

First Data's 2009 Holiday Gift Card Performance Report



Week 2: 2009 U.S. Holiday Season

Gift card redemptions were up 7 percent in the second week of holiday shopping, compared to the same week in 2008. This suggests that consumers are already redeeming the incentive gift cards that they obtained just a few days ago. Additionally, gift card activations continue to rise.

Overview

Consumers took to the stores with gift cards in hand, driving gift card redemptions higher by 7 percent in week two of the holiday shopping season as compared to the same week in 2008. The increased redemption activity is likely due to several factors including:

- Consumers redeeming incentive gift cards that they received earlier this holiday season
- Consumers increasing tendency to use gift cards as a budgeting tool. Consumers who have saved up for their holiday gift giving are now making purchases using the money stored on their reloadable cards

Gift card sales also increased, rounding out a positive week for gift cards overall.

The First Data 2009 Holiday Gift Card Performance Report provides insights based on aggregated transaction data generated by First Data's merchant branded gift card processing business and our observations of the marketplace. First Data will publish a [weekly report](#) through the holiday season.

All Gift Cards

Overall, the total dollar value of gift cards activated last week grew by 4.4 percent, consistent with [First Data's 2009 Holiday Forecast](#), which predicted flat to up to 5 percent growth in dollars activated this holiday season.

All Gift Cards	CHANGE	
Dollar value of gift cards sold	+4.4%	
Number of gift cards sold	+2.3%	
Average gift card value	+2.0%	
	2008	2009
	\$31.48	\$32.10

Note: "All Gift Cards" includes merchant types not represented elsewhere in this report.

Specialty Retail Gift Cards

The use of gift cards as incentives by specialty retailers continues to have a positive impact on gift card activations, which saw a dollar value increase of 16.9 percent over this same week last year.

The specialty retail category includes merchants that sell clothing, electronics, books, sporting goods, hardware, music, video, beauty supplies, home goods and other items.

Specialty Retail Gift Cards	CHANGE	
Dollar value of gift cards sold	+16.9%	
Number of gift cards sold	+12.0%	
Average gift card value	+4.3%	
	2008	2009
	\$43.87	\$45.77

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Restaurant Gift Cards

Restaurant gift card sales remained close to flat for the week, though restaurant gift cards made up a larger percentage of all cards sold compared to the week of November 23 through 29, 2009.

Restaurant Gift Cards	CHANGE	
Dollar value of gift cards sold	+0.5%	
Number of gift cards sold	-0.4%	
Average gift card value	+0.8%	
	2008	2009
	\$18.20	\$18.35

Recommendations for Merchants

Keep in mind that as your merchandise inventories run low, gift cards will become even more compelling purchases for customers. According to First Data's 2009 U.S. Gift Card Consumer Insights Survey, 46 percent of gift card purchasers said that they are likely to buy a gift card if an item they want is out of stock.

Aggressively promote your gift cards in the two weeks before Christmas. Approximately three quarters of gift card purchasers indicate that they buy their gift cards within two weeks of the gifting occasion, according to [First Data's 2008 U.S. Gift Card Consumer Insights Survey](#).

About the First Data Holiday Gift Card Performance Report

The First Data *Holiday Gift Card Performance Report* provides insights based on aggregated transaction data generated by First Data's merchant branded gift card processing business and our observations of the marketplace. First Data will publish a weekly report through the holiday season.

This report compares the number of gift cards sold between Monday, November 30, 2009 and Sunday, December 6, 2009 to those sold during the same period last year, Monday, December 1, 2008 through Sunday, December 7, 2008.

Prior-year transaction data represents comparable closed loop transactions processed by First Data for the retailers included in the summary.