



'Tis the Season

Many companies take the opportunity to thank their clients, employees and suppliers with gifts during the holiday season, but it is also an opportunity to build brand recognition, retain employees and encourage repeat business.

by Jim Chliboyko

Though many budgets are tighter this year than they have been in a long time, giving gifts to people who make your business more successful – whether they're clients, employees or suppliers – can translate into repeat business, referrals and retention.

"A lot of customers are looking at their relationships with key clients and want to say 'thank you' in a meaningful way," says Dave Wilson, a senior account manager in the Winnipeg office of Genumark Promotional Merchandise, Inc. As the construction/renovation industries are so heavily based on trust, relationships and referral, Wilson says that a corporate gift-giving program is a good business decision.

"Business gifts are the cornerstone of the promotional products industry. Among our clients, 73 per cent are using our products as gifts and 52 per cent are using them for customer retention and loyalty," he says.

As anyone who's had to buy gifts for either staff or customers (or both) can attest, there is no shortage of gift choices. Wilson says there are literally hundreds of thousands of options and Genumark alone sources from 2,200 suppliers offering everything from the latest hi-tech gadget to the trusty fridge magnet.

If there are any pitfalls to gift giving at this time of year, whether to employees or customers, it's the quick-fix gift. Wilson advises that businesses consider their return on investment when it comes to gift giving.

"If you give something to someone, you want to give them something they are going to use," says Wilson. "Working with a professional like myself to think some things through, we might come up with a better solution business-wise than an impulse buy."

The best gift is the gift that's remembered, and while gift cards or cash gifts (for employees) are something almost everyone can use, they are not necessarily going to be remembered a few months down the road. Wilson says another pitfall of gift cards and cash gifts is that the recipient may interpret the

monetary value of the gift as the value placed on the relationship.

"The key is to spend some time at the front end, thinking through why you want to do this, and how you want to do this," he says. "Give some consideration to what you'd like to accomplish. You could be saying thanks for the business you've done this year, while supporting your key selling messages."

Giving in Difficult Times

Wilson says that firms experiencing an economic downturn may still consider giving something – perhaps less expensive gifts, or gifts to fewer people. The key is to be thoughtful.

"When you talk about the quality of your company's product, having a quality item is what it's about," he says. "The reality is that you are what you give."

The other reality is that sometimes the decision to give gifts comes down to pure economics.

According to an American Express survey conducted in the fall of 2009, fewer employers were planning on giving holiday gifts to their employees in 2009. The results of the survey indicate 35 per cent of managers or owners of smaller businesses (less than 100 employees) would be giving out gifts this year, compared to 46 per cent last year.

In the same survey, 47 per cent of those same companies said they'd be giving out gifts to their customers, and 10 per cent said they'll actually increase their gift budgets. There are several reasons for the giving, according to the survey, the biggest being merely to say 'thank you' to their customers (82 per cent), although one-quarter of respondents were motivated to "stand out from the competition."

Wilson agrees that gift giving around this time of year can be an excellent tool to help companies stand out from their competition.

"If you think about something given as a desktop gift, there's top-of-mind awareness. The average person hangs onto a promotional product for a minimum of seven months. What other kind of advertising has that kind of shelf life?" **b&r**