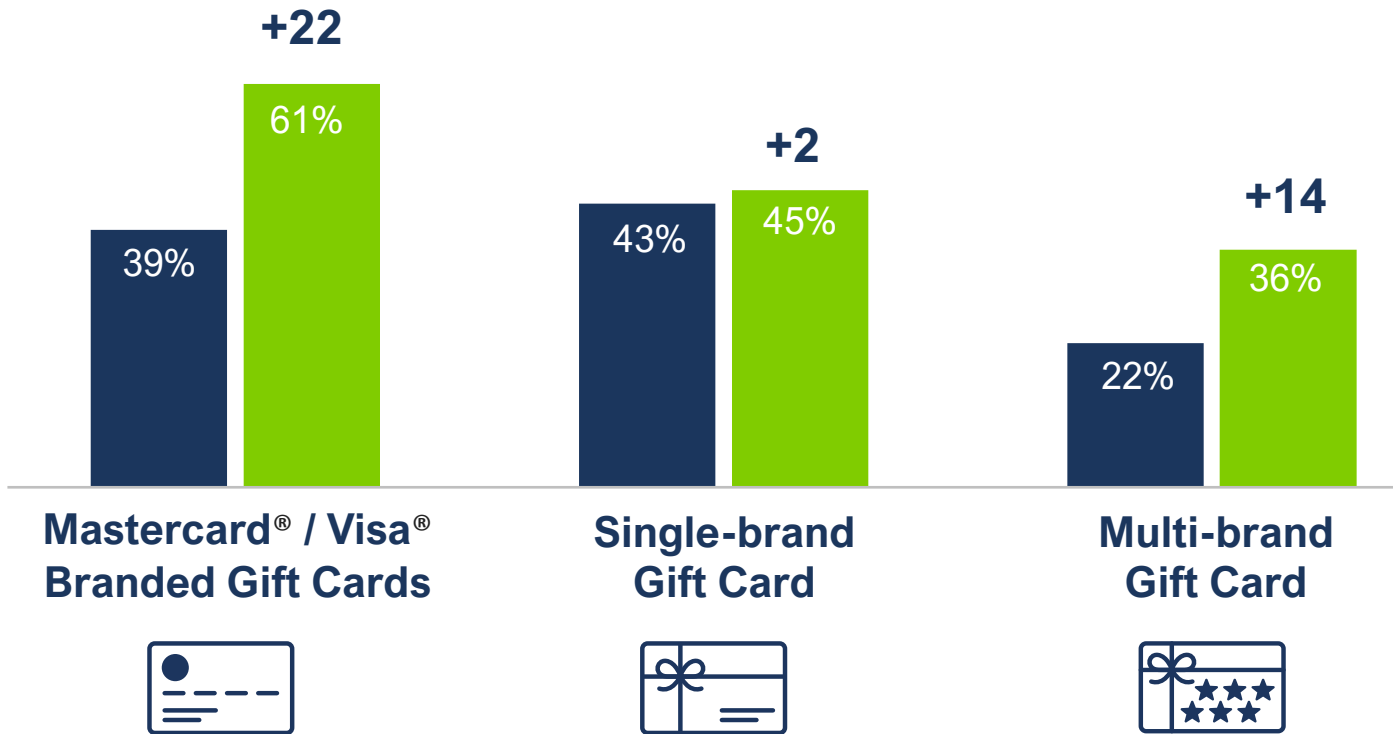
## Why are you planning to purchase gift cards this upcoming 2024 holiday season?



# Consumers Want More Open-loop and Multi-brand Gift Cards

## Holiday Gift Card Preference

■ Received ■ Preferred



## Generational Gift Card Favorites



**Gen Z**  
Beauty & pampering products



**Millennials & Gen X**  
Visa or Mastercard



**Boomers**  
Dining/restaurants



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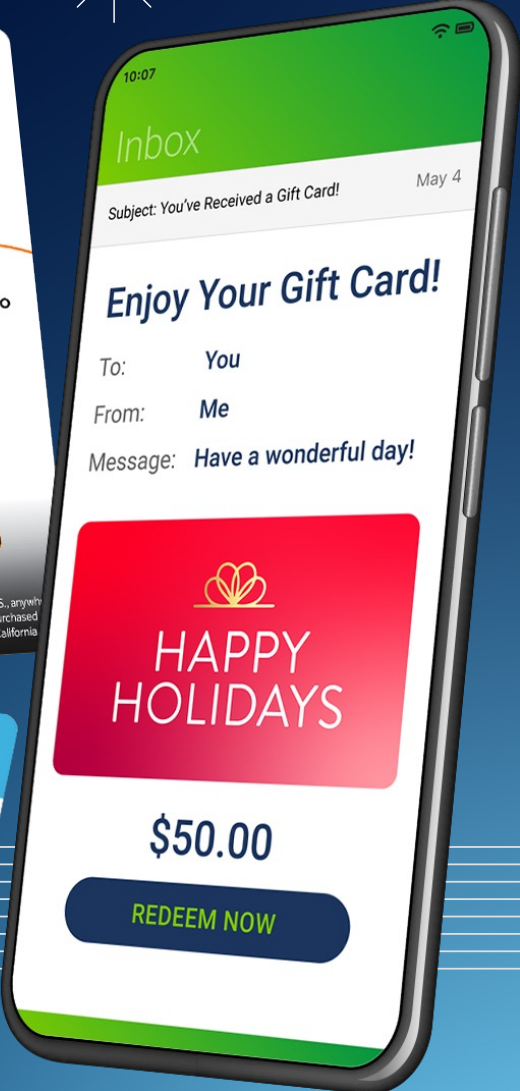
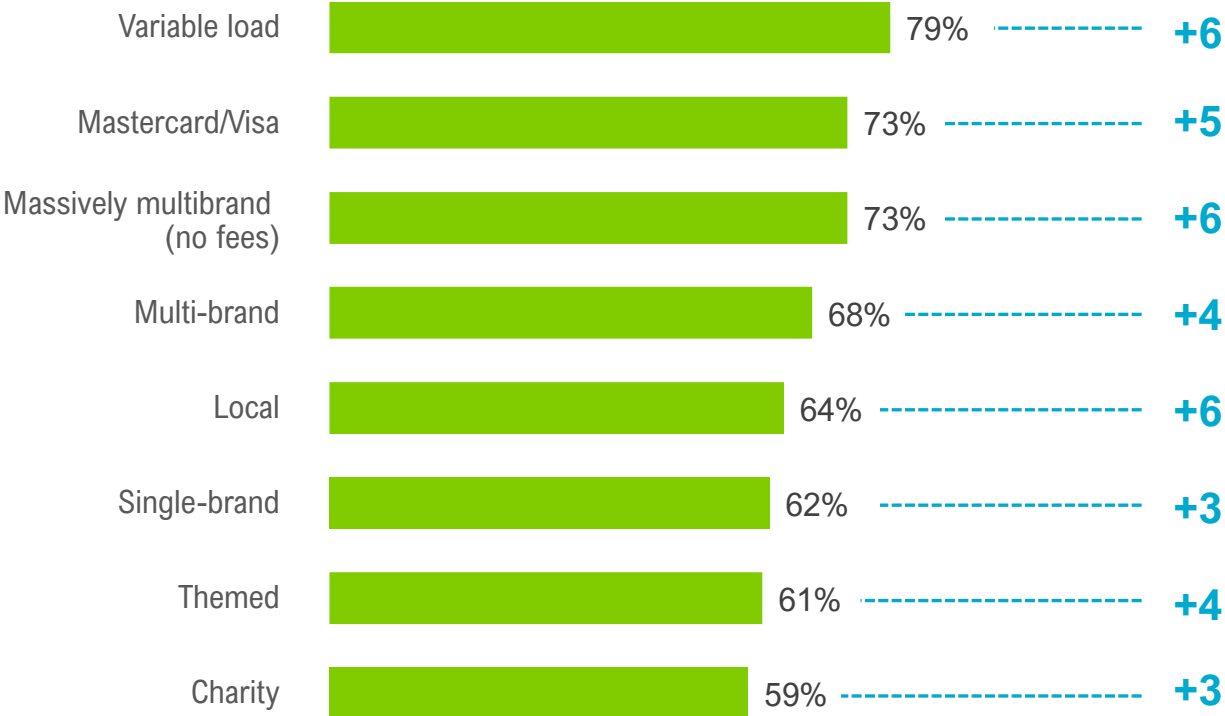


Ensure risk controls are in place to protect open loop gift card sales



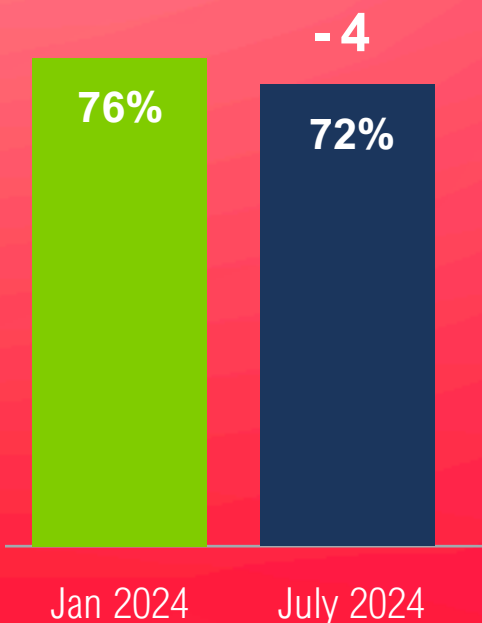
# Consumers Want a Broad Gift Card Selection Even More This Year

## What type of gift cards are you interested in?



# Three-quarters of U.S. Consumers Were Aware of Gift Card Fraud After Last Holiday

% of US consumers aware of gift card fraud



1. BHN 2024 Holiday Branded Pay Study n=2,000, US, 18+, purchased gifts in the past 12 months, and plan to shop during holiday 2024, Jul 2024  
 2. BHN 2023 Post-Holiday Study n=2,290, US, 18+, purchased and/or received gifts during the 2023 holiday season, Jan 2024

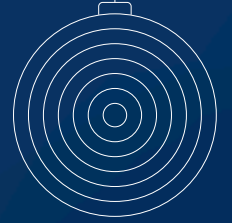


## Type of Gift Card Fraud

| Type of Gift Card Fraud   | July 2024 <sup>1</sup> | Diff <sup>2</sup> |
|---|------------------------|-------------------|
| The gift card was not fully usable, because while it had a balance, it was significantly less than what was indicated on the card (and less than just the minor cost of any transaction fees, etc.) | 31%                    | -19               |
| The gift card was not usable because it had a \$0 balance even though it had not yet been redeemed  | 55%                    | +10               |
| The gift card was counterfeit/fake  | 18%                    | +5                |
| I cannot remember the issue   | 9%                     | -2                |



# Holiday 2024 Preparation Checklist



- ✓ Focus on delivering value, especially purchases with food



- ✓ Cater to younger generations for friends, office, & school holiday gift exchanges



- ✓ Develop AI-friendly assets in anticipation of holiday shopping asks



- ✓ Merchandise for increased demand of open loop, multi-brand and digital gift cards







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# Explore New Angles for Your Holiday Gift Card Program

**Talk to BHN.**  
**BHN.com**

