

Gift Solutions Branded Currency 2018 Holiday Snapshot

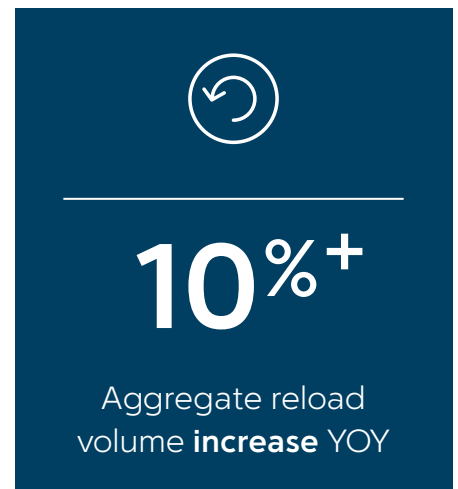
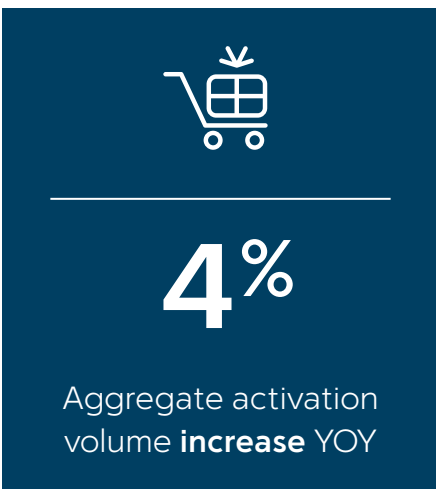
As the 2018 holiday season is well underway, we know retailers are eager for more data. As such, Gift Solutions has created a snapshot of branded currency trends, with a few retail trends, we've seen from November 1 through Cyber Monday, November 26.



The 2018 U.S. holiday season is off to a strong start with total spending growth at **3%** through the end of November according to **First Data's SpendTrend® Holiday Insights**. Even better news for our branded currency clients and partners, is that we're seeing **almost double-digit growth YOY** for **activations, redemptions, and reloads** across the entire Gift Solutions platform. Let the numbers speak for themselves...

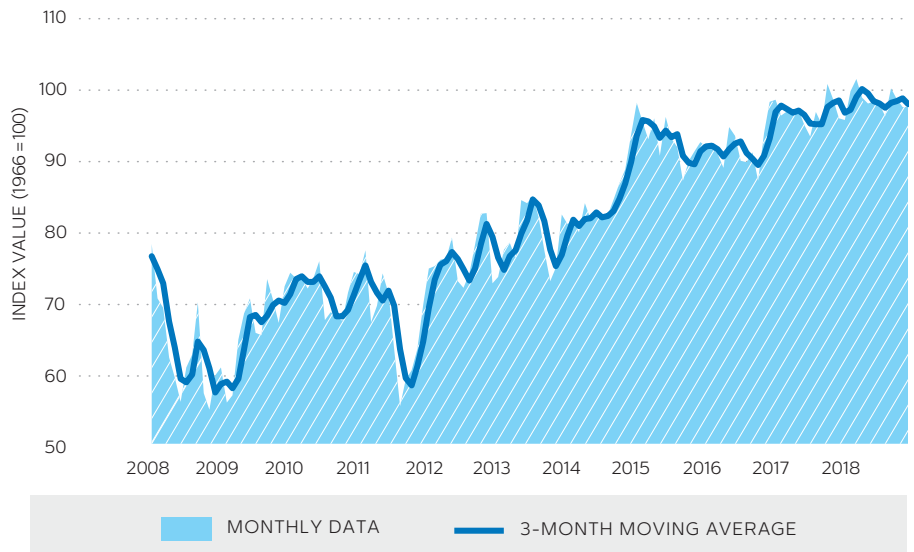


Activations, Redemptions, and Reloads Volume (\$): Up Year-Over-Year (YOY)



Why the increase? Positive Economic Outlook

Consumer sentiment is near a post-recession high and remains at favorable levels combined with consistent, conservative retail growth in consumer spending for the past four quarters.^{1,2}



Sources:

¹ Survey of Consumers, University of Michigan – Index of Consumer Sentiment last 10 years: <http://www.sca.isr.umich.edu/charts.html>

² First Data's SpendTrend Holiday Insights: https://www.firstdata.com/en_us/insights/spendtrend.html

Branded Currency: The Best Gift Going

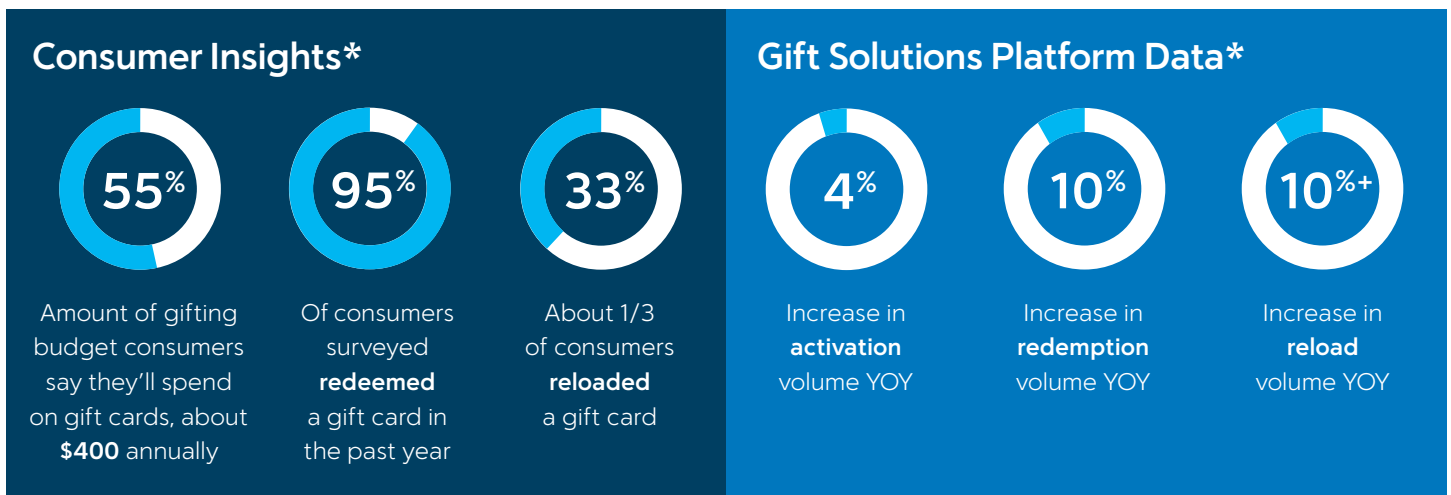
According to the **2018 Consumer Insights Study**, consumers surveyed plan to spend over half their annual gifting budget on gift cards which translates to close to **\$400 per gift card purchaser annually**. Additionally, **33%** of consumers surveyed **spend more on a gift card than a traditional gift**.

Almost 95% of consumers surveyed **redeemed a gift card** in the past year which aligns nicely with the **increase in redemptions seen across our platform**.

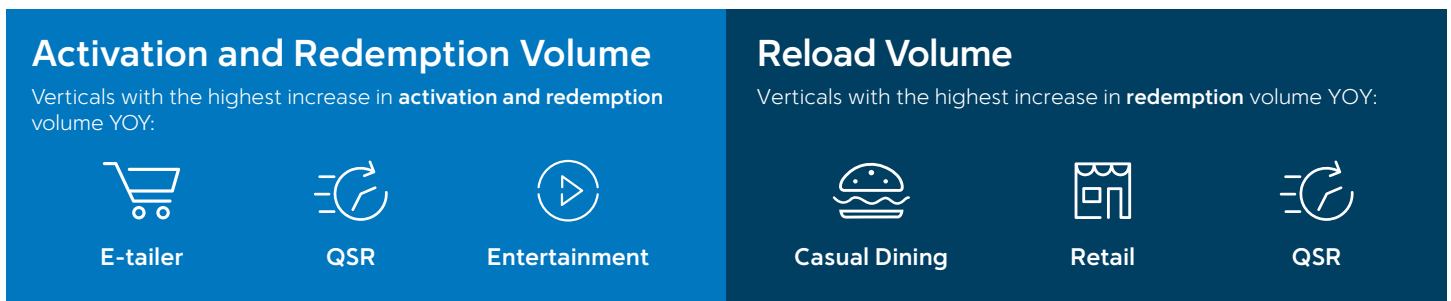
Our Gift Solutions platform data tells a similar story as **gift card activation volume conservatively grew YOY**. Branded currency promotions and discounts drive traffic, volume, and transactions. No surprise here. Our **digital sales volume** for the month of November was **up double-digits YOY**, with almost half of all brands running promotional offers.

More brands are driving consumers to reload via promotions, mobile apps, and loyalty programs. Our platform data highlights the level of impact a well-thought-out reloading strategy could have on your branded currency program.

A Wonderful Time of Year



Let It Grow! Let It Grow! Let It Grow!



'Tis the Season for Gift Cards

As this snapshot reinforces, having a strong branded currency program is a must-have for the holidays but it also stretches way beyond. The data proves that gift cards are here to stay and consumers want more. Whether it's offering

more promotions and loyalty opportunities or enhancing your mobile strategy, now is the time to think about growing your program and reaping the benefits of the positive trends in spending.

COMING SOON: Watch out for a holiday wrap-up report on branded currency trends, available Q1 2019.

* Consumer insights statistics unless otherwise indicated, available through First Data 2018 Prepaid Consumer Insights Study, October 2018. First Data Gift Solutions platform data reporting, November 1–26.