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Corporate Gifting: In Search of the Greatest Gift

Professionals in the industry say corporate gift-giving is bigger—and more important—than ever. But there are a few rules to follow when deciding how to reward a client or coworker

By Nathan Adkisson and Shayna Jacobs

Forget the tired old bottle of wine. Forget the click-clacking balls-on-wire desk toy.

A corporate gift is a marketing opportunity with the potential to build a lasting and profitable relationship, but deciding what to send requires a good memory and significantly more thoughtful consideration than some professionals are used to exercising.

A gifter must take into account factors like the recipient's age, heritage and dietary preferences. Christi Gibson, executive director of Recognition Professionals International, says it is not unusual for a company in 2008 to have employees representing four generations, which makes it more difficult to choose the right gift.

"You may have traditionalists, baby boomers, Generation Xers, and Millennials," she says. "A traditionalist may want a gift involving the move toward retirement. Baby boomers want items that will pamper them, like spa treatments."

Gibson suggests frequent polling of employees, which lets them specify what gifts they would like to receive.

"We have surveys when employees first walk in the door that ask, 'How do you want to be recognized? What would mean the most to you?'" she says. "If you have an annual awards banquet for someone who has done a great job, and have him stand in front of 500 fellow employees, that could be worse than pulling teeth, because he might not want to get in front of that many people."

Overall corporate gifting has increased, Gibson says, but not on traditional gift items. Gas card sales are on the rise, while many organizations are cutting travel gifts as flight prices increase. Gibson also says fewer gifts are targeted at a specific holiday, resulting in more gifting throughout the year, rather than just in December.

"In 2001, when we first hit some bad times, rather than taking away gifts, they were putting in more," she says. "Our membership grew as they realized they needed to keep their top performers and did not want to have any turnover."

Gibson says the ideal gift is something that clearly represents your company—and is something you can deliver yourself.

"It has to be personal and tied to your mission and goals," she says. "If you can make customers happy and employees happy, then you have loyalty on both ends. That's how you make money."

An effective gift is not one that comes as a second thought sometime around Thanksgiving, but rather has its genesis in a conversation earlier in the year. Writing down details about an employee's or client's children or favorite travel destination is essential to a successful gift-buying process.

Mike Roth runs the small casino and hospitality placement service MDR & Associates out of Terrell, N.C. Most of his business is done face-to-face, and 90 percent of it comes from word-of-mouth referrals. Accordingly, he likes to send personal gifts of appreciation for these referrals. Roth's profession allows him to discuss everything with his clients, including hobbies, travel, and family, and he remembers these details when shopping for gifts.

"If you take care of a person's grandkid with a little gift, you own them," he says.

He likes to send restaurant gift cards, but only if he knows where the recipient likes to eat. He sends thank-you notes, but they are always handwritten.

To Customize Or Not To Customize?

We'll Remember, a Novelty, Ohio-based gifting business, has been offering its services for more than 17 years. The company has an interesting customer appreciation technique: They send holiday gifts almost two months later than most businesses.

"We do our customer gifts at Valentine's Day because they're the heart of our business," says President Cheryl Grassi.

She believes the economy has caused many corporate gifters to rethink their programs, often to the detriment of employee-customer relationships.

"So many [companies] have to cut back, really more than they should," she says. "You need something to give them to remind them who you are, and you want something unique that will fit within your budget."

Smaller, lighter gifts are becoming more popular because they minimize shipping costs and expensive airline surcharges.

We'll Remember can customize many of its items, but Grassi wouldn't suggest applying corporate logos to a gift for a longtime, repeat customer because it would devalue the personal touch.

When gifting for its Fortune 500 clients, Irvine, Calif.-based incentive house JNR customizes to impress. They have created a concept called the "Gift Gallery," which allows corporate travelers to select a take-home gift on the final night of a trip.

In a hospitality room provided by the hotel, JNR will arrange samples for each client to view. After a selection is made, the gift will be delivered straight to the home of the traveler, often arriving before the client.

"It's definitely intended to lighten the load for travelers," says Maria Dales, JNR's marketing director. "It's a nice welcome-home gift."

One of their more popular gift galleries comes from Sunglass Hut, a company that sets up a boutique of its products and invites guests to choose a style. The available sunglasses are preselected by the gift-giver to accommodate the budget.

JNR finds that localization is an effective way to customize a travel gift. For an automotive industry client, they sent dealers on a Mediterranean cruise. At the Grand Casino in Monaco, JNR prearranged for a local artist to paint them in a car next to Grace Kelly and Cary Grant, à la To

Catch a Thief.

This took planning: JNR had to collect photos of the dealers beforehand, and the cost and preparation were considerable, so it also took a commitment, but Dale says the gift was unique and unforgettable.

Charitable Gifting

As companies attempt to appear more socially responsible, many gifting options are becoming available to assist in this venture.

At Helping Hand Rewards Inc., buyers still can purchase usual gift items like chocolate, jewelry and shower kits, but instead of getting a percentage donated to charity, all of the products are made in programs with employees working to escape unfortunate situations.

One of these programs is the Enterprising Kitchen, which sells handmade soaps and spa products.

"It's a social enterprise that uses a business model to achieve a social mission," says Michael Arkes, CEO of Hinda Incentives and president of Helping Hand. "The mission is to offer experience to women who have significant barriers—they may be abused, incarcerated, immigrants, on welfare. The program teaches them customer service and trains them to deal with conflict."

Arkes believes more weight is being placed on corporate sustainability as those of a certain generation have moved into positions of corporate power.

"There are those of us who went to college in the '60s and cared about things like this, and you see those baby boomers going back to those roots," he says. "Now they're in management making those decisions."

A different face of charitable giving can be seen in Centerport, N.Y.-based Giftback.com, which sells products from a number of common gift companies, like Rocky Mountain Chocolate Factory, Brookstone, and La Cense Beef. The prices are the same as from these companies' Web sites for retail customers, but Giftback.com donates 10 percent of the cost of every purchase to a charity of the buyer's choice.

Ken Schiliro, cofounder of Giftback.com, believes that gifts are an important way to advertise the values of a company, both to its employees and its clients.

"It's definitely a marketing impression," he says. "Philanthropy is nice, but if you don't get that trophy value and that chatter, if you just make a donation to a cause, none of the other staff members are aware of it."

The effectiveness of a gift is largely dependent on where that gift is sent, according to Schiliro. He doesn't advise sending a gift to the recipient's home.

"In the corporate world, think of a closing gift, for example," he says. "They always send it to the person's home, where the right eyes don't see it. I suggest sending it to the office of the individual, where you are going to have lots of people with the same geography and the same economic stability."

Schiliro says Giftback.com is not attempting to advertise their company as a new brand or convince managers to buy different products. They eat the cost of the 10 percent donation as a way to help companies incorporate charity into their usual gifting habits.

One of their recent triumphs was at the University of Chicago's Medical Center, which decided to give 5,000 gift baskets to its employees, at a cost of \$130,000.

"A month later we went back with a \$13,000 check and bought the furniture for a pediatric clinic, which was where the hospital chose to donate," Schiliro says. "The value of that was awesome. We did the big check and everything. It was great press. They saw exactly where the money was going."

Charitable giving may prove to be the future of corporate giving, as managers and executives search for all possible ways to market their company as socially responsible, while at the same time pleasing clients and employees.

"The economy has gone to hell in a handbasket and you have to find a way to extend the value of the gift," Schiliro says. "We think giving the gift of giving is a way to increase the value of a dollar. It's like doing good twice."