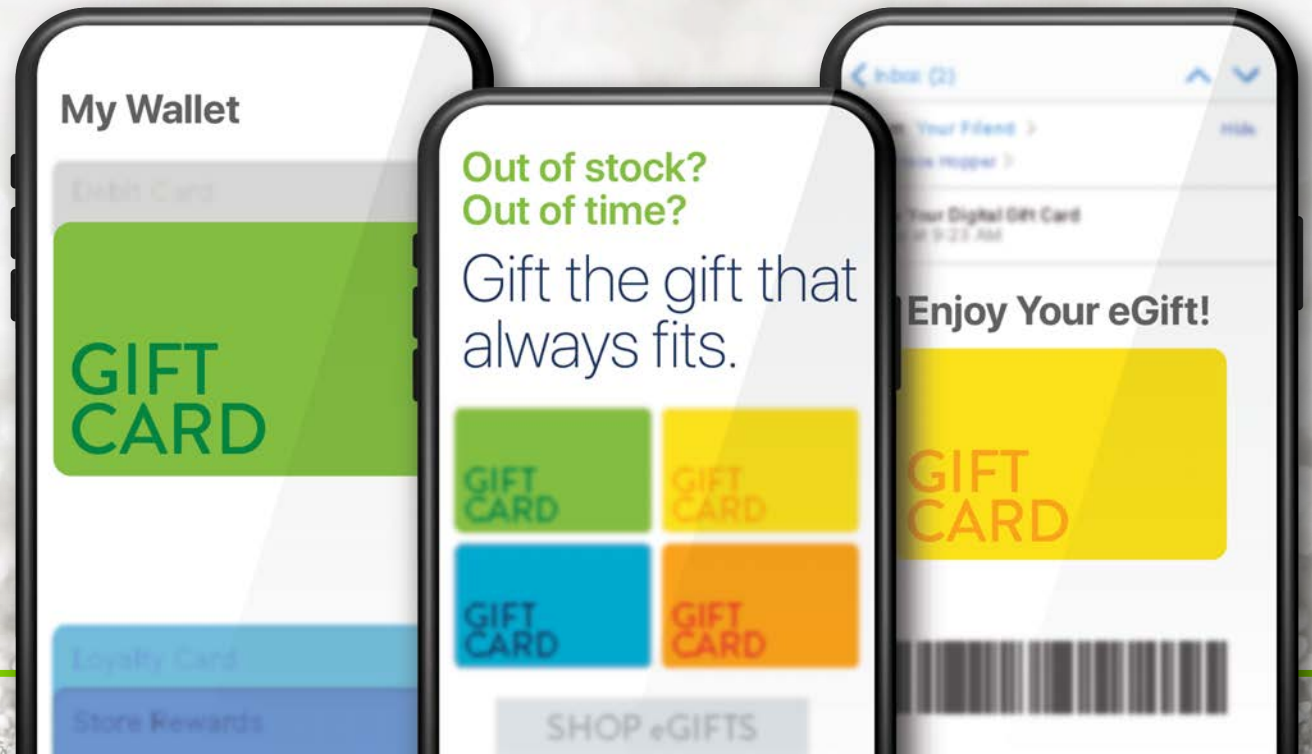


# 5 Ways to Prepare for Holiday 2021

How to stay flexible and engage holiday shoppers this year





# How to Win Holiday 2021

The COVID-19 pandemic continues to cause chaos and change in 2021.

**Looking back, we see now that 2020 also accelerated broad digital payment adoption and contactless payments three years ahead of our expectations.**

Blackhawk Network examined attitudes and behaviors around the pandemic's impact on holiday gifting, eCommerce trends and overall shopper outlook.

*The survey was conducted by Leger on behalf of Blackhawk Network in August 2021, and included 2,000 gifters and likely gifters across the US.*





Highlight gifts that  
**SUPPORT  
CAUSES**

1



Avoid **RETURNS**  
and running  
**OUT OF STOCK**

2



Promote  
**DIGITAL GIFT CARDS**  
to younger shoppers

3



Be ready for  
**EARLIER  
SHOPPERS**

4



Meet shoppers  
**WHEREVER  
THEY ARE**

5



TOP **5** TIPS



1

# Highlight gifts that support causes

## A moment of cautious optimism

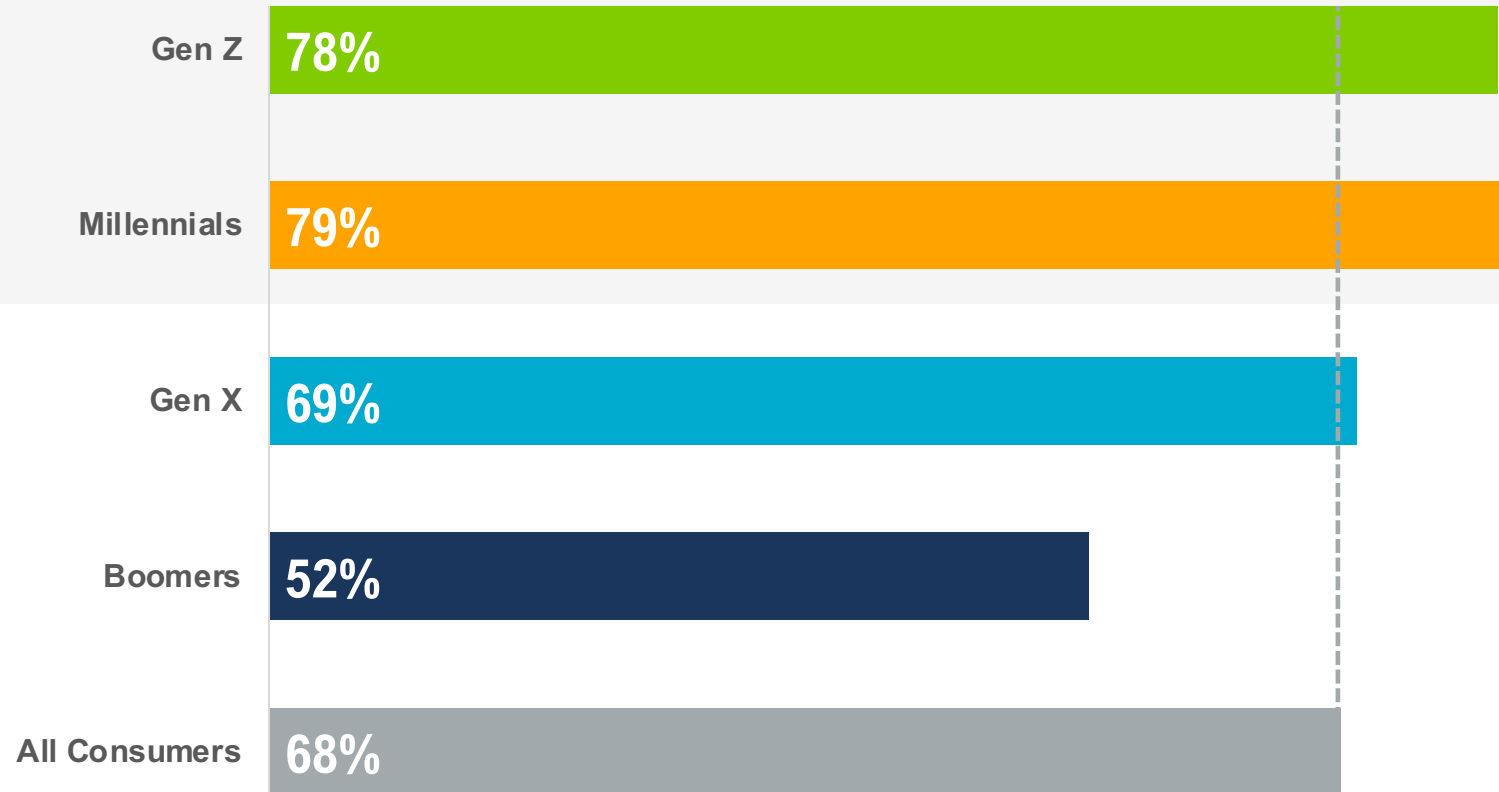
Shoppers are interested in meaningful gifts that focus on needs instead of wants. They're also interested in giving back to causes and helping others recover from the COVID-19 pandemic.





# 61% of consumers want to find a way to give back to causes this year

Intent to purchase gift cards that give back  
*by generation*



## EQ INSIGHT

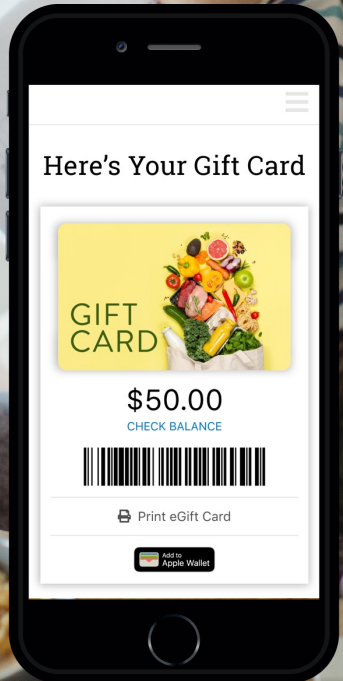
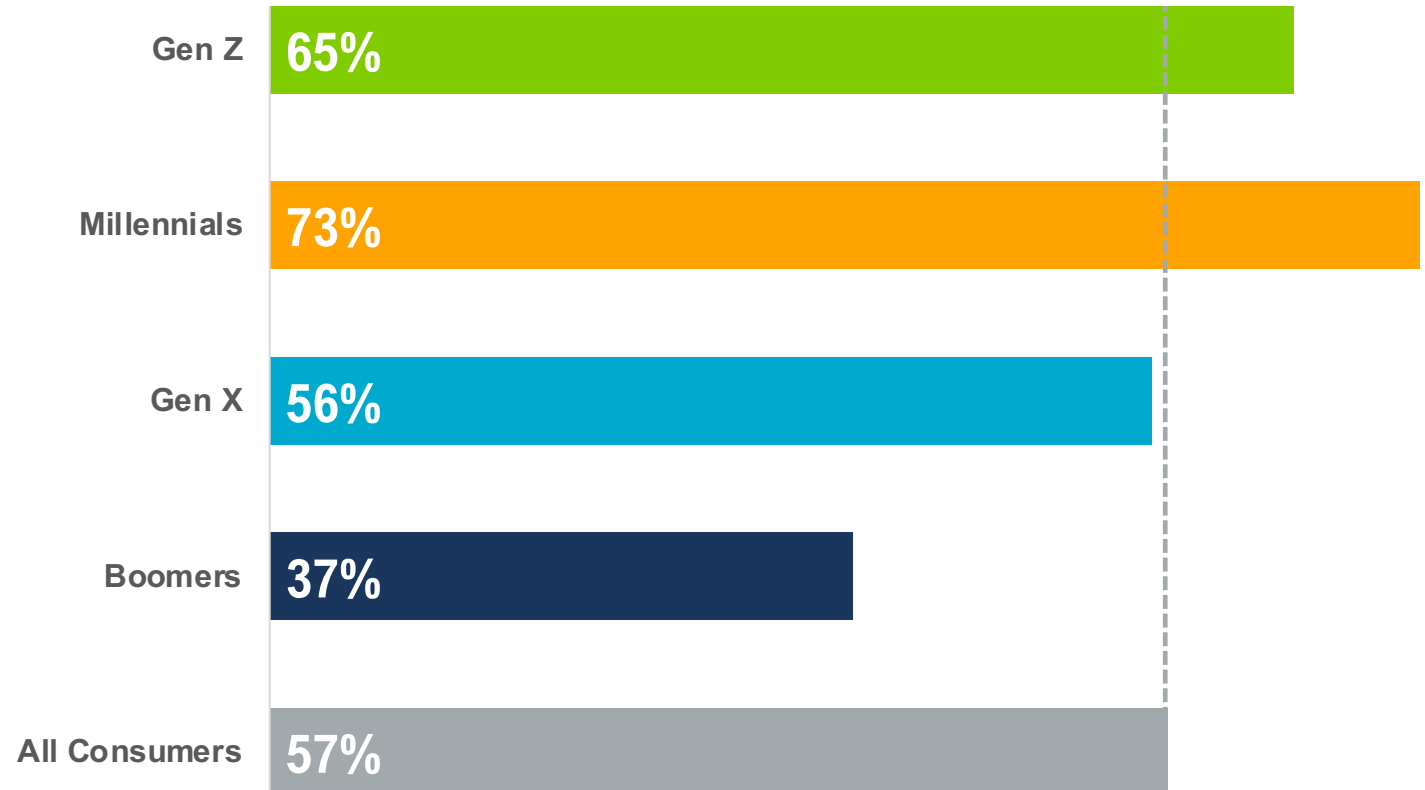
Highlight holiday gifts that support causes that resonate (with younger consumers)





# Younger generations are more likely to gift to those who've experienced hardships

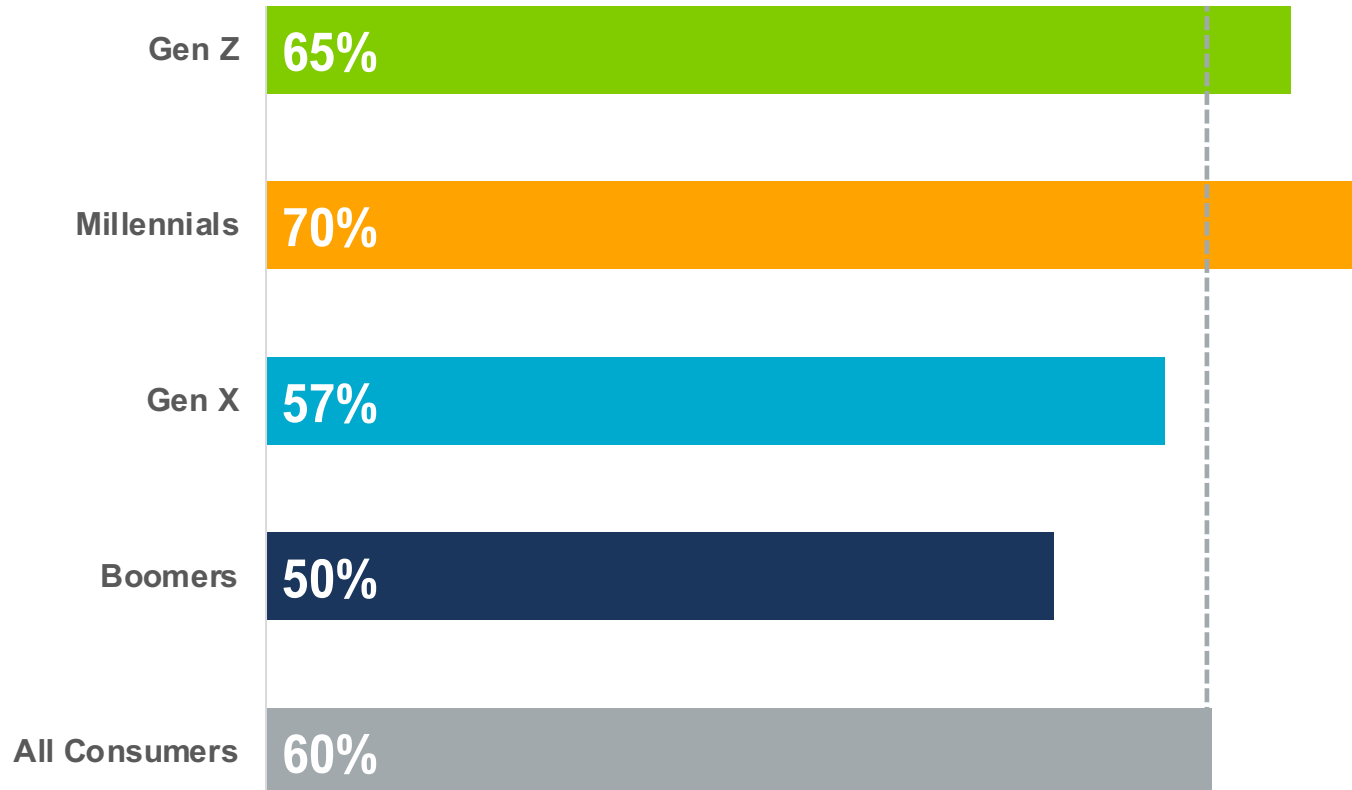
**Sending gifts to those who've experienced hardships**  
*by generation*





# Holiday 2021 gift givers focused on needs, especially for Gen Z & Millennials

Plan to purchase gifts based on what others *need* vs. *want*  
by generation





# Avoid returns and running out of stock

## We're primed for a big holiday season

Shoppers plan to purchase more gifts this year than during 2020, and they're focused on giving good gifts that people will love. They're also especially worried about items being out of stock thanks to logistics disruptions.





## WHY I LOVE GIFT CARDS

*"The safest way to go and the  
perfect stocking stuffer"*

# Shoppers want to be considerate and don't want to give a bad gift

- Know gift-giving is hard
- Want to avoid imposing post-holiday returns on friends
- Want to purchase gift cards instead of physical gifts
- See gift cards as a "safe bet"
- Value giving gift cards due to flexibility and choice





# No one wants to deal with returns

## WHY I LOVE GIFT CARDS

*"The people I give them to can buy what they truly want and **not have to return** a gift they don't."*



Annoyed when  
having to return or  
exchange gifts

73%

## WHY I LOVE GIFT CARDS

*"Perfect. **One size fits all** and can be tailored to recipient's wants or needs."*

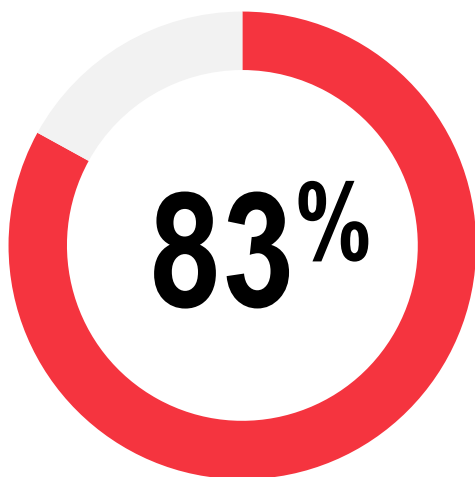


Want to purchase  
gift cards to be used  
at multiple retailers

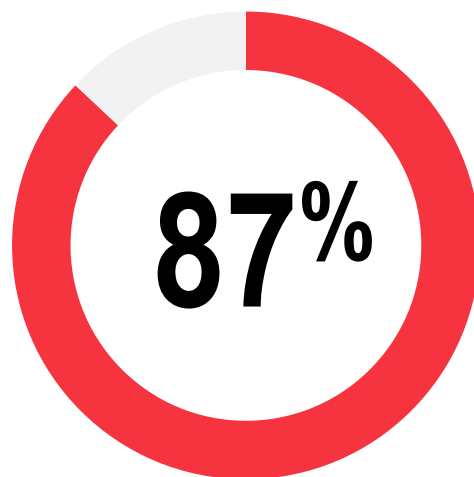
80%

# Don't gift another **ugly sweater**

40% have received a **bad gift**



Want to gift a  
gift card instead of  
a physical gift



Agree gift cards  
are a reliable bet

**Gift Smart**

## WHY GIVE GIFT CARDS?

- Recipients receive the gift of their choice
- Gen Z & Millennials noted how easy it is to send gift cards



## EQ INSIGHT

Promote gift cards in sections prone to returns or anticipated out of stocks since they are a reliable/safe bet and allow recipients the option to shop post-holiday and get what they need and/or want.



# Promote digital gift cards to younger shoppers

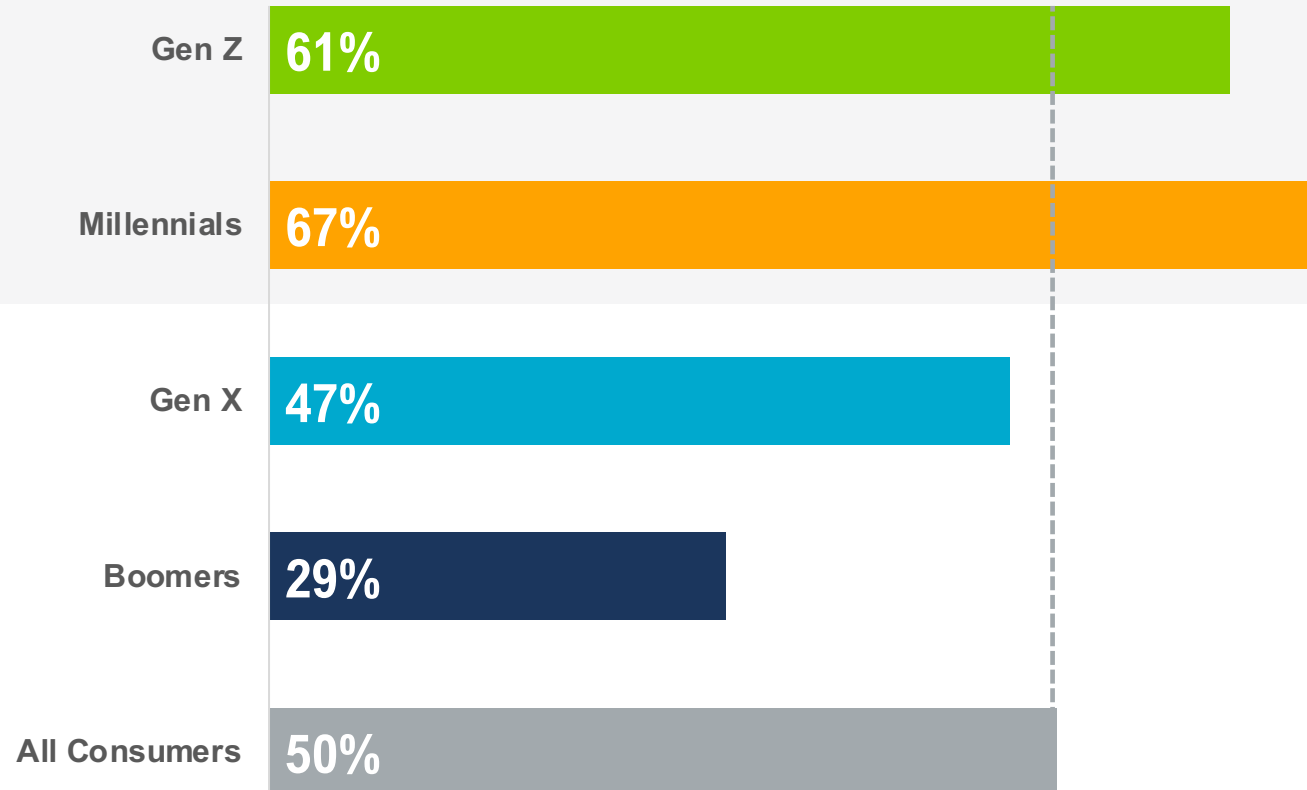
**Holiday shopping shifts online—especially for younger shoppers**

More and more holiday shopping is happening online, but younger generations are especially eager to find gift cards in this space.



# Holiday gift purchases have shifted online, especially for younger generations

Purchase holiday gifts digitally due to COVID-19  
*by generation*



## EQ INSIGHT

Promote gift cards digitally to younger buyers since 76% of Millennials are likely to purchase gift cards online



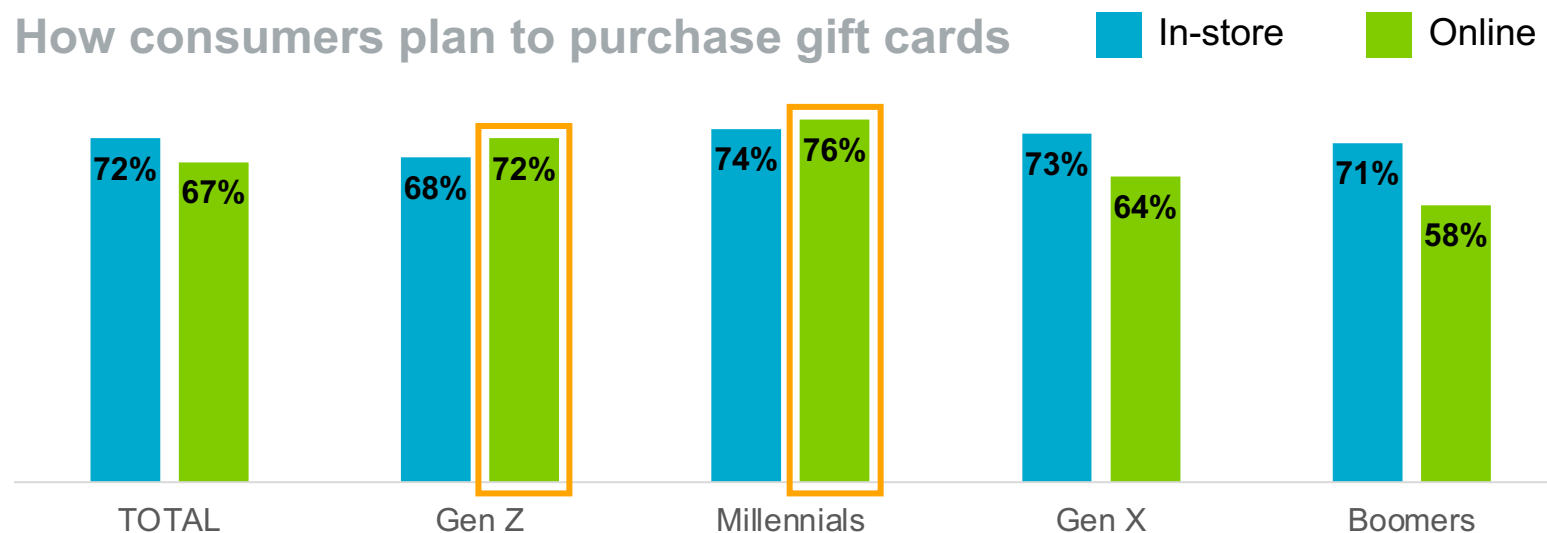


# Younger consumers plan to purchase holiday gift cards online

## Top 5 places where consumers plan to purchase gift cards



## How consumers plan to purchase gift cards



A woman wearing a grey knit beanie, a red scarf, and a red sweater with a patterned sleeve is looking at a rack of clothes in a store. She has a grey knitted bag slung over her shoulder. The background shows more clothing racks and a store interior.

4

# Be ready for earlier shoppers

**Holiday shopping is a marathon not a sprint**

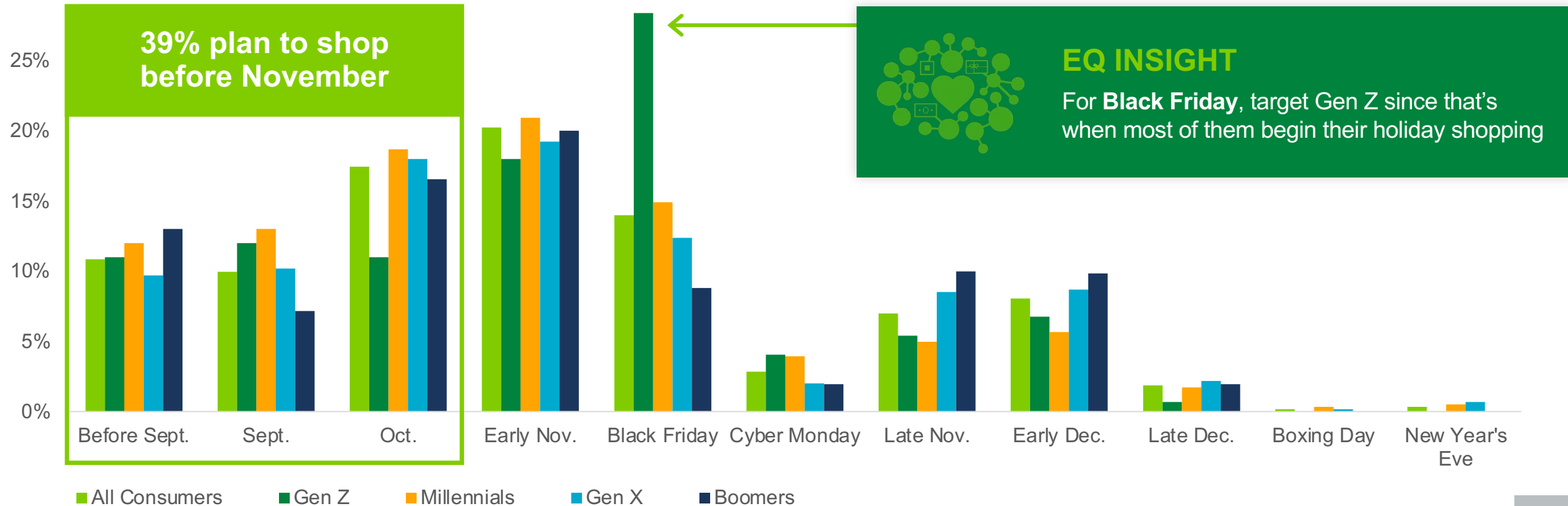
November is still the main time for shopping, but a lot of people plan to start holiday shopping early this year. Gen Z is particularly fond of starting holiday shopping on Black Friday.





# November is still key holiday shopping season, but 39% plan to begin **before November**

2021 holiday shopping begins  
*by generation*



# Nearly **3 in 10** Gen Z and Millennials plan to shop **earlier than last year**

## WHY?

- Hate leaving gift-buying until the last minute
- Want to avoid crowds
- Budgeting
- COVID-19 concerns
- Want to be able to shop more than last year during lockdowns





5

# Meet shoppers wherever they are

## A high-volume holiday season

People are really looking forward to holiday shopping, with many planning on buying more gifts and spending more than in 2020. That said, they've learned to be flexible. If lockdowns return, shoppers are ready to shift online.



# Three-quarters of consumers are looking forward to **holiday shopping**



71%

Looking forward  
to **celebrating**  
the holidays\*

\*Source: Blackhawk Network "Return of Consumer Spending" Survey; National sample of U.S. gift card buyers with 1,056 respondents; conducted March 7 through March 10 via AA Insights & Isometric Solutions

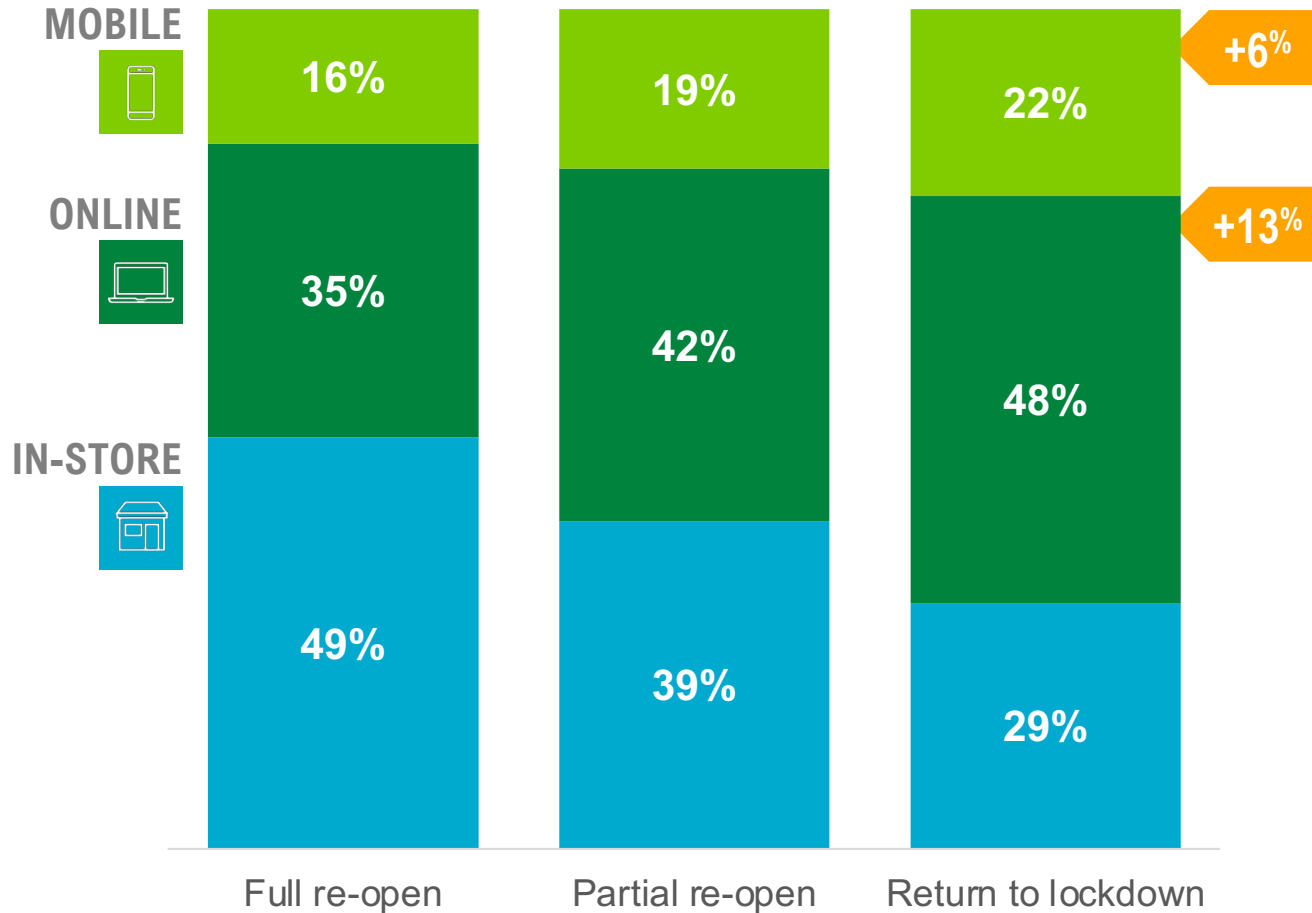


76%

Looking forward to  
shopping for holiday  
gifts post-COVID-19  
restrictions



Nearly half of consumers are planning to shop in-store, but **if lockdowns return, online sales increase 19%**



### EQ INSIGHT

Be prepared to meet customers where they are comfortable shopping for holiday gifts depending on the ebbs and flows of COVID-19 (mobile, desktop, in-store)



# Gift cards give you the tools to **win holiday 2021**

This year's holiday shopping season is going to be uniquely unpredictable. At Blackhawk Network, we believe the best way for retailers to adapt to changing conditions—and meet customers wherever they are—is by embracing the power of gift cards. Whether you want to embrace younger shoppers, get ready for possible out-of-stock situations, give back to causes or shift online, gift cards, prepaid cards and digital gift cards give you the flexibility you need.

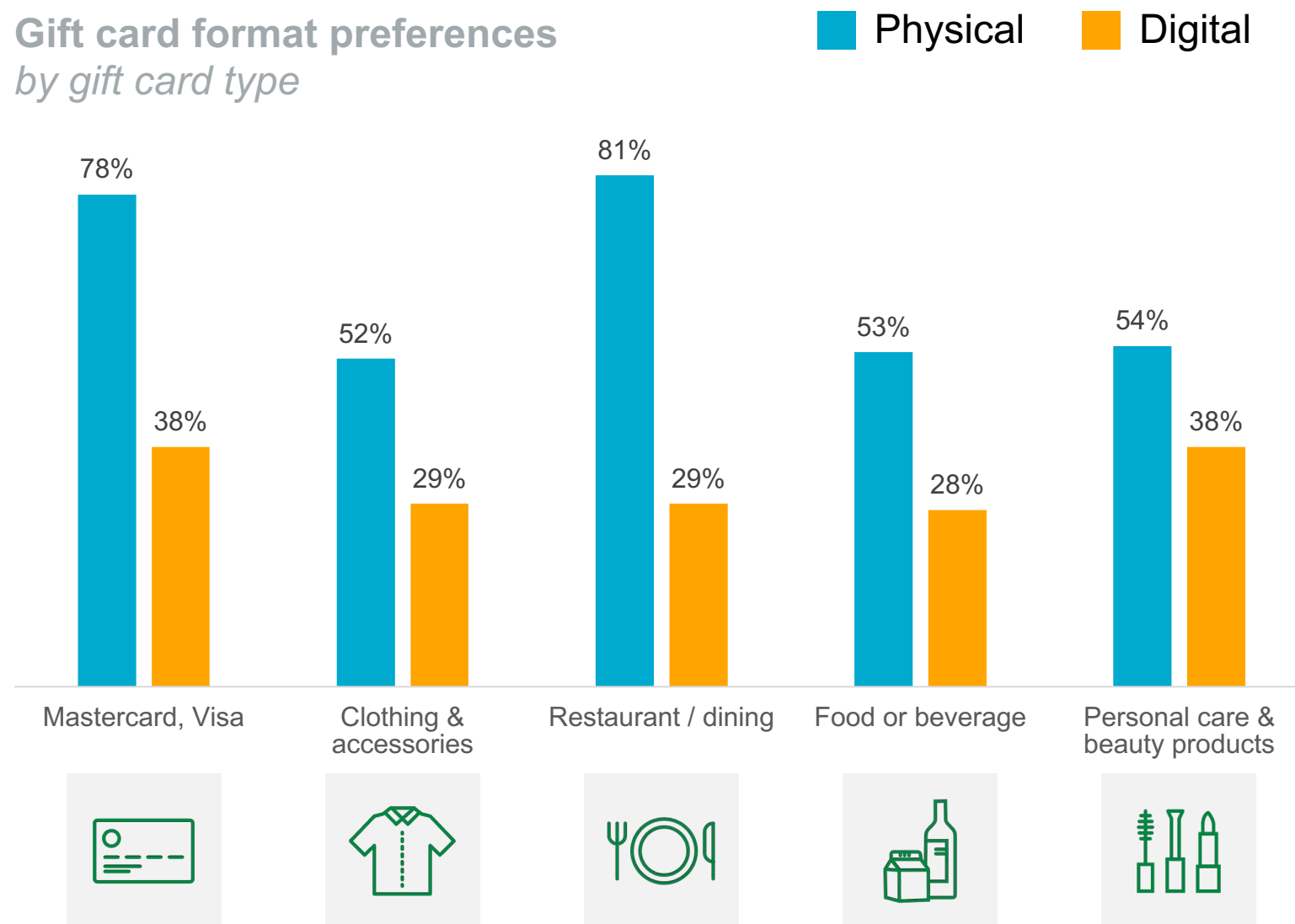
Shoppers know this. That's why, as the research on our next two pages shows, people are generally planning to spend more on gift cards and are eager to receive gift cards in order to shop for themselves.





# What gift cards do people want?

Gift card format preferences  
by gift card type



## Gift Cards vs Other Gifts

- Three-quarters of Millennials and Gen X would rather receive a gift card and shop for themselves (all consumers: 69%)

## Gift Card Type Preferences

- #1 holiday gift card consumers want to receive is a **Mastercard or Visa** gift card (47%)
- Boomers:** #1 desired holiday gift card is for **dining/restaurants**

## Gift Card Format Preferences

- For dining gift cards, the majority prefer a physical gift card
- Millennials are significantly more likely to want digital gift cards for all categories

# 2021 Holiday Gift Spending Projections

**41%**  
on gift cards  
(+27% YOY)

**\$663**  
total gift spend  
(+17% YOY)

GIFT CARD

300 bps gift card share gain YoY

“How many gift cards  
will you buy in 2021?”

**15**

**9**

Physical  
Gift Cards



**6**

Digital  
Gift Cards



The most popular gift cards  
consumers plan to purchase  
this holiday season:

**#1**

Dining /  
Restaurants

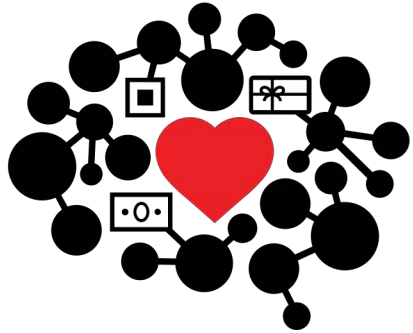


**#2**

Multi-Brand







# EQ

Insights at the Heart of Payments

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## About Blackhawk Network EQ

Consumer insights are so much more than facts and figures. It's about emotional intelligence and understanding the thoughts and feelings that drive their actions.

**Blackhawk Network EQ helps brands build lasting relationships through payments.**

Ready to learn more about  
the **power of gift cards?**

Visit [BlackhawkNetwork.com/resources](https://BlackhawkNetwork.com/resources)

Blackhawk Network 2021 Holiday Branded Pay Study n=2,000, US, 18+, purchased gifts in the past 12 months, and plan to shop during holiday 2021, Aug 2021