



Givex Study: Despite Economic Concerns, Almost 50% of Consumers Will Still Be Buying & Receiving Gift Cards

21 Nov 2008 (Toronto, Canada) – Even in the midst of an economic crunch, consumers will still be buying gift cards at a time when every purchase counts. In fact, 59.8% of those aged 40 to 49 see themselves both buying and receiving gift cards, an increase from 48% in 2007. Demand is similarly strong for age groups 18 to 29 (53.1%) and 30 to 39 (52.2%). These are some of the findings in the 5th annual Gift Card Study conducted by Nanos Research on 1000 Canadian adults and sponsored by Givex, a global provider of closed loop card technologies including gift, loyalty and other stored value programs.

“This year, two big concerns were forefront in the minds of our clients and their customers: the environment and the economy,” says Karen Budahazy, Executive Vice President, Givex. “Our study found that while these two factors may pose some challenges, they also provide some profitable opportunities for many businesses selling gift cards this holiday season,” says Budahazy.

Surprisingly, while budgets may be tighter this year, gift card sales could be the salvation for many businesses anticipating a slower holiday season. Most respondents (65.2%) said that the economic slowdown had no effect on their decision to purchase gift cards. Where we’ll see spending habits change is that more people will be using gift cards as a budgeting tool. Instead of spending more than the card is worth, which 55% of consumers did in 2007, only 39.3% will be doing that this year. This is statistically tied with the 39.7% of respondents who will be spending only the card’s face value, an increase from 29% last year. Canny retailers who emphasize the budgeting usefulness of gift cards won’t miss out on these sales.

Despite slimmer wallets, consumers will also be saving room in their budgets for environmentally-conscious spending. The majority of respondents (55.4%) would be willing to pay a premium for a gift card made from environmentally-friendly or recycled material instead of petroleum-based plastic. In fact, 41.6% of consumers would pay up to \$1.99 more, showing that some kinds of spending can endure budgetary woes. To meet demand for greener alternatives, Givex has been offering clients the option of gift cards made with 50% recycled material instead of 100% petroleum-based PVC.

Businesses that make gift cards readily available and focus their marketing on crucial age groups and consumer concerns will reap the rewards this holiday season.

For more information about the study, please contact Givex.



Source: Random telephone survey of 1000 Canadians conducted by Nanos Research between November 11th and November 15th, 2008. Aggregate results of the survey are accurate $\pm 3.1\%$, 19 times out of 20.

About Givex

Givex uses pioneering, award-winning card management technology to help our partners in over 35 countries deliver customer acquisition and retention programs that improve profit performance. Our experience, reliability and commitment to excellence have established Givex as a global leader in closed loop transaction processing since 1999. For more information, visit www.givex.com.

For additional information, please contact:

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Question 1 - Do you consider yourself someone who buys gift cards, receives gift cards, both buys and receives gift cards or someone who does not use gift cards at all?

		Total	Someone who buys gift cards	Receives gift cards	Both buys and receives gift cards	Someone who does not use gift cards	Unsure
		Responses	Percentage	Percentage	Percentage	Percentage	Percentage
Region	Canada 200811	1000	15.2	9.5	49.3	23.7	2.3
	Atlantic	96	13.5	6.9	65.9	11.9	1.9
	Quebec	256	18.0	7.1	30.8	40.4	3.7
	Ontario	300	13.1	11.3	55.6	18.1	1.9
	West	348	15.5	10.4	52.8	19.5	1.8
Gender	Male	498	13.5	9.1	48.8	26.3	2.3
	Female	502	16.9	9.9	49.8	21.1	2.4
Age	18 to 29	197	13.8	11.0	53.1	19.3	2.8
	30 to 39	192	15.9	10.2	52.2	19.7	1.9
	40 to 49	215	13.9	6.2	59.8	19.1	1.0
	50 to 59	173	17.4	10.9	45.3	25.2	1.2
	60 plus	223	15.3	9.7	36.3	34.3	4.4
Home	Own	711	14.2	9.6	50.5	23.6	2.2
	Rent	263	17.4	9.3	46.5	24.3	2.5

Random Telephone Survey of 1,000 Canadians from November 11th to November 15th, 2008

The margin of accuracy for a sample of 1,000 is $\pm 3.1\%$, 19 times out of 20.



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Question 2 - When you decide to purchase a gift card for someone else is it because it is convenient for you , you don't like to give cash, it allows the recipient to choose what they want or some other reason

		Total	Convenient for you	Don't like to give cash	Allows recipient to choose what they want	Other reason	Unsure
		Responses	Percentage	Percentage	Percentage	Percentage	Percentage
Region	Canada 200811	1000	15.3	7.2	56.0	8.5	13.1
	Atlantic	96	19.1	6.4	63.6	4.6	6.3
	Quebec	256	10.7	6.6	56.8	10.8	15.0
	Ontario	300	15.3	6.5	57.6	8.0	12.5
	West	348	17.5	8.3	51.9	8.3	14.0
Gender	Male	498	17.7	7.3	51.1	10.0	13.8
	Female	502	12.8	7.0	60.8	7.0	12.4
Age	18 to 29	197	14.5	6.2	58.6	12.4	8.3
	30 to 39	192	19.1	5.7	56.7	5.7	12.7
	40 to 49	215	13.9	7.7	59.8	7.2	11.3
	50 to 59	173	15.1	10.1	54.7	9.7	10.5
	60 plus	223	14.1	6.5	50.4	7.7	21.4
Home	Own	711	16.3	7.6	54.7	7.7	13.7
	Rent	263	13.6	5.1	60.3	9.8	11.2

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		Question 3 - What best describes how you feel when you receive a gift card instead of another kind of gift? You like the flexibility of choosing your own gift, you like the convenience of shopping when you like, you feel a gift card is too impersonal or another reason					
		Total	You like the flexibility of choosing your own gift	You like the convenience of shopping when you like	You feel a gift card is too impersonal	Other reason	Unsure
		Responses	Percentage	Percentage	Percentage	Percentage	Percentage
Region	Canada 200811	1000	45.3	21.8	12.8	7.2	12.8
	Atlantic	96	46.5	25.9	12.9	5.3	9.3
	Quebec	256	44.8	20.6	14.0	5.3	15.3
	Ontario	300	47.2	23.1	11.4	7.6	10.7
	West	348	43.7	20.6	13.2	8.8	13.7
Gender	Male	498	44.7	23.7	11.2	7.0	13.3
	Female	502	45.9	20.0	14.4	7.3	12.3
Age	18 to 29	197	45.5	22.1	15.2	7.6	9.7
	30 to 39	192	47.8	22.9	10.2	8.3	10.8
	40 to 49	215	49.5	22.1	10.8	3.6	13.9
	50 to 59	173	46.1	20.2	14.0	8.9	10.9
	60 plus	223	38.3	21.8	14.1	8.1	17.7
Home	Own	711	46.3	20.9	13.2	6.9	12.7
	Rent	263	42.3	25.8	11.9	8.0	12.0

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		Question 4 - When you receive a gift card and go to the location to use the card do you spend more than the value of the gift card, spend only the value of the card or spend less than the value of the card				
		Total	Spend more than the value of the card	Spend only the value of the card	Spend less than the value of the card	Unsure
		Responses	Percentage	Percentage	Percentage	Percentage
Region	Canada 200811	1000	39.3	39.7	6.8	14.2
	Atlantic	96	50.7	33.7	8.4	7.2
	Quebec	256	19.8	59.7	4.2	16.3
	Ontario	300	47.3	31.9	8.5	12.3
	West	348	43.6	33.3	6.9	16.2
Gender	Male	498	37.5	40.2	7.1	15.2
	Female	502	41.1	39.2	6.5	13.2
Age	18 to 29	197	42.8	40.7	7.6	9.0
	30 to 39	192	39.5	45.2	3.8	11.5
	40 to 49	215	45.9	34.5	7.7	11.9
	50 to 59	173	36.0	43.8	5.4	14.7
	60 plus	223	32.3	35.9	8.9	23.0
Home	Own	711	41.1	37.5	6.7	14.6
	Rent	263	35.2	45.7	6.2	12.8

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Question 5 - Thinking about when you spend all the money on a gift card, what factor would make you most likely to reload your gift card. Is it a free product, a discount, convenience, give reloaded card to someone else or never reloaded a gift card

		Total	A free product	A discount	Convenience	Give reloaded card to someone else	Never reloaded a gift card	Unsure
		Responses	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Region	Canada 200811	1000	8.9	22.2	15.1	7.8	31.2	14.7
	Atlantic	96	12.8	19.6	23.3	13.6	22.5	8.2
	Quebec	256	4.8	12.2	9.9	5.5	55.0	12.6
	Ontario	300	13.1	26.0	15.4	9.9	21.6	14.1
	West	348	7.4	27.0	16.3	6.2	24.5	18.7
Gender	Male	498	8.5	24.0	14.7	7.9	29.0	15.9
	Female	502	9.3	20.4	15.4	7.8	33.5	13.6
Age	18 to 29	197	13.8	24.8	9.7	7.6	33.8	10.3
	30 to 39	192	12.1	24.8	15.3	5.7	29.3	12.7
	40 to 49	215	9.3	21.1	17.0	10.8	30.9	10.8
	50 to 59	173	5.8	27.9	17.8	5.4	27.9	15.1
	60 plus	223	4.0	14.1	15.7	8.9	33.5	23.8
Home	Own	711	8.3	23.3	16.7	7.4	29.2	15.1
	Rent	263	9.6	18.6	12.2	7.7	38.3	13.5

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Question 6 - If a gift card was made from environmentally friendly or recycled materials instead of petroleum based plastic how much more, if any, would you be willing to pay for the gift card

		Total	Less than \$1	\$1.00 to \$1.99	\$2 to \$4.99	\$5	I would not be willing to pay more	Unsure
		Responses	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Region	Canada 200811	1000	22.0	19.6	8.2	5.6	31.7	12.8
	Atlantic	96	31.2	6.6	5.7	9.8	36.4	10.4
	Quebec	256	16.9	23.8	14.6	6.6	26.3	11.8
	Ontario	300	21.5	21.2	6.7	6.6	31.7	12.2
	West	348	23.6	18.8	5.5	3.0	34.4	14.8
Gender	Male	498	21.7	18.7	8.0	3.6	33.9	14.1
	Female	502	22.2	20.5	8.4	7.7	29.5	11.6
Age	18 to 29	197	20.7	24.1	13.1	6.9	24.8	10.3
	30 to 39	192	24.2	26.1	6.4	4.5	28.7	10.2
	40 to 49	215	20.6	19.1	9.8	4.6	37.1	8.8
	50 to 59	173	25.6	15.1	3.9	7.8	32.9	14.7
	60 plus	223	19.8	14.1	7.3	4.8	34.3	19.8
Home	Own	711	23.0	18.2	7.5	4.1	35.2	12.0
	Rent	263	17.4	23.7	10.3	9.4	24.9	14.3

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Question 7 - How has the current period of economic slowdown affected your interest in purchasing gift cards. Much more inclined to purchase a gift card, somewhat more inclined to purchase a gift card, somewhat less inclined to purchase a gift card, much less inclined to purchase a gift card or has it had not impact on your interest in purchasing a gift card

		Total	Much more inclined to purchase a gift card	Somewhat more inclined to purchase a gift card	No impact on my interest in purchasing a gift card	Somewhat less inclined to purchase a gift card	Much less inclined to purchase a gift card	Unsure
		Responses	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Region	Canada 200811	1000	2.7	6.7	65.2	4.9	6.5	14.0
	Atlantic	96	3.1	10.0	61.3	8.0	7.1	10.5
	Quebec	256	1.8	2.5	64.2	7.8	7.4	16.2
	Ontario	300	4.7	9.7	63.9	3.2	6.7	11.8
	West	348	1.7	6.2	68.1	3.3	5.4	15.2
Gender	Male	498	1.8	9.2	63.5	5.3	6.1	13.9
	Female	502	3.6	4.2	66.9	4.5	6.8	14.1
Age	18 to 29	197	3.4	5.5	73.8	3.4	2.8	11.0
	30 to 39	192	1.3	8.9	64.3	5.1	7.6	12.7
	40 to 49	215	3.0	6.2	68.1	6.2	3.1	13.4
	50 to 59	173	3.1	8.5	65.1	4.3	7.4	11.6
	60 plus	223	2.8	4.8	55.6	5.2	11.3	20.2
Home	Own	711	2.6	6.7	66.4	4.9	5.9	13.6
	Rent	263	3.0	6.4	63.5	5.0	8.7	13.5

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