



# Blackhawk Network BrandedPay Report Forecasts 7% Increase in Holiday Gift Card Spend; Expects Shoppers to Spend 35% of Holiday Gifting Budget on Gift Cards

*New report previews 2019 holiday shopping and gift card trends*

**PLEASANTON, Calif. – OCTOBER 29, 2019** –Today, global branded payments provider, Blackhawk Network (<https://blackhawknetwork.com/>), released its 2019 BrandedPay Holiday Shopping Preview report<sup>1</sup>. Based on responses from more than 3,000 consumers, the report projects shopper holiday gift card spend will increase 7% compared to 2018, with shoppers expected to spend about 35% of their total holiday gifting budget on gift cards. This is consistent with holiday wish lists, as gift cards are enjoying a more than decade-long reign as the most requested holiday gift in the annual survey by National Retail Federation (NRF)<sup>2</sup>. Shoppers surveyed plan to spend \$618.93 on holiday gifts this year on average, a slight increase over 2018. These are among the findings of the report, which identifies trends from Blackhawk’s own U.S. sales data in addition to insights from the organization’s latest research examining consumer sentiments ahead of the holiday shopping season.

“Our research projects another year of growth for holiday gift card sales, even with the overall holiday spend projected to remain fairly flat compared to 2018,” said Theresa McEndree, vice president of marketing, Blackhawk Network. “The research also showed a rise in interest from consumers to purchase digital gift cards this holiday season. As consumer demand for omnichannel innovations and alternative payments continues to increase, we anticipate gift card utility will also expand and contribute to sustained growth for the category this holiday and beyond.”

The BrandedPay Holiday Shopping Preview report includes analysis of Blackhawk’s recent sales data combined with the findings of the organization’s latest research study. The following trends have been identified and look to fuel growth for the 2019 holiday shopping season:

### **Consumer confidence is high heading into holidays**

Most consumers (63%) surveyed are confident in the economy with 32% of shoppers surveyed planning to spend more and 25% planning to expand their gift lists to include more people this holiday season. With strong consumer confidence, shoppers surveyed plan on purchasing gifts for eight people on average, estimating they will spend a total of \$618.93 this year.

### **Holiday shoppers’ love for gift cards continues to grow**

While overall holiday spending is expected to remain relatively flat with most consumers only anticipating a slight increase on overall gift spend, Blackhawk’s research found that 35% of holiday gifting budgets will be spent on gift cards. On average, shoppers expect to spend \$213.49 on gift cards this year, a 7% increase over 2018 spending. Additionally, 76% of shoppers plan to buy at least one gift card or egift this holiday season, up from 72% in 2018. The forecasted growth in gift card interest is supported by new products like Blackhawk’s line of curated gift cards, Happy Cards®, and shoppers’ ability to explore new digital distribution channels.

## **Gift cards can help alleviate top shopper pain points**

Blackhawk's research found that many of the biggest frustrations for holiday shoppers this year can be avoided by giving gift cards. In addition to being the most requested gift by recipients for more than a decade, according to the NRF, purchasing gift cards in-store or online can help alleviate top pain points identified by shoppers surveyed, including dealing with crowds (33%), not knowing what to buy or buying the wrong gift (17%) and waiting in lines (13%).

## **Dining gift cards will likely top holiday shopping lists again; digital gift cards continue to gain traction**

- **Most popular holiday gift cards by category:** The five gift card categories that were best-selling among U.S. consumers in December 2018 based on Blackhawk's sales data are: dining, open-loop (gift cards that can be used where the network is accepted), toys and electronics, entertainment, and home goods.
- **Digital gift cards are closing the gap:** Physical gift cards remain the first choice among consumers overall, but digital continues to gain traction. Thirty-three percent of shoppers plan to buy digital gift cards this year, up 18% over 2018.
- **Most popular digital categories:** The digital gift card categories that shoppers prefer most according to Blackhawk's research are: online services, subscriptions or box gifts, prepaid cards and travel.
- **Big spenders:** The gift card categories that people tend to purchase in the highest denominations according to Blackhawk sales data include: Recreation and travel, open-loop (gift cards that can be used where the network is accepted), electronics and toys, entertainment, fashion and home goods.

## **eCommerce growth continues**

After Blackhawk saw double digit growth in U.S. online holiday gift card sales last year and with new products and distribution channels in 2019, ecommerce is poised to continue its growth into this year's shopping season. Blackhawk's sales data projects:

- **Top five fastest-growing gift card categories purchased online:** The gift card categories (physical and digital) that are fastest growing based on year-over-year U.S. sales data are: grocery and convenience, entertainment and travel, health and beauty, home goods and furnishings and department and big box.

### **About Blackhawk Network**

Blackhawk Network delivers branded payment programs to meet our partners' business objectives. We collaborate with our partners to innovate, translating market trends in branded payments to increase reach, loyalty and revenue. With a presence in over 26 countries, we reliably execute branded payment programs in over 100 countries worldwide. Join us as we shape the future of global branded payments.

Blackhawk is headquartered in Pleasanton, California. For more information, please visit [blackhawknetwork.com](http://www.blackhawknetwork.com) (<http://www.blackhawknetwork.com/>).

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<sup>1</sup>The "2019 BrandedPay Holiday Shopping Preview" Report is based on the findings in our "Pre-holiday Sentiment Study," an internet-based survey conducted by Murphy Research on behalf of Blackhawk Network between August 2–9, 2019. The sample size included over 3,000 respondents ages 18+. Gift card category findings are based on 2017 and 2018 sales data from Blackhawk Network from over 50,000 merchant locations across the United States.