

CORPORATE SANTAS CUT BACK ON SWAG

Inflation causes hard look at gifts to clients, workers



Companies are moving forward with holiday gifting plans for clients and employees this year, but rising costs for products due to inflation are making them choosier about who will get what.

Businesses drawing up their gift lists are looking more at less expensive alternatives to the most pricey prestige brands.

"People are much more budget-aware," says Jeff Pinsky, executive vice president of Minnesota-based ePromos Promotional Products, LLC, which has a large sales office in Westbury.

Besides, lots of businesses have raised prices to keep up with inflation "so the optics of them sending clients very expensive gifts when you've raised all their prices doesn't look so good," Pinsky says.

But they understand that "relationships are more important than ever" and still want to recognize clients and employees with gifts, according to Pinsky.

They are "walking a tight-rope of what's appropriate," he says.

Pricing on branded promo products used by companies to plug their business has risen about "8 percent to 10 percent" overall industrywide due to inflation, Pinsky says.

With that said, "last year was all about brands and this year they're a little less brand-sensitive," Pinsky says.



Andrew Janosick of Proforma Executive Business Services.

So, for example, they may not feel compelled to spend more on, say, \$38 Yeti tumblers.

Andrew Janosick, a partner at Proforma Executive Business Services, a Bohemia-based printing and promotional products firm, agrees, noting, "this year people, instead of spending on name brands, might be going more generic."

With tighter budgets, they're trying to get the "same value" for their gifting dollars, he says.

Among popular gifts this year, he's still been getting a lot of orders for branded apparel and a broad variety of drinkware. Another popular cate-

FAST FACT

According to a recent survey by Sendosa, among all respondents who received a corporate gift over the past two years, 83% said the gift made them feel closer to the company that sent it.

SOURCE: Sendosa (<https://tinyurl.com/mnxyt6uf>)



Leslie H. Tayne, center, with employees and their L.L. Bean-branded jackets at Tayne Law Group.



Jeff Pinsky, executive vice president of ePromos Promotional Products, with Michele Pytlinski, senior director of sales.



Evan Bloom, co-owner of three Sir Speedy franchise locations.

gory is home goods, and for employees that could mean blankets, which on average could range from between \$20 and \$40, he says.

"Everyone is cost-conscious, but they still want to recognize clients and employees for their hard efforts," Janosick says.

Many businesses may spend more on top-tier clients and less on others, says Evan Bloom, co-owner of the Westbury, Hauppauge and Melville franchise of Sir Speedy, a print, signage and marketing company.

"They still need to take care of their A and B customers, but maybe low B and C customers they'll choose more cost-effective alternatives," he says.

For example, a top-tier client might get a leather desk organizer, which could range from \$30-\$50, or a wine gift set with accessories in a similar price range, Bloom says.

Still, there's plenty of less expensive options like mugs or glass jars filled with candy ranging from \$5 to \$10 per item;

charging stations ranging from \$5 to \$10 and eyeglass/sunglass kits with microfiber cloth and cleaning solution that could be under \$5 per item, Bloom says.

There are ways to be creative, says Leslie H. Tayne, Esq., founder/managing director of Tayne Law Group, a debt relief law firm in Melville.

One year, the firm sent out gloves with its logo on it, and that was well received, she says.

This year, they're still finalizing choices, but have noticed gift items are more expensive, Tayne says.

"We're mindful of budget, but think it's still important to continue to send out gifts," she says. Given higher gift pricing, they may just be a bit tighter with the size of the recipient list.

"We don't send the same gift to everybody. It's based on relationship and based on budget," she noted.

As for employees, she already bought them L.L. Bean company-branded jackets as a gift that will be in addition to

perhaps a cash-based end-of-year gift.

Manik Bhatia, a senior analyst at Coresight Research, a global advisory and research firm specializing in retail and technology, said there are alternatives for companies that might have tighter budgets — still giving quality gifts, but reducing the number of gift occasions.

"It is essential for organizations to continue being mindful of what they gift to their employees or clients as corporate gifting is very closely tied with making the recipient happy and feel valued," he says.

But he says even though small- to-medium-sized companies may feel inflationary pressure this holiday gifting season, he feels the overall outlook for the corporate gift market is strong.

"The American corporate gifting market is large and growing — we expect the market to reach \$258 billion in 2022 and \$312 billion by 2025," Bhatia says.