

Slowdown blues hit corporate gifting this Diwali

The general slowdown in economy is also hitting the corporate gifting scenario this year.

NEW DELHI, DELHI, INDIA, October 25, 2019 /EINPresswire.com/ -- The general slowdown in economy is also hitting the corporate gifting scenario this year. According to corporate gifting companies and industry estimates, gifting volumes have been low by a 30 per cent and budgets have declined by 10-20 per cent.

Subrata Mukherji, Business Head of tea brand [Typhoo](#) India believes that while personal gifting remains the same, however, "the slowdown has definitely affected the corporate gifting and there is thoughtful conscious gifting happening with defined budgets allocated."

According to Anil Batra, who is the founder of a corporate gifting company, BusinessGifts.in, the market sentiment is extremely low which has dampened the festive vibe and thus, gifting has taken a backseat.

Batra has seen a drastic drop of 30 per cent in sales this year. Stating an example, he said, "A customer had ordered for 1,500 products last year is now ordering for 1,200 this year. Also, the budgets have reduced, too. The products in the lower range are expensive for us. Currently, most products are imported from Southeast Asian countries, according to him, since import costs are high, the gifts are costlier as well."

Anmol Manuj Goel, Founder of Anmol Enterprises, a Delhi-based gifting product importer has faced a decline of orders up to 60 per cent. Not only that, the cost of importing these products has turned extremely costly this year as he had to pay twice the customs duty.

"We are facing several issues with the unruly policies, increase in taxes and customs duties. If the cost of import increases, naturally the cost of the product will increase. We have a lot of inventory on our books, our cash flow has become lesser because of GST and also the markets has a tight cash flow," Goel added.

As far as employee engagement budgets by corporates are concerned, a few of ExtraMile's clients have reduced their budgets by almost 10 per cent and then there are a few players who come with a budget which is almost 25 per cent less than the market rates, Pooja Bajaj Chadha Founder & CEO, ExtraMile explained. However, "companies are motivating their employees with cost-effective measures like digital engagement activities and of course, offbeat gifting," she added.

Brands like Typhoo and Chumbak too have seen a conservative demand and budgets in corporate gifting but having varied products and ranges have helped them reduce the gaps.

Chumbak, a quirky retail brand that has an online as well as an offline presence in several cities in India has seen an overall dip in walk-ins in malls and high street shopping locations. "We're experiencing a season that has had lower walk in's than our initial expectation. However, by having an agile operational capability, focusing on higher conversion helps the brand, a spokesperson at Chumbak added.

But what are corporates gifting this year?

According to industry players like Batra, Goel and [Ferns N Petals corporates](#) have become more conscious on what to give to their clients. The demand, according to them, for Green gifts like plants, seedbox, electronic gifting items, utility products and edible hampers has increased significantly this year.

Pawan Gadia, CEO, Online & Retail, Ferns N Petals said that sales of their plants' category are growing at 75 per cent on a YoY this festive season. "We have observed that mid-sized companies are doing more of gifting this year. However, ticket value has dropped compared to last year." Gadia added.

[RUR Greenlife pvt. Ltd](#) is a company that makes utility products and along with furniture from used tetra packs has seen an uptick in their sales. According to Monisha Narke, CEO and Founder of RUR, people want products that have a story to tell, are viable or economical and thus products like pen stands and frames are being ordered in bulk.

While some companies are gifting greener options, others like Amadeus are gift boxes which include diyas and paintings made by differently-abled at an NGO called Giftabled. On the other hand, IT services management company, Mphasis is encouraging its employees to share their support with a charity of their choice out of the NGOs that Mphasis has tied up with.

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