

GIFTWARE NEWS®

WORLDWIDE MAGAZINE FOR GIFTS, HOME ACCESSORIES, STATIONERY, TABLETOP, AND COLLECTIBLES

BUSINESS SCOPE

by John Rogers



Gift Cards Rescue January from Doldrums

January used to be the pits — busy month only for rejects and returns not so now with increasing use of gift cards whose popularity is transforming the retail industry. Gifts cards sales now are 5% of total holiday sales and impacting business the months after Christmas. In January, retailers used to rake out the aisles and have a big annual sale. But thanks for gift cards, sales rose 10.5% in January 2006 and appear heading just as much up this year.

Message from Vida Valencia:

The Core of our Line is Gift Card Packaging

- The retailer gift card phenomenon is sweeping the nation. According to the National Retail Federation, gift cards sales were \$18 billion in 2005, \$28 billion in 2006 and estimated to be \$70 billion in 2007.
- Gift cards are everywhere: every imaginable type of product or service from restaurants, entertainment, travel, to apparel and services are available in the form of gift cards.
- With more and more competition among gift cards, packaging becomes an important differentiating factor.
- Gift cards are convenient—independent retailers are not going to stop this trend so they can capitalize on this trend by selling gift card packaging.

