

TRENDS REPORT

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CORPORATE  
GIFTING INDUSTRY,  
INDIA 2019



# Table of Content

## Introduction

- [Executive Summary](#).....03
- [Foreword by Giftex](#).....04
- [Key Takeaways](#).....05
- [Survey Demographics](#).....06

## Corporate Gifting, is it relevant today?

- [Relevance & Need](#).....08
- [Budgets & Regulations](#).....09
- [Who is Buying?](#).....10

## Innovation in Corporate Gifting

- [Latest Innovations](#).....12
- [Online Vs Offline](#).....13

## Corporate Gifting Exhibitions

- [Why Exhibitions?](#).....16
- [Key Factors to Consider](#).....17

## Credits & Disclaimer

# Executive Summary

A corporate gift can be anything from a personalized key chain to an all-inclusive Europe holiday. If used correctly, it can be a valuable means of strengthening relationships with key customers and employees, and also to promote the company's business by creating goodwill and nurturing new relationships.

In the last few years, corporate gifting has rapidly evolved out from the banner of sales promotion. It has become a vital part of the marketing communication mix to sync and support other promotional activities. Companies have come up with specific guidelines for giving and receiving corporate gifts, and a few have started allocating budgets for the same. In the age of the online marketplace, the quality of products and trust in vendors has become a big concern for every corporate buyer. The buyer has a range of options like Gifting Exhibitions, Online Portals, and local vendors.

Giftex, one of India's largest corporate gifting exhibition, felt the need of conducting an unbiased Research on the corporate gifting industry and partnered with Research NXT to capture latest industry trends and expectations of buyers and sellers in the corporate gifting space.

To capture intel on the industry we connected with 350+ key players from the corporate gifting value chain which included Manufacturers / Distributors / Trader of Gifting Products and Small to Large Corporates. Insights were collected across a range of industries and levels of responsibility. We asked participant on a variety of topics affecting Corporate Gifting, including Budgets, Top and Innovative Gifting Products, Regulations and its impact, Online vs. Offline platforms, Gifting Exhibitions Best Practices and Challenges.

# Foreword by Giftex



**Vickram Sethi**

**Chairman & MD**



Giftex, India's premier corporate gifting exhibition now in its 32nd year has been the catalyst for the growth of the corporate gifting business. Over this period Corporate gifting has grown from a pen, diary and calendar business to a 5000 Crore INR annual business.

The market is currently experiencing a revolution, with new product innovations and thanks to social media, today the new age consumers are more informed, choosy and vocal about their preferences and tastes. This is one of the reasons why E-commerce is here to stay and will grow only bigger and better.

Rather than bemoaning reality, we thought to learn and understand this new consumer environment. We commissioned Research NXT to conduct a market survey of the preferences and tastes of corporate gift buyers and sellers. The study has thrown up some enlightening facts on the gifting industry.

The research revealed the major sectors of corporate gift buyers. Topping the list is the pharma sector, which is under tremendous pressure from the government regulators on the norms of corporate gifting. The report also shortlists top four product categories preferred by these buyers.

E-commerce notwithstanding personalization will play an essential role in the coming years. There is no longer a one - size – that- fits – all solution. With access to blogs, expert opinions layered with societal stimuli; now everyone has an opinion. It is a huge challenge to continuously understand how customers are changing and how technology is impacting this change.

There is no doubt the corporate gift industry has a robust future and will continue to grow. What is important is the realization that products have a very short shelf life and as long as sellers continue to innovate and reinvent themselves, they will always be in business.

## Key Takeaways

**67%**

Of respondents have a well-defined budget for Corporate Gifting.



**37%**

Of respondents spend an average of INR 500-1000 per unit on Corporate Gifts.



**# 1**

Pharma Sector is the top buyer of Corporate Gifts followed by, BFSI, IT Sectors & TTHL Sectors.



**73%**

Of respondents consider innovation & packaging very important while buying Corporate Gifts.



**68%**

Of Sellers list their products on online portals like Amazon and Flipkart, while only 29% of buyers are buying from online venues.



**64%**

Of respondents consider Quality of participants as the most important factor while considering a Gifting Exhibition.



# Survey Demographics

## Participation

- 350+ Surveys

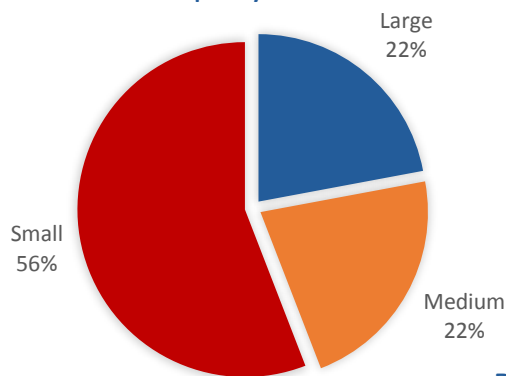
## Participant Mix

- 74% Buyers
- 26% Sellers

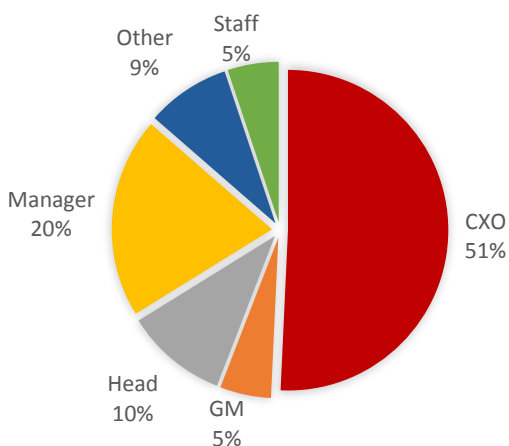
## Industry Mix

- **Buyers** - IT, Pharma, Real Estate, Event Management, Media & Entertainment, Banking & Finance, E-Retailers, Marketing & Advertising, Travel & Logistics, Hospitality, Manufacturing, Retailers/Traders/Wholesalers
- **Sellers** - Home Decor, Electronics, Handicrafts, Textile, Stationary Material, Travel Accessories, Food, Gifts, Novelties & Promotional Merchandise

## Company Size



## Job Title



## Role

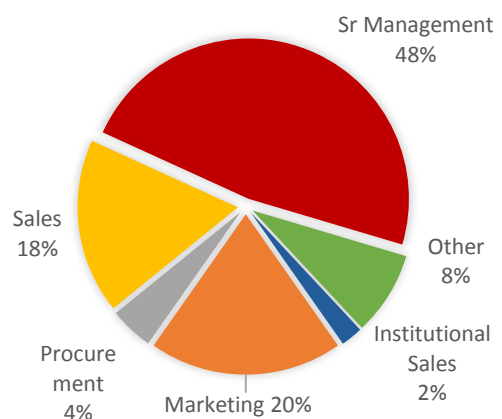


Chart 1, 2 & 3. Survey Participant Profile  
Source: Research NXT Survey





**Corporate Gifting,  
is it relevant today?**

## Relevance & Need

A timed and personalized gift is one of the best ways of conveying the importance of the relationship with a customer or an employee. Though corporate gifting happens throughout the year, during our survey, we observed that the peak season is around the festival time which starts from August and ends in January.

Majority of survey participant we connected with finding corporate gifting relevant and are investing in it.

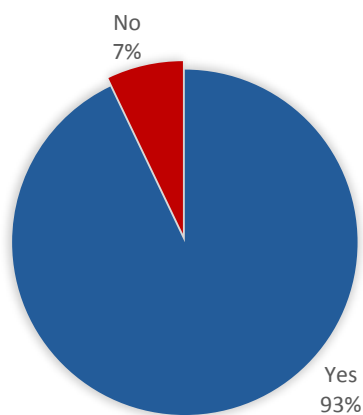


Chart 4. Do you buy Corporate gifts?  
Source: Research NXT Survey

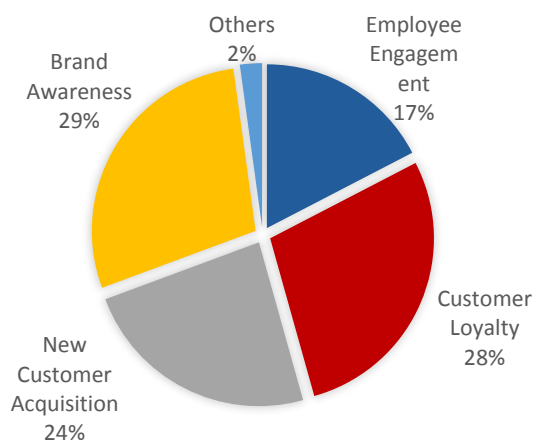


Chart 5. Reasons for buying corporate gifts  
Source: Research NXT Survey

- 93% of Survey participants invest in corporate gifting
- Brand Awareness and Customer Loyalty are the top two reasons across all segments (Small/Medium/Large).
- New Customer Acquisition was one of the primary reasons for participants from the small segment to invest in corporate gifting.



# Budgets & Regulations

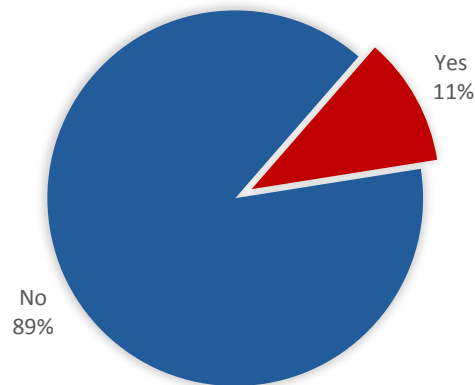


Chart 6. Do you have regulations in corporate gifting?  
Source: Research NXT Survey

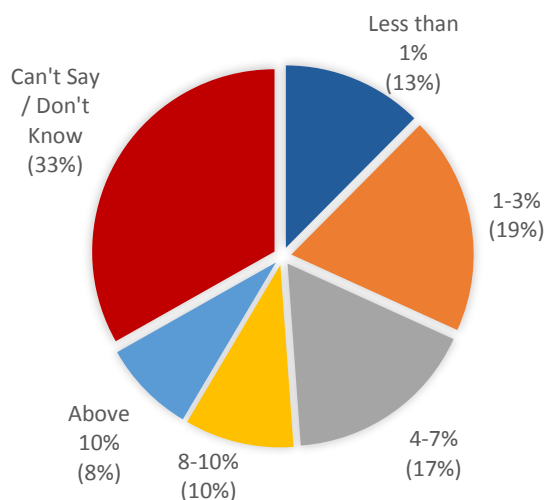


Chart 7. %age of marketing budget assigned for gifting  
Source: Research NXT Survey

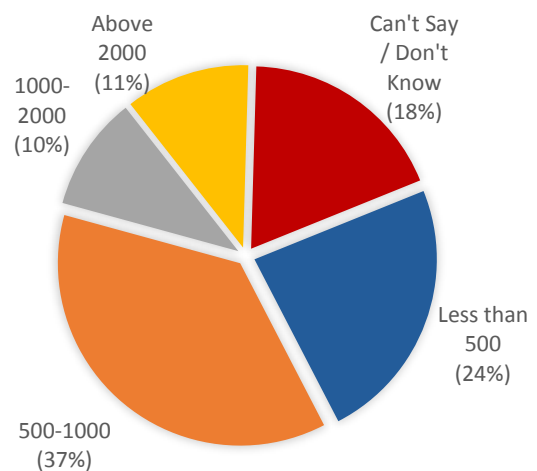


Chart 8. Average spend on individual gifts  
Source: Research NXT Survey

67% of the respondents have a well-defined budget for Corporate Gifting. While a majority of respondents don't have any regulations on gifting budgets/price per unit, 11% of the respondents (primarily from Pharma Industry) have Govt./MCI guidelines on corporate gifting.

1-3% of the marketing budget is spent on gifting by Small & Medium Segment.

4-7% of the marketing budget is spent on gifting by Large Segment.

37% of respondents spend an average of INR 500-1000 on individual gifts.

# Who is Buying?

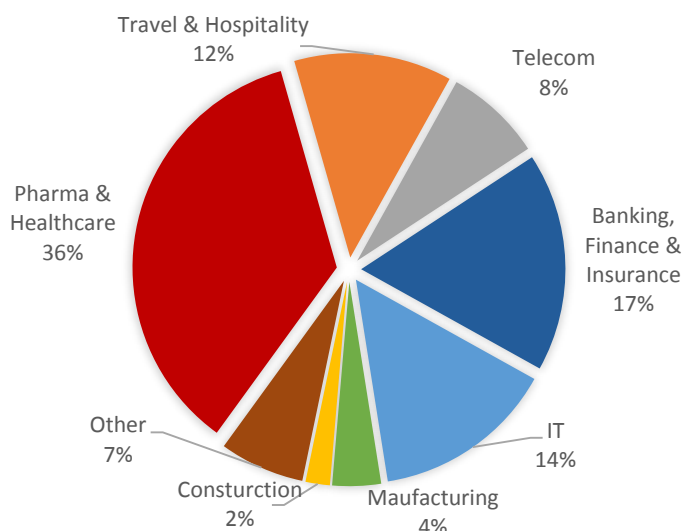


Chart 9. Industries buying Corporate Gifts  
Source: Research NXT Survey

## Top Four Sectors Buying Corporate Gifts:

Topping the list is the **Pharma** Sector, which is under tremendous pressure from the government regulators on the norms of corporate gifting. It is estimated that buying from the pharma sector would decline in the coming years.

In the second place is the **Banking, Financial Services & Insurance (BFSI)** Sector which would grow and in due course become the largest consumer of corporate gifts. In the third place is the **Information Technology (IT)** Sector that would also become a significant buyer looking for sophisticated and international gifting ideas. Last but not least is the **Travel, Tour & Hospitality Services** Sector and this includes event gifts whether in the personal domain that is weddings, baby gifts, etc. or in the corporate arena, i.e., conference gifts, etc.

Top four product categories preferred by these buyers:

- #1** Gifts, Novelties & Promotional Merchandise
- #2** Electronics
- #3** Food
- #4** Travel Accessories



**Innovation  
in  
Corporate Gifting**

# Innovation in Gifting

Both Buyers and Sellers find Innovation and Packaging critical factors for corporate gifting. Electronic category offers the latest and most innovative products, but the quality is a primary concern, as the market is full of fake/duplicate products shipped from China. Buyers prefer to go with the branded product and trusted vendors in case of electronic gifts. Food Products now come with a variety of innovative packaging and are becoming popular in corporate gifting.

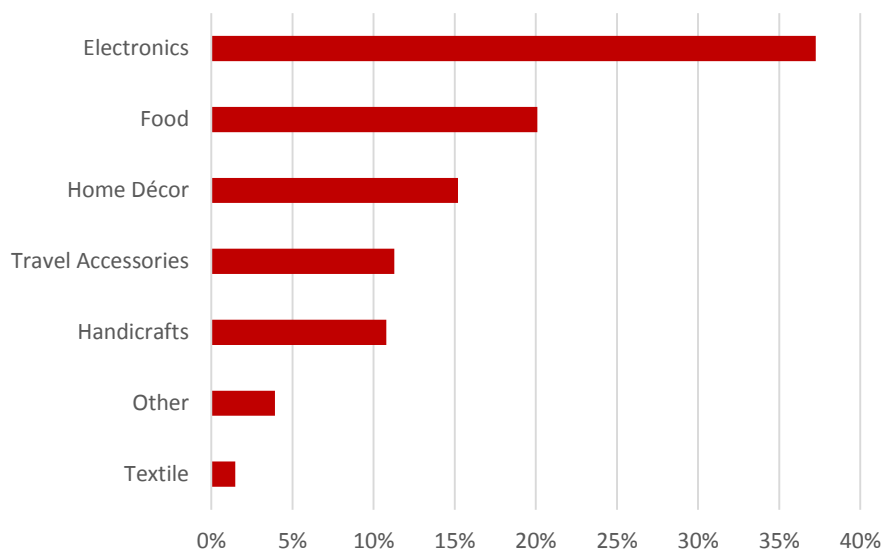


Chart 12. Product Type offering the most innovative gifting products  
Source: Research NXT Survey

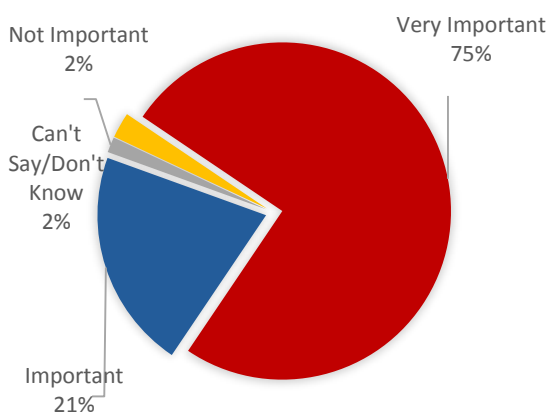


Chart 10. Buyer Response: How Important is innovation & packaging in gifts  
Source: Research NXT Survey

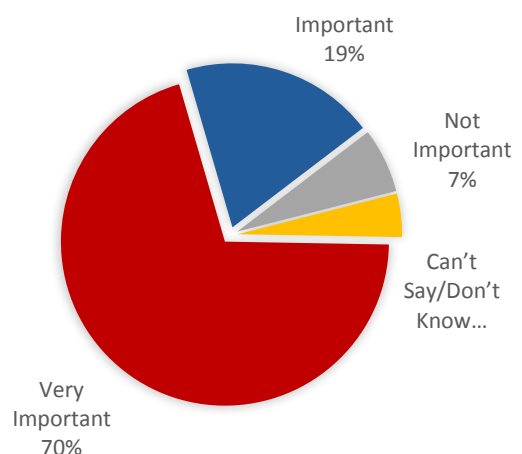


Chart 11. Seller Response: How Important is innovation & packaging in gifts  
Source: Research NXT Survey

## Online Vs Offline

E-commerce notwithstanding personalization will play an essential role in the coming years. Coupled with the fact that imports are free, a lot of international products find their way into the Indian market at speed faster than earlier imagined. It is a considerable challenge to continuously understand how customers are changing and how technology is impacting this change. There is no doubt the corporate gift industry has a robust future and will continue to grow. What is important is the realization that products have a very short shelf life and as long as sellers continue to innovate and reinvent themselves, they will always be in business.

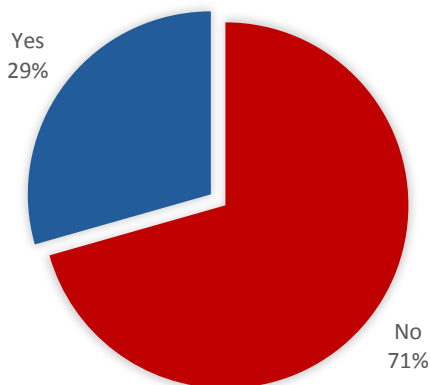


Chart 13. Buyer Response - Do you buy gifting products online?  
Source: Research NXT Survey

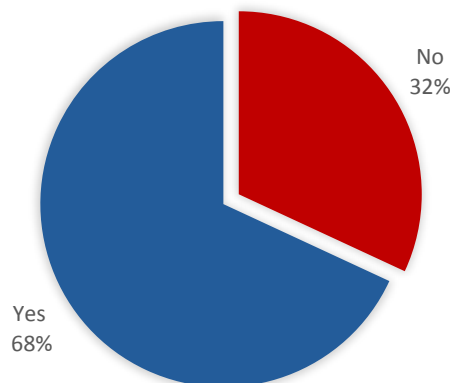


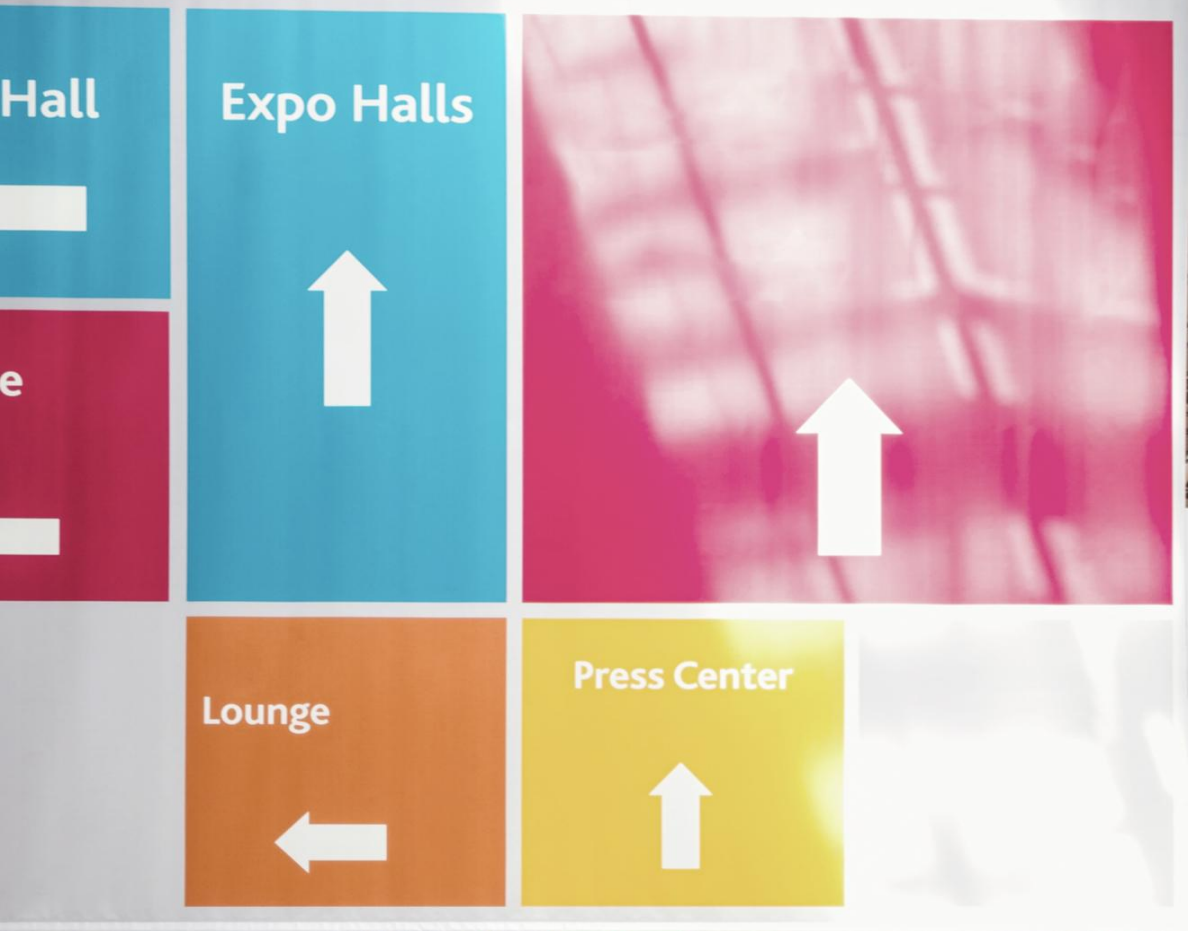
Chart 14. Seller Response - Do you display your product online?  
Source: Research NXT Survey

- 29% of the respondents (buyers) buy products online from sites like Amazon and Flipkart.
- 68% of the respondents (sellers) list their products on these sites.
- Not being able to place bulk orders is one of the primary reason for buyers still preferring offline channels over online.
- Trust in vendors and quality of products is the second most important factor making offline channels a preferred option to by corporate gifts.

**GIFTE**  **2019**

*Delivering Value since 1988 ...*





# Corporate Gifting Exhibitions

# Why Exhibitions?

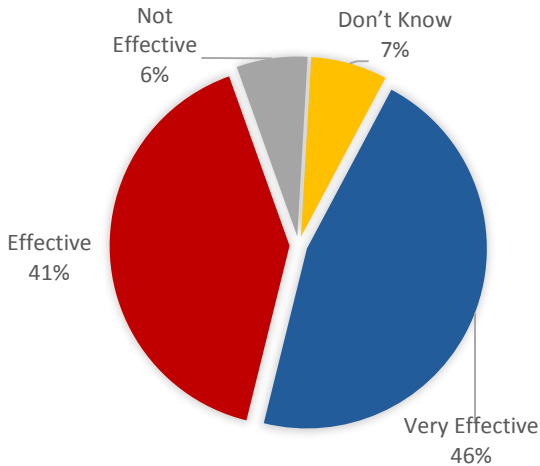


Chart 15. Buyer Response – Effectiveness of Corporate Gifting exhibitions  
Source: Research NXT Survey

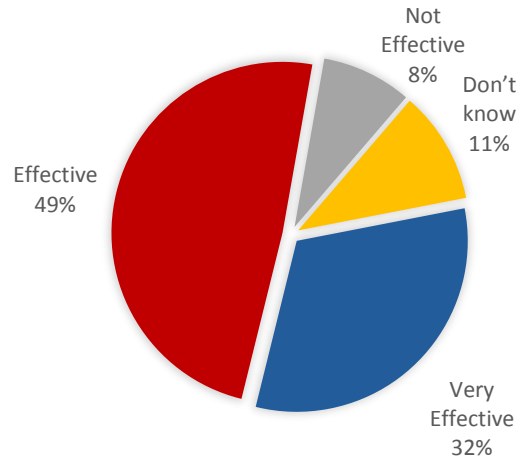


Chart 16. Seller Response - Effectiveness of Corporate Gifting exhibitions  
Source: Research NXT Survey

Both Buyers & Sellers find Gifting Exhibitions to be relevant and very effective for corporate gifting. While innovative gifting products attract buyers to Exhibitions, The sellers see it as a one-stop solution for their sales and brand awareness.

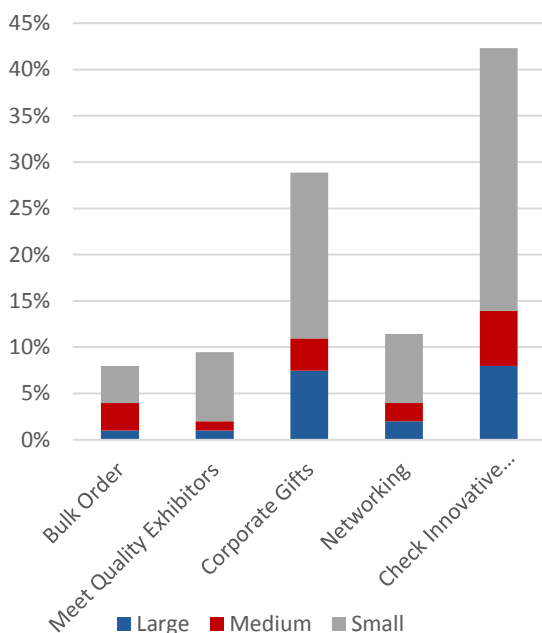


Chart 17. Buyer Response - Prime reason for visiting exhibitions  
Source: Research NXT Survey

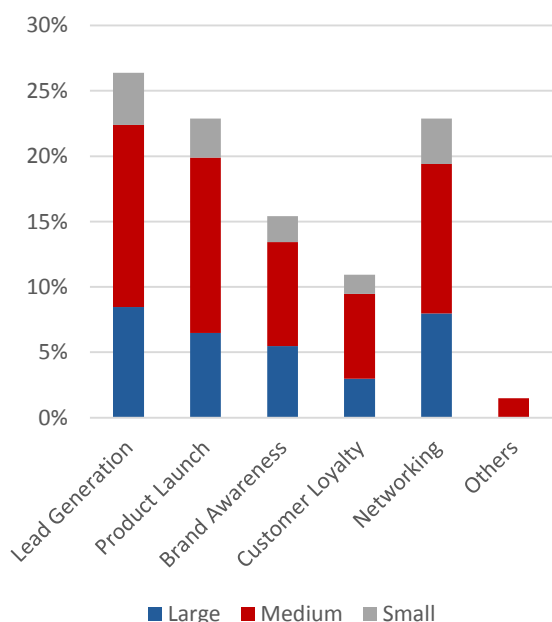


Chart 18. Seller Response - Prime reasons for exhibiting product  
Source: Research NXT Survey

## Key Factors to Consider

Most of the corporate gifting exhibitions follow a similar format to attract both Buyers and Sellers of Corporate gifts. Based on the response from Survey participants, we observed some common factors that are considered by Buyers and Sellers to choose one Gifting Exhibition over the other.

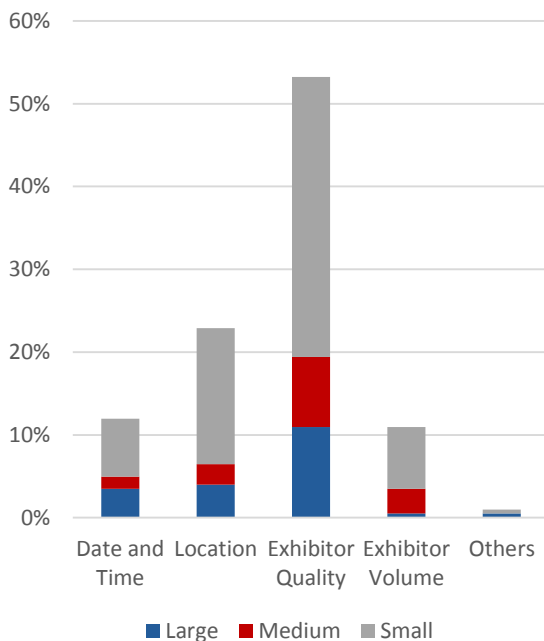


Chart 19. Buyer Response – Key factors while evaluating a corporate gifting exhibition  
Source: Research NXT Survey

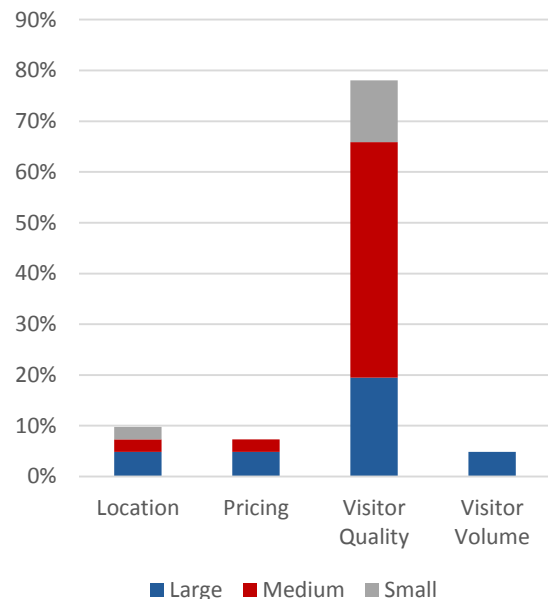


Chart 20. Seller Response - Key factors while evaluating a corporate gifting exhibition  
Source: Research NXT Survey

- Quality of participants rated as the most important factor while considering an Exhibition by Buyers and Sellers.
- Location is considered to be the second most important factor and Mumbai and Gurgaon are the preferred locations in India for Exhibitions.
- Volume or number of people visiting the Exhibition is not considered as an important factor for exhibitions by Buyers and Sellers.

# Credits & Disclaimer

## Partial list of survey participants

- ABP News
- Add Pens Pvt. Ltd.
- Ador Multiproducts Ltd.
- Air Commerce LLP
- All Time Plastics Pvt. Ltd.
- Amazon
- Ampus Life Sciences Ltd.
- Atos Syntel
- Avenue Super Mart
- Bharat Stationery Mart
- Bikaji Foods
- Blue Cross laboratories Pvt. Ltd.
- BMW
- Boi Media And Entertainment Pvt. Ltd.
- Business Karma Solutions LLP
- Casa Brands India Pvt. Ltd.
- Casablanca Apparels Pvt. Ltd.
- CEAT
- Celfie Design LLP
- Cipla Limited
- CNX Corporation Ltd.
- Deloitte India
- DNA
- Egal framework
- Entod Pharmaceutical Ltd.
- Eveready Industries India Ltd.
- Gitanjali Group
- Glenmark Pharmaceuticals Ltd.
- Godrej Natures Basket
- Hariwill Creations
- Horizon Fabtech Infra Pvt. Ltd.
- Hyflow Applications Engineers
- Indian Electrical and Electronics Manufacturers Association (IEEMA)
- ICICI Bank Ltd.
- Indiabulls Housing Finance Ltd.
- Indoco Remedies Ltd.
- Invictus Media
- Kangaro Industries
- Kerala Bureau of Industrial Promotion
- Knight Frank India Pvt. Ltd.
- Kotak Mahindra life Insurance Co. Ltd.
- Leben Life Sciences Pvt. Ltd.
- Lotus Engineering Industries
- Louis Philippe India
- Lupin Ltd.
- Mafatlal Industries Ltd.
- Mahindra & Mahindra Ltd.
- Mark Industries
- Mega Lifesciences Pvt. Ltd.
- Mid Day
- Municipal Corporation of Greater Mumbai (MCGM)

# Credits & Disclaimer

## Partial list of survey participants

- National Payments Corporation of India (NPCI)
- Netcore Solutions Pvt. Ltd.
- Network Media Solutions
- Norquest Brand Pvt. Ltd.
- ONGC
- Rajshri Entertainment Pvt. Ltd.
- Raymond Ltd.
- Ritej Chemicals
- RPG LIFE Sciences
- Schutzen Care Private Ltd.
- Seniority Pvt. Ltd.
- Shah Packaging
- Shemaroo Entertainment Ltd.
- Signature Bags
- Silver Touch Technologies
- Siyaram Silk Mills Ltd
- Star India
- Supreme Industries
- Tech Mahindra Business Services Ltd.
- The Corporate Solutions
- Tirupati Medicare Ltd.
- TRiO Enterprise
- Tupperware
- UBM India
- Utpatang.com
- Welspun
- White summer hospitality Pvt. Ltd.
- Wilmar Creations
- Wunderman
- Yash Holidays
- Xpressions Pixel Works Pvt. Ltd.
- Zokudo

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