

Scaling Up Gifting

2023
Q1.Q2

Scaling Up Corporate Gifting Program: Challenges and Solutions

Obstacles in maximizing impacts with gifts,
and how to resolve them

 Giftpack

2023 Q1 & Q2

Gifting in numbers

Landscape of global corporate gifting in a nutshell. Find out how global brands are managing gifting campaigns, and how much they are spending. Learn about the facts and figures of challenges in scaling up a corporate gifting program.

307

gift recipients are in a client gifting campaign on adjusted average.

95%



From the survey respondents within 43 international organizations, our data suggest **95% of the businesses** conduct at least one corporate gifting campaign every year.

Businesses around the world run **3 corporate gifting campaigns** per year in average.

three



Top 3 purposes of corporate gifting are...

- Celebration
- Employee engagement and retention, and
- Relationship management.

43% of the business **consider personalization** in their gifting campaigns.

43%

\$55,260

is the average spending on client gifting annually; while the spending is \$47,685 on employee gifting.



4%

respondents feel that it is easy to personalize gifts, and rest of **96% find it somewhat difficult** (neutral to difficult).

60%

of the businesses are having **a difficult time collecting feedback** after a gifting campaign.



business around the world were surveyed, conducted by Giftpack.

CONTENTS

Executive Summary1

About Our Respondents2

Corporate Gifting:
The Global Landscape4

Challenges to Scale Up
Corporate Gifting9

Solutions13

Conclusion15

The Purposes of Corporate Gifting

The Frequency of Gifting Campaigns

Personnel Involved in Corporate Gifting

Business Tools in Corporate Gifting

Client Gifting vs. Employee Gifting

Challenge #1 - Personalized Experience

Challenge #2 - Gift Budget & Logistics Management

Challenge #3 - ESG & DEI

Challenge #4 - Feedback Collection

Challenge #5 - Tax & Regulations

Solution to Picking Personalized Gifts

Solution to Budgeting

Solution to Implementation of ESG & DEI

Solution to Collecting Feedback

Solution to Tax & Regulations

Corporate Gifting Platform



EXECUTIVE SUMMARY

Corporate gifting is an important tool for building and maintaining relationships with clients, employees, and other stakeholders, as over 90% of people feel that corporate gifts and incentives help achieve objectives.¹ On the other hand, the challenges of scaling up a corporate gifting program can be daunting, requiring significant time and resources.

This white paper explores the obstacles businesses face in executing cost-effective gift-giving initiatives at scale, including preparation, budgeting, personalization, delivery, troubleshooting, and coordination. The paper also provides solutions to overcoming these challenges and best practices to creating a successful corporate gifting program that enhances relationships and contributes to overall business success.

For Business Executives, Marketing Specialists, and Human Resource (HR) Professionals looking to optimize their corporate giving operation, this white paper provides insightful advice.

¹ Promoting Business with Corporate Gifts - Major Issues and Empirical Evidence

ABOUT OUR RESPONDENTS

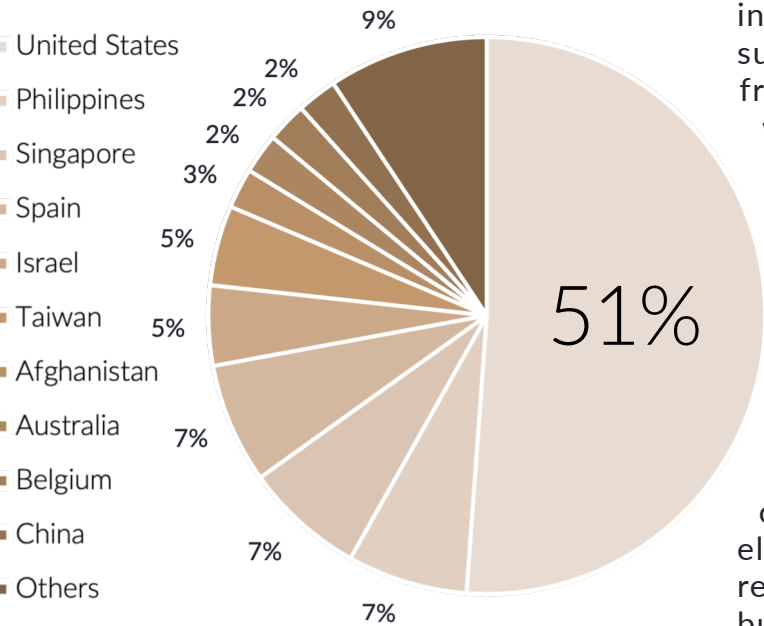
Prior to delving into the intricacies of the challenges encountered by businesses ranging from startups and small to medium-sized enterprises to multinational groups and corporations, it is relevant to provide an overview of the research survey's respondents.

The white paper caters to businesses at

all stages, irrespective of whether they engage in gift-giving practices to employees or clients, or for other purposes.

The research survey elicited responses from a total of 43 businesses around the world, whose demographics are presented below.

Headquarter Location



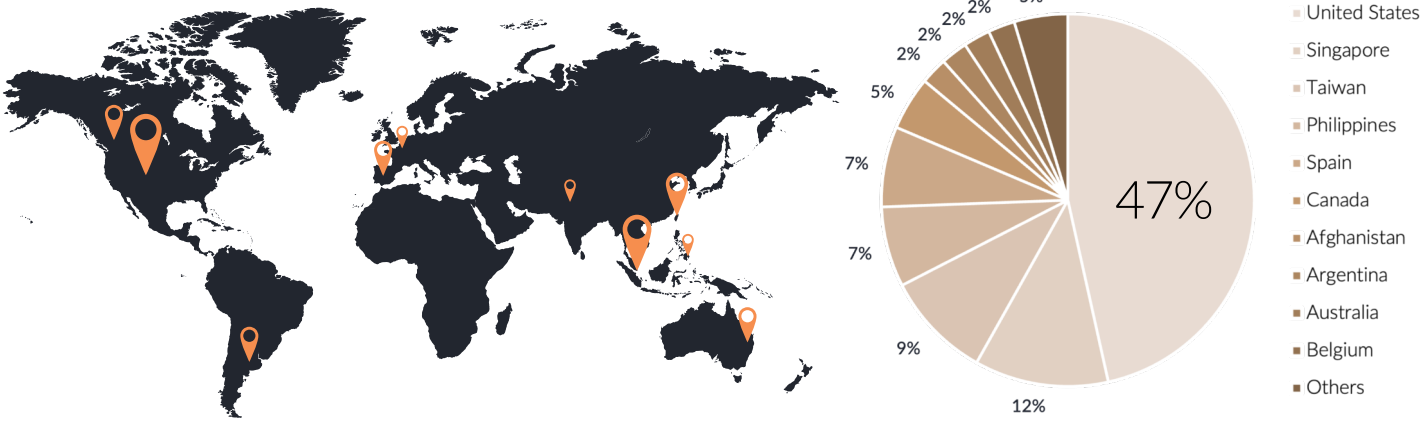
Headquarters

Given that this white paper is intended for a global audience, the survey responses were collected from various countries across the world. The pie chart on the left provides an overview of the headquarters location for each of the businesses that participated in the survey.

Countries

In contrast to the headquarters, respondents are located in more countries, indicating that corporate gifting is one of the key elements for building business relationships for multinational businesses.

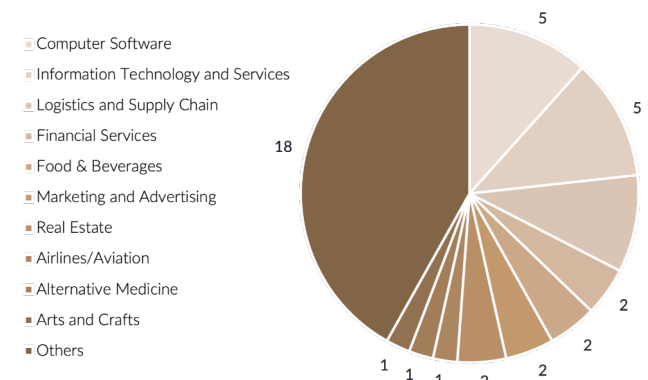
Respondent Country





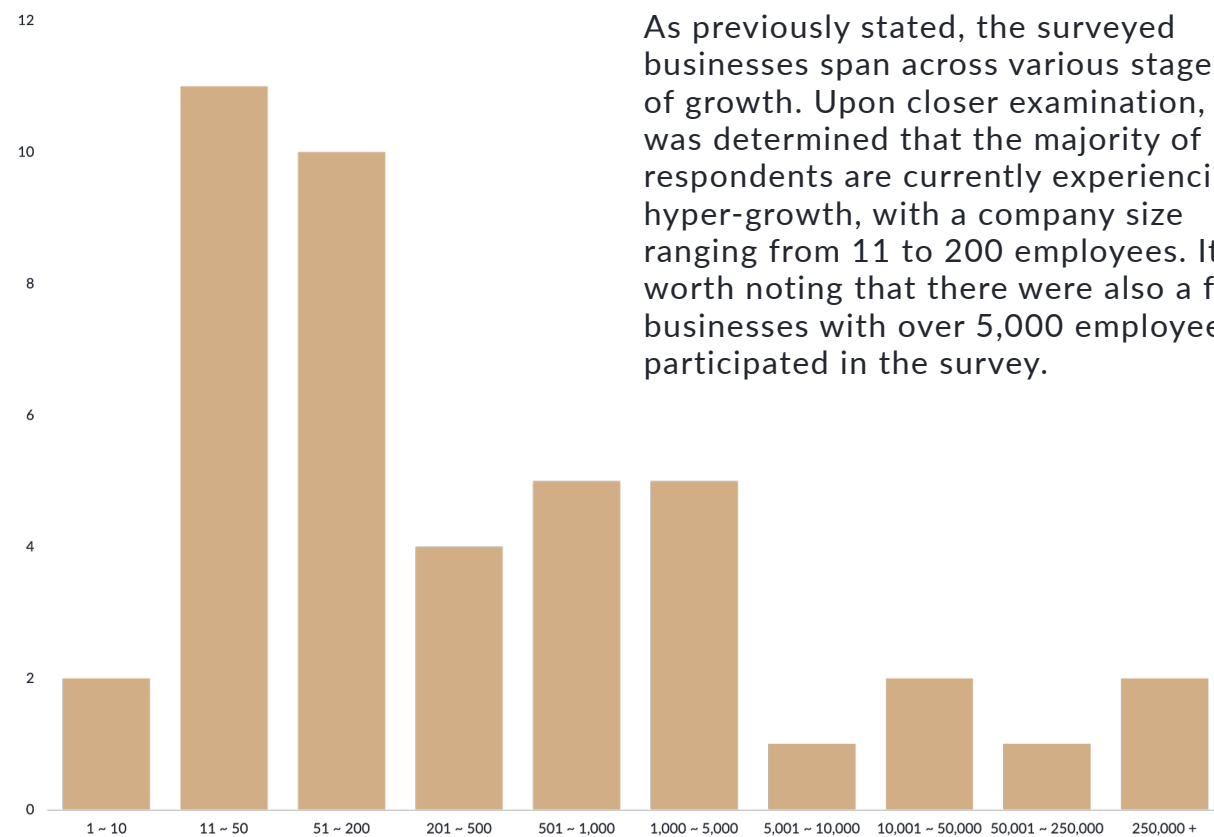
Industries

The majority of the respondents in the research survey belong to the predefined industries, with a smaller percentage categorized as "other," encompassing a diverse range of fields from business services to food and beverage.



Company Sizes

As previously stated, the surveyed businesses span across various stages of growth. Upon closer examination, it was determined that the majority of respondents are currently experiencing hyper-growth, with a company size ranging from 11 to 200 employees. It is worth noting that there were also a few businesses with over 5,000 employees participated in the survey.



CORPORATE GIFTING: THE GLOBAL LANDSCAPE



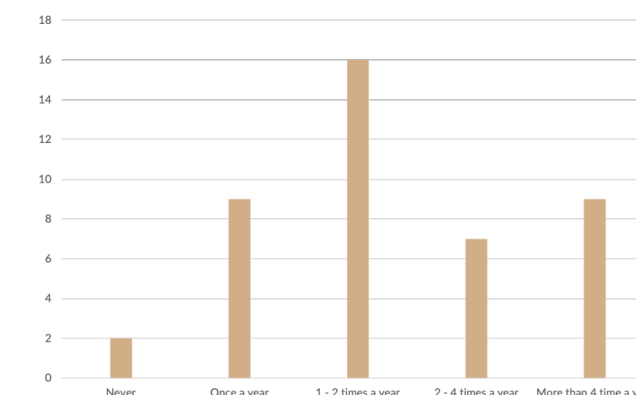
The Purposes of Corporate Gifting

In short, corporate gifting is a business practice that involves giving gifts to employees, clients, partners, or other stakeholders for various purposes such as recognition, appreciation, relationship-building, or celebration (see the stats above). It has long been recognized as an essential component of business etiquette and can have a significant impact on employee morale, customer loyalty, and

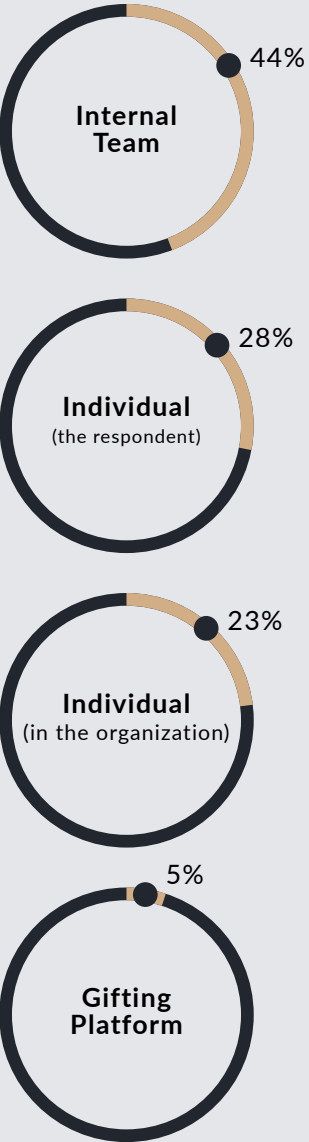
overall business success. We will delve deeper into how businesses perceive and approach corporate gifting in this section, uncovering intriguing insights along the way. We hope to shed light on the significance of corporate gifting in the context of various industries and organizational stages by examining the business perspective.

The Frequency of Gifting Campaigns

Corporate gifting campaigns can vary widely in terms of their frequency, depending on the budget of the company as well as the company's specific needs and goals.



Based on our research, it has been found that approximately 95% of businesses send out gifts at least once a year. Among these businesses, 20% of them send gifts more than four times a year for various purposes. These findings indicate that corporate gifting is a common practice among businesses and is viewed as a way to cultivate and maintain positive relationships.

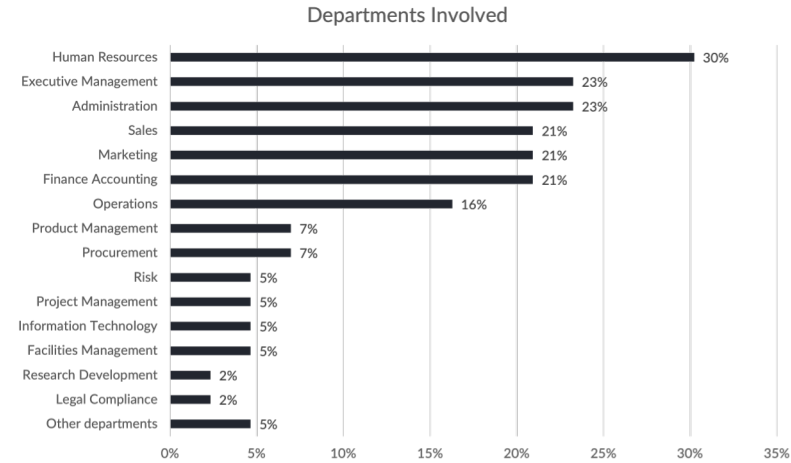


Personnel Involved in Corporate Gifting

In most organizations, corporate gifting is not the responsibility of a single department or individual, unless it is a small one-person company. This is because the process of gifting entails various aspects such as budgeting, purchasing, and delivering, which require the involvement of multiple departments, including finance, procurement, operations, and the department responsible for sending the gifts. The multifaceted nature of corporate gifting necessitates cross-functional coordination and collaboration among different teams within an organization. Let's take a look at Giftpack's finding.

The majority of the respondents have an individual (either the respondent or another person within the organization) handling corporate gifting, and few that assign such tasks to an internal gifting team. Only a couple of companies outsource the effort.

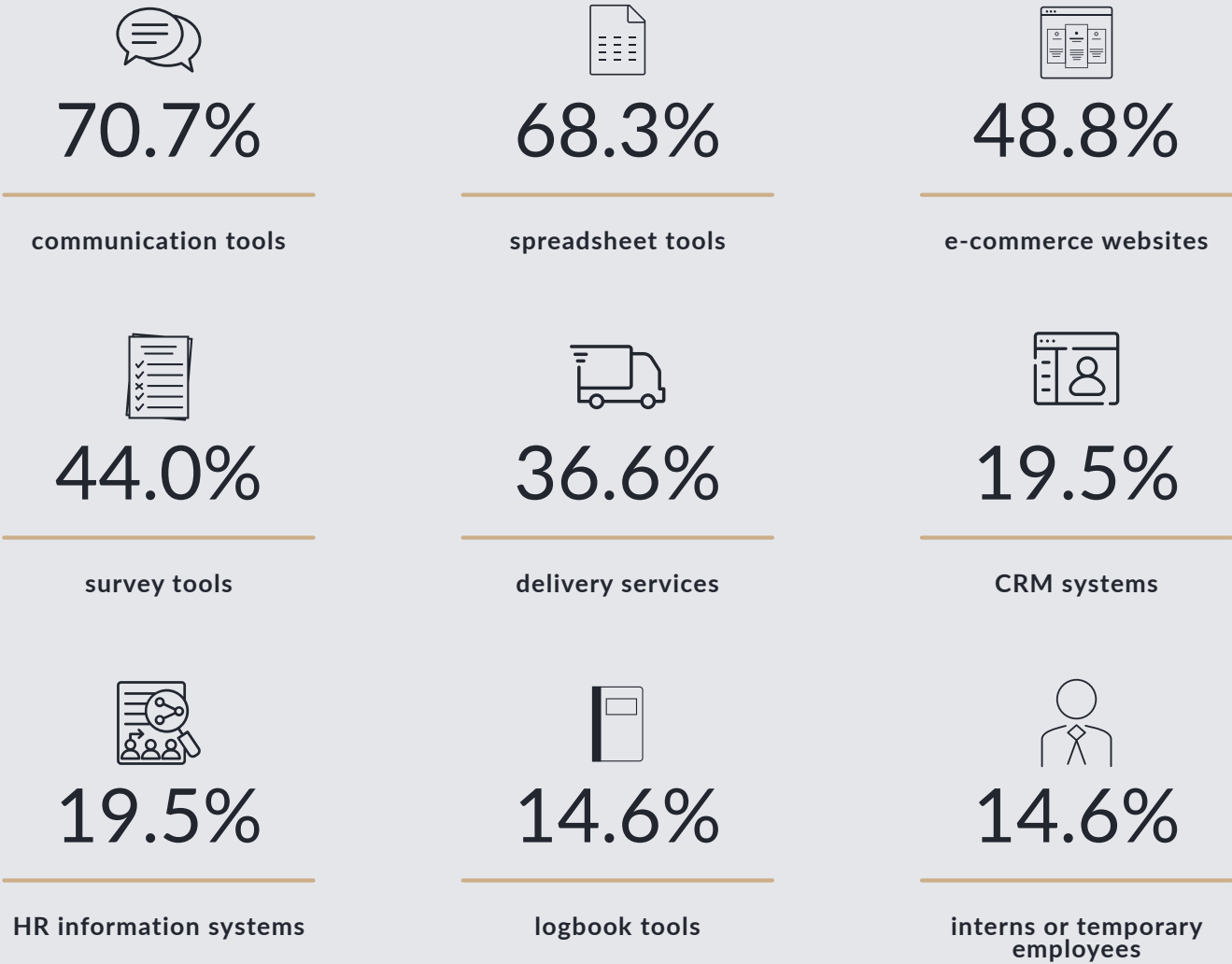
In the bar graph below, you can tell the most frequently involved departments of a business for corporate gifting is Human Resources, followed by Administration and Executive Management. On the other hand, Legal Compliance and Research Development are the least involved departments.



30%

of survey respondents

Human Resources department is the most frequently involved in corporate gifting within a business.



(% of survey respondents, within a total of 43 international organizations)

Business Tools in Corporate Gifting

In a business, we use tools for everything. Task management, meeting schedule, communication, bookkeeping, business analytics, and more.

Of course, you will also need to use tools for corporate gifting. In fact, we found that businesses actually use more tools for gifting than any other tasks. The data above will give you an idea of tools that are often used in a gifting campaign in businesses of all sizes and stages.

Client Gifting vs. Employee Gifting

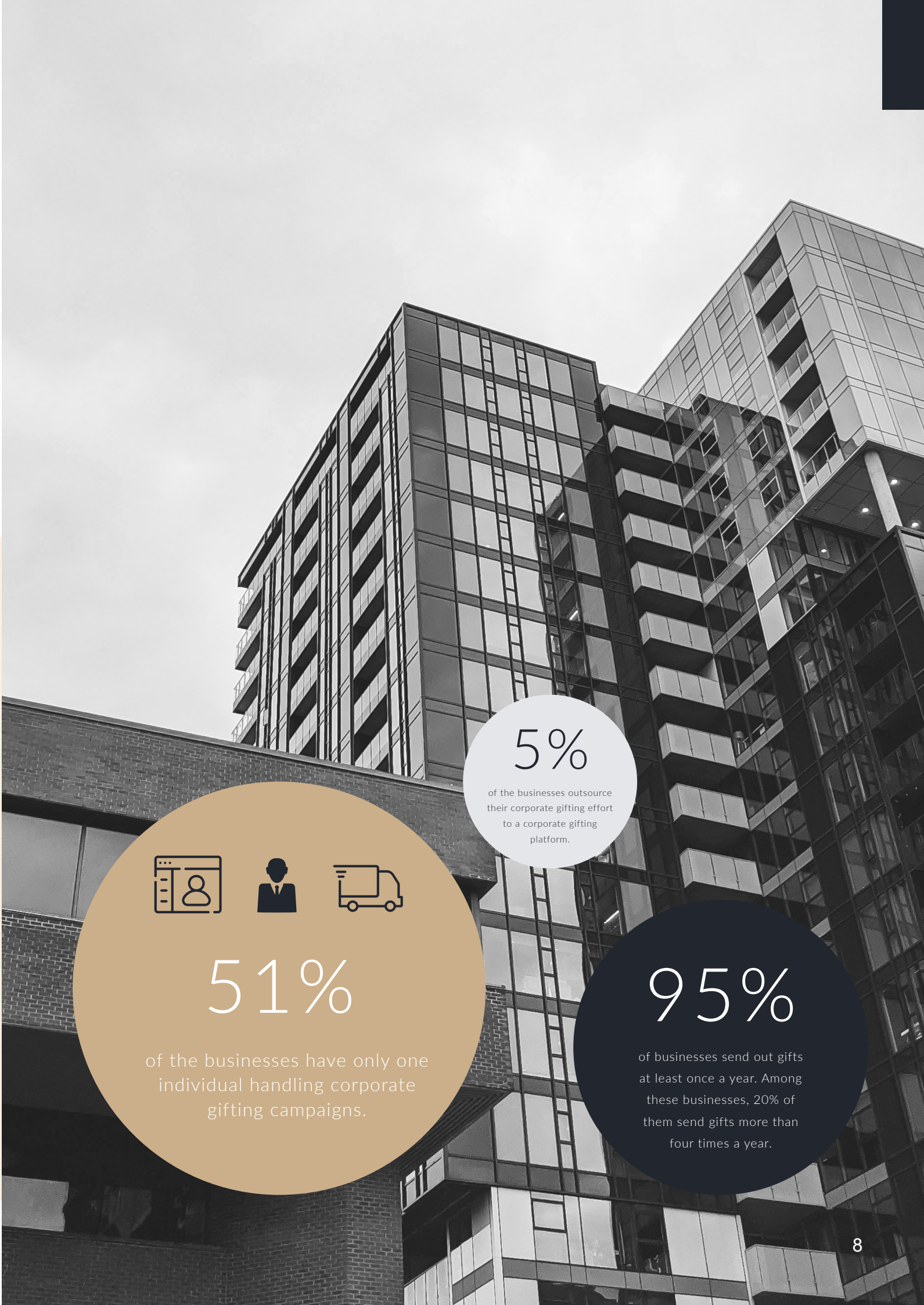
The amount businesses spend on gifting can vary greatly depending on factors such as the size of the business, the industry, the occasion, and the recipients. According to a survey² conducted by the Promotional Products Association International (PPAI) in 2020, business spends about \$50 per recipient on corporate gifts, with some spending upwards of \$500 per recipient. Note that this is just an average and actual spending can vary significantly. Now let’s take a look at data from our survey on how much businesses are spending on clients versus employees.

² Industry Reaction: Corporate Gifting Market May Be Much Larger Than Previously Known

| | Client Gifting | Employee Gifting |
|-----------------------------|----------------|------------------|
| Recipients per campaign | 307 | 187 |
| Expenses per recipient | \$60 | \$85 |
| Campaign per year | 3 | 3 |
| Total spending per campaign | \$18,420 | \$15,895 |
| Total annual spending | \$55,260 | \$47,685 |

(data calculated in adjusted average*, currency in USD)

*excluding 5% of extreme values from both ends of the data.



CHALLENGES TO SCALE UP CORPORATE GIFTING

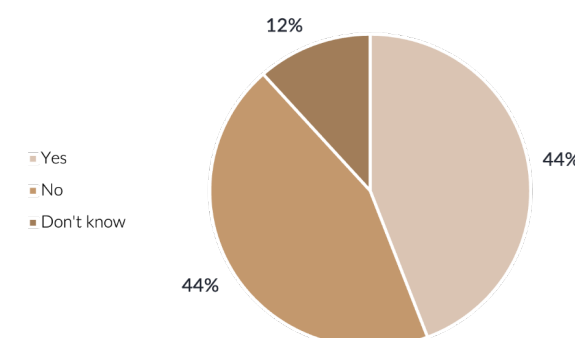
While corporate gifting is an important practice for many organizations, scaling up such initiatives can be difficult.

Conducting large-scale gift-giving initiatives can pose significant challenges due to the time, resources, coordination, customization, and logistics involved in achieving cost-effectiveness and efficiency. In this section, we will look at the challenges that businesses, such as startups, small and medium-sized businesses, and multinational corporations, face when it comes to scaling up their corporate gifting programs.

Challenge #1 - Personalized Experience

Personalization has always been the way to appeal to anyone, it is a widely used technique to build better relationships, specially in gifting.

Let's first look at how many businesses are applying personalization in their gifts during their gifting campaign:



44% of the respondents are doing personalized gifting; 44% not doing it.

The rest of the respondents are not particularly sure if their companies conduct personalized gifting or not.

Level of the challenge

Based on our comprehensive research, it is evident that businesses face serious challenges when it comes to personalizing corporate gifting initiatives at scale. These challenges primarily revolve around the time-consuming nature of finding suitable gifts or reliable vendors, as well as the collection of recipient information for effective personalization. Moreover, businesses also express concerns about ensuring the recipients' satisfaction with the gifts, as there is no guarantee of their preferences.

70% of the people think that personalizing gifts is a challenge.



4% of the respondents feel it is easy to do personalization.
(the rest 26% of respondents feel neutral)

Challenge #2 - Gift Budget & Logistics Management

Finance and logistics are commonly recognized as seemingly simple yet inherently complex tasks. According to our survey:

~62%

of the respondents agree that budgeting is difficult to deal with.

of the respondents face some issues with logistics management every time they run a gifting campaign, regardless of who they're sending the gifts to.

~72%



Challenge #3 - ESG & DEI

ESG (Environmental, Social, and Governance) and DEI (Diversity, Equity, and Inclusion) are the center of all topics for businesses. Companies are becoming more aware of these values in the workforce. However, it is quite difficult to implement all these values in a single gift.

The goal of finding personalized gifts that align with recipients' values while also being environmentally sustainable, diverse, and inclusive can be complex. Here are some interesting statistics to look at:

| | |
|-----|--|
| 45% | consider ESG when conducting corporate gifting at scale. |
| 50% | consider DEI when conducting corporate gifting at scale. |
| 58% | of businesses find it challenging to send gifts that are considered ESG; |
| 38% | are neutral, whereas 7% think it is easy. |
| 42% | of businesses find it challenging to send gifts that are considered DEI; |
| 47% | are neutral, whereas 11% think it is easy. |

Challenge #4 - Feedback Collection

Customer relationship management is an important component to maintaining a great business relationship. It is the same with corporate gifting, without it, you can not improve your gifting, and all your effort might be wasted. However, the hardest thing about CRM for corporate gifting is not giving the recipients what they want, instead, it is actually knowing what they truly want. It's all about collecting feedback!

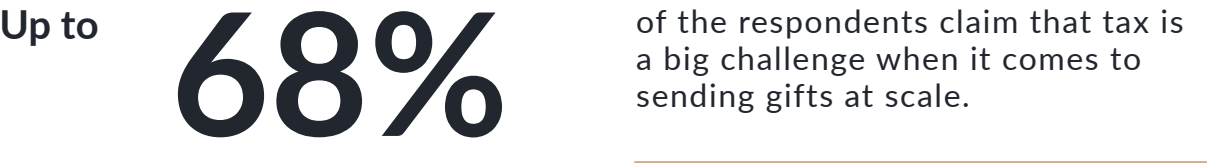


Challenge #5 - Tax & Regulations

Notwithstanding the previously discussed challenges of scaling corporate gifting, one of the most complex challenges is navigating the tax implications, especially when sending gifts globally.

Each country has its own regulations governing corporate gifting. For instance, in some countries, companies can send gifts up to \$25 USD per recipient without incurring tax³, while in other countries, the tax threshold may be set at an amount of \$60 USD or higher.

³ Travel, Gift, and Car Expenses (Internal Revenue Service, 2023)



SOLUTIONS

Solution to Picking Personalized Gifts

If you are using a gifting platform, leverage their technology.

Leverage technology tools such as gift recommendation algorithms or online gift configurators that can provide personalized gift suggestions based on recipient data, such as demographics, interests, and past gift history can save a ton of time. It is usually already implemented in the gifting service itself. We recorded that generating ideas cost 2 hours per recipient on average. With technology and AI tools, companies can save hundreds or even thousands of hours on corporate gifting every year.

If you are not using a gifting platform, gather recipient information as much as possible.

Conduct a thorough analysis of your recipient's interests, preferences, and hobbies. By taking the time to gather information about what they like and dislike, you can develop a better understanding of their personality, taste, and lifestyle. This can help you select a gift that fits their individuality. Not only can this save you time in the long run, but it can also help you avoid the frustration of having to revise your gifts multiple times before finding the perfect fit.

Solution to Budgeting

Adopt the procurement practice

By incorporating solid procurement practices⁴, businesses can benefit from cost savings through bulk purchasing, negotiation of favorable terms with suppliers, and strategic selection of gift options that offer the best value for money. Additionally, procurement practices can help ensure transparency and accountability in the gift purchasing process, with clear guidelines and approval workflows in place to prevent overspending or unauthorized expenses. It can also help you prepare for tax calculation.

⁴ Best Procurement Practices to Boost Sourcing

Solution to Implementation of ESG & DEI

Send gift boxes instead of individual gift items

To address this challenge, a viable solution is to utilize gift boxes or swag boxes⁵. This involves selecting personalized gifts and packaging them in environmentally-friendly and sustainable gift boxes, showcasing cultural diversity through customizable designs. By adopting this approach, businesses can demonstrate their commitment to ESG and DEI principles while ensuring that the gifts align with their values and those of the recipients. The only fallback is that it might be a little on the expensive end.

⁵ Put Some Swagger in Your Swag with Custom Gift Boxes

Solution to Collecting Feedback

Allow anonymous review

Anonymous reviews are a great way to help you collect more feedback because it allows reviewers to provide honest and candid feedback without the fear of repercussions. In some cases, gift recipients (your employees or clients) may be hesitant to provide feedback that is critical or negative if they feel it may affect their relationships with you. Allowing them to provide anonymous reviews to the gifts they received can provide a safe space to express opinions without fear of retaliation.

This can lead to more comprehensive feedback and a better understanding of areas that need improvement. Additionally, anonymous reviews can help prevent biases or favoritism from influencing the feedback given.

Solution to Tax & Regulations

Seek professional advice

While having a comprehensive understanding of tax and legal regulations is ideal, navigating the complex landscape of diverse regulations across states and countries can be daunting. Therefore, it is advisable to seek professional advice from reputable legal or tax firms.⁶

This approach not only minimizes the risk of tax-related errors when sending corporate gifts locally or globally but also saves valuable time that would otherwise be spent on extensive research. While there may be associated costs, the investment is worthwhile as it ensures compliance and mitigates potential risks, making it a prudent strategy for businesses engaged in corporate gifting.

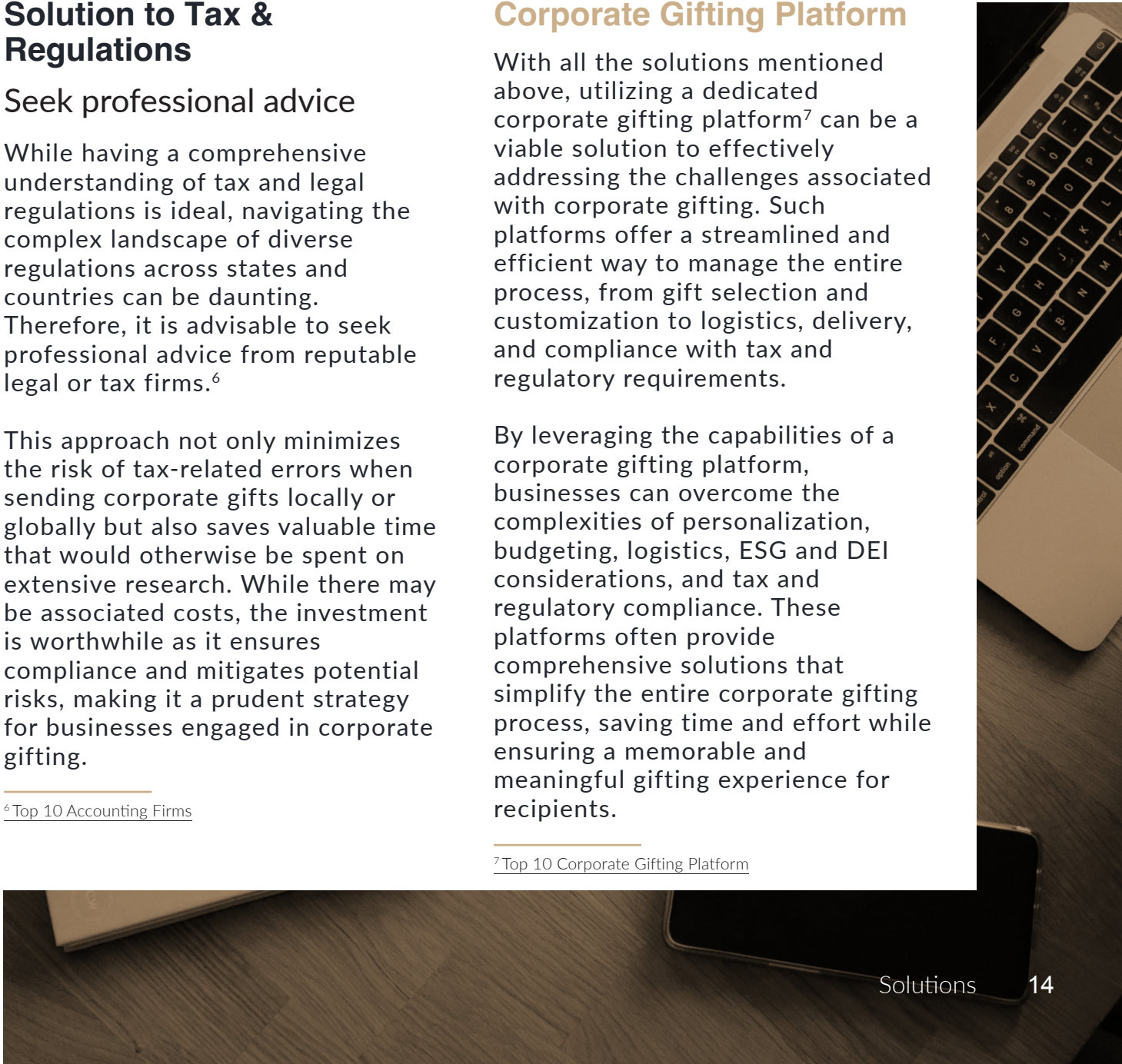
⁶ Top 10 Accounting Firms

Corporate Gifting Platform

With all the solutions mentioned above, utilizing a dedicated corporate gifting platform⁷ can be a viable solution to effectively addressing the challenges associated with corporate gifting. Such platforms offer a streamlined and efficient way to manage the entire process, from gift selection and customization to logistics, delivery, and compliance with tax and regulatory requirements.

By leveraging the capabilities of a corporate gifting platform, businesses can overcome the complexities of personalization, budgeting, logistics, ESG and DEI considerations, and tax and regulatory compliance. These platforms often provide comprehensive solutions that simplify the entire corporate gifting process, saving time and effort while ensuring a memorable and meaningful gifting experience for recipients.

⁷ Top 10 Corporate Gifting Platform



CONCLUSION

This white paper shed light on the challenges and solutions associated with scaling up corporate gifting programs. From the complexities of personalization and customization, to the time-consuming aspects of budgeting, purchasing, and delivering gifts, to the intricacies of navigating tax implications, businesses face a myriad of obstacles when expanding their corporate gifting initiatives.



However, through the insights and guidance provided in this white paper, businesses can better understand the nuances of corporate gifting and take strategic steps to overcome these challenges. By leveraging technology, streamlining processes, and adopting best practices, organizations can effectively scale their corporate gifting efforts and enhance their relationships with employees, clients, and other stakeholders.

In conclusion, this white paper serves as a valuable resource for HR professionals, marketing directors, and business owners who are looking to navigate the challenges and optimize the benefits of corporate gifting at scale. By acknowledging and addressing the key challenges, and implementing the suggested solutions, businesses can elevate their corporate gifting programs to a new level of success.

Authors



Designer **David Chen**
Digital Marketer @Giftpack
itsdavid@giftpack.ai



Researcher / Analyst **Grace Valmadrid**
Business Analyst @Giftpack
grace.valmadrid@giftpack.ai



Writer **Tim Kuo**
Senior Content Marketer @Giftpack
timkuo@giftpack.ai

Giftpack Inc.

contact@giftpack.ai

<https://giftpack.ai/>

New York City (HQ)

Taipei, Taiwan

Seoul, Korea

San Francisco

Tokyo, Japan

Nanjing, China

visit website

