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Five Fundamentals of Business Holiday Gift-Giving to your Customers

Customer Gift Giving at the Holidays is an Investment in your Company



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Even though small businesses may be struggling, buying [holiday gifts](#) for your customers is just as important as ever. Customers are looking around for the least expensive products and services and comparison shopping is at an all time high. Price competition is thriving. Since you can only cut your price to a certain point and still survive, you have to give your customers other reasons for their loyalty to your company.

A thoughtful business holiday gift may be just the ticket.

Business gift giving is really an investment in your company. You can solidify the relationships you have with current customers and re-establish relationships with marginal customers. You can even draw new customers into your company. All without cutting your prices.

Here are five fundamentals to follow when you give business [holiday gifts](#) to your customers this year:

Give Practical [Holiday Gifts](#) This Year

Your current customers are having a hard time financially, just like you are, whether they are individuals or business clients. Any relief you can give them would be much appreciated and they will remember it. If your business is a service business, why not offer them a discount? For their business over the past year, offer a discount for services for the next 1 - 3 months, or whatever is appropriate for your business.

Check with Your Customers and see if They Have Limitations on Receiving Gifts

Many companies have strict limitations on the kind and monetary amount of gifts they can receive.

In order to avoid embarrassment for both parties, check ahead and find out your customers' gift policies so you won't make a mistake.

Quality is King

No matter what the gift or the economic climate, remember that quality is king. If you decide, for example, on a gift basket, make it a nice one. Even small gift baskets can be nice.

You might want to become even more creative and feature your customer's products in the gift basket. This guarantees that the customer will sit up and take notice of your basket and the time and effort you put into it.

Check IRS Regulations on Gift Giving

This sounds like a bah humbug type of thing at the holiday season, but to keep yourself out of hot water with the IRS, check their gift regulations before you decide on [holiday gifts](#) for your customers. [IRS Publication 463](#) addresses business gifts. They are usually limited to \$25, but read this publication for all the details.

Know your Client and your Client's Company

Do you know what holiday your client celebrates? Christmas? Kwanzaa, Hanukkah? Do you want to give a holiday specific gift or a generic gift that is appropriate for any holiday? Take the time to be culturally-correct when choosing a gift for a customer.

Gift-Giving in a Down Economic Environment

The [American Express OPEN Small Business Holiday Survey](#) says that 47% of small business owners plan to give [holiday gifts](#) to customers this year, down slightly from

2008. [Entrepreneurs](#) say that they are making personal sacrifices in order to give [holiday gifts](#) to customers.