

First Data's 2009 Holiday Gift Card Performance Report



Week 4: 2009 U.S. Holiday Season

Gift card sales cooled in Week 4, compared with the same week in 2008, as record snowfall in the Northeast delayed shopping. Merchants can expect a rush in the few remaining days before Christmas.

Overview

Gift card sales, in dollars, declined for the week by 5.4 percent. Merchant branded gift card redemptions also fell by 1.1 percent as shoppers remained home during a weekend of record snowfall in the Northeast.

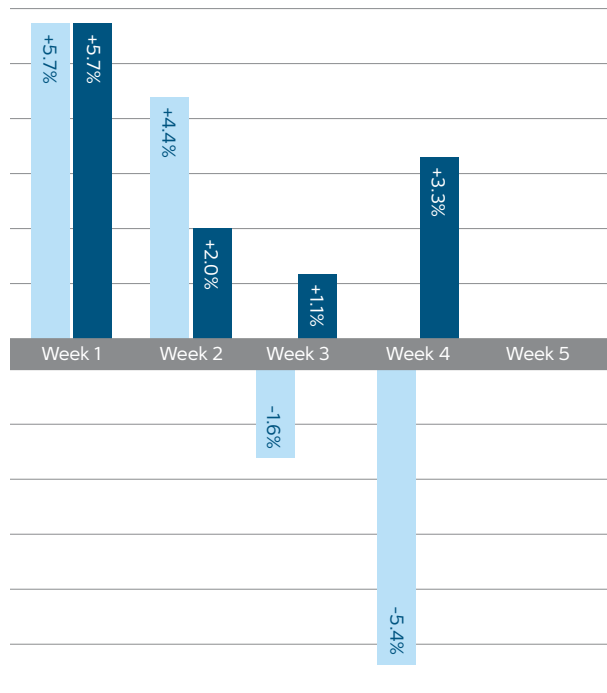
Through the first four weeks of the holiday season, gift card sales (in dollars) declined by 1.5 percent compared with the same weeks last year. A break-even performance for the year is still possible as Christmas falls on a Friday this year versus a Thursday last year, giving shoppers an extra day to make their gift card purchases. In any case, the few remaining shopping days this holiday season will be the busiest gift card sales days of the year.

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.

Percent Change in Gift Card Performance

Holiday Season 2009 vs. 2008

- Dollar Value of Gift Cards Sold
- Average Gift Card Value



All Gift Cards

Overall, the total dollar value of gift cards activated decreased 5.4 percent compared with last year. The number of gift cards activated decreased 8.4 percent. Gift card redemptions declined 1.1 percent.

All Gift Cards	CHANGE	
Dollar value of gift cards sold	-5.4%	
Number of gift cards sold	-8.4%	
Average gift card value	+3.3%	
	2008	2009
	\$27.56	\$28.46

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

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Specialty Retail Gift Cards

Specialty retail gift card activations fell for the first time this holiday season. The number of activations declined 3.2 percent, and the dollar value of cards activated slipped 2.1 percent compared with last year. Average gift card values rose by 1.1 percent. Gift card redemptions, in dollars, increased by 5.1 percent.

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	-2.1%	
Number of gift cards sold	-3.2%	
Average gift card value	+1.1%	
	2008	2009
	\$41.28	\$41.75

Restaurant Gift Cards

Restaurant gift card sales were down for the week, as well.

Restaurant Gift Cards	CHANGE	
Dollar value of gift cards sold	-4.9%	
Number of gift cards sold	-3.6%	
Average gift card value	-1.4%	
	2008	2009
	\$17.54	\$17.30

Recommendations for Merchants

Display your cards near popular gifting merchandise with low inventories, as 46 percent of consumers are either "likely" or "highly likely" to buy a gift card if an item they want is out of stock.¹

Keep gift card displays visible, full and neat. This is exceptionally critical for the remaining days before Christmas as consumers flock to stores expecting to quickly find suitable gift cards and carriers for their recipients.

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, December 14, 2009 and Sunday, December 20, 2009 with those sold during the same period last year, Monday, December 15, 2008 through Sunday, December 21, 2008.

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

¹First Data. 2009 U.S. Gift Card Consumer Insights Survey, December 2009.