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

TORONTO, Nov. 21 /PRNewswire/ - 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 +/-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.

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