



 eBook

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19th Annual Prepaid Consumer Insights Survey

**Gift
Solutions**

About the Survey

The 19th Annual Prepaid Consumer Insights Survey from Fiserv explores the impact of digital adoption on U.S. consumers as they increasingly use gift cards to integrate with mobile apps, earn loyalty points, support small businesses and even communicate value to employees.

Over 1,000 U.S. consumers participated in the study, conducted in December 2021, covering all age groups (18 and older), regions and genders. The margin of error on the study is +/- 2.996%.



Key Findings

Physical Gift Cards Reign Supreme

While overall digital gift card spending is on the rise, physical, tangible gift cards are still preferred by most consumers.

What’s on the Gift Card isn’t as Important as the Gift Itself

For many consumers, the thought of the gift is more important than how it looks, as consumers put little value in gift card designs.

Gift Cards have Remained Outside of COVID’s Grasp

While COVID has found a way to impact many aspects of daily life, gift cards remain untouched as most consumers noted little difference in their gift card purchasing and spending habits.

For Many, Gift Cards are Their Preferred Gift

Consumers like the purchasing freedoms that come with receiving gift cards, so much so that nearly half prefer gift cards over traditional gifts.

Consumers are Taking Gift Cards Mobile

Mobile gift card awareness is growing among consumers, who are using their mobile devices to purchase, receive and store gift cards.



Gift Card Trends Remain Steady

While American consumers are quick to jump on the latest trends, whether fashion, electronics, or even the latest mobile apps, one thing that remains constant is their love of gift cards. In fact, American consumers show little variance in their gift card purchasing habits, as 73% purchased the same number of gift cards or more in 2021 compared to 2020.

While overall purchases remained steady, consumers denoted preferences in their gift card types.

Why the lean towards digital?

77%

Immediate delivery

62%

Easier to send

50%

Easier to purchase

Why the lean towards physical?

61%

Give a tangible gift

46%

Unwrap something

39%

Easy to give and use

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Consumers Have a Set Plan When It Comes to Gift Cards

While there’s no blueprint regarding when, where and for what occasion to deliver a gift card, most consumers seem to have a set plan in their delivery. Specifically, almost 70% of consumers primarily buy gift cards for other people. As for the milestone driving the purchase, holidays (63%) and special events (60%) remain the most popular reasons.

What retailers are benefitting the most from gift cards?

Nearly 3 in 4 prefer to purchase single merchant gift cards and are most likely to turn to big-box retailers and coffee shops to make their purchases.

53%

Online-only merchants



49%

Discount store/big box

41%

Coffee Shop

For what occasion are consumers most often buying a gift card?

 	2019	2021
Winter Holidays	41%	38%
Birthdays	65%	31%



Sometimes it's Good to Give Yourself a Gift

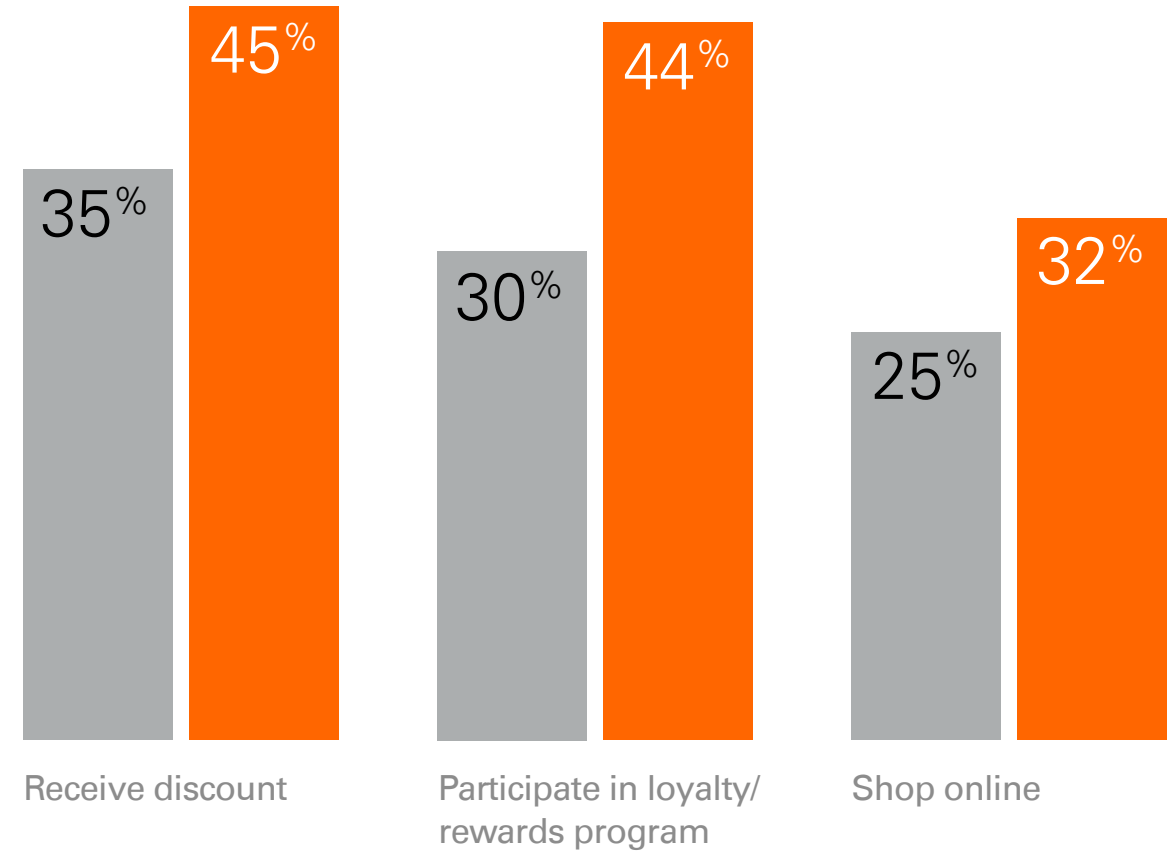
While most gift card purchases are traditionally made for others, 18% of consumers say they enjoy treating themselves to a gift card as well. The reason behind this move, as opposed to just purchasing an item outright? For the past three years, consumers have come to agree that buying gift cards for yourself provides great benefits.

Receive Discount: Consumers purchase gift cards to receive some sort of discount or added value through the purchase. This includes free additional gift cards (buy a \$100 card and get a \$20 card free) or a percentage discount (spend \$75 for a \$100 card).

Loyalty/Rewards Program: Consumers buy gift cards to take advantage of loyalty/reward program perks. This can include purchasing cards during double or triple point events, or similar promotions.

Shop Online: Consumers buy gift cards to establish online spending balances. This helps with both their budgeting as well as provides an alternative to storing their credit or debit card information online.

2019 vs 2021





The Love Language of Giving and Receiving Gifts

Most consumers agree that a gift card is their go-to last-minute gift or their primary alternative when they don't know what else to get, but that doesn't matter to the recipients. In fact, 80% of consumers say they feel satisfied when they get a gift card.

This satisfaction comes from the two main benefits gift cards provide:

Freedom: While impersonal in nature, gift cards allow the recipient to choose the gift they want, which appeals to 45% of consumers.

Exploration: Because most gift cards are single merchant, they allow the recipient to explore stores and brands that they wouldn't otherwise consider shopping at, a perk that 30% of consumers love.

Lets get flexible

1 in 3 consumers says the reason they buy gift cards is that it allows them to give money in a way that is flexible to spend.



Mobile Storage is Taking Hold

While most consumers admit to having a place where all of their gift cards gather together – whether a dresser drawer, a wallet or even a glove box – mobile storage options are on the rise. One in three consumers notes that when they receive a gift card, they load it into a mobile or digital wallet.

64%

store it with
other cards

33%

load into a
mobile wallet

Regardless of where a gift card is stored, consumers don't seem to hang on to them very long, as the value burns a hole in their pocket, leading to almost immediate sales.

71%

redeem in
1-2 purchases

68%

redeem in
0-3 months

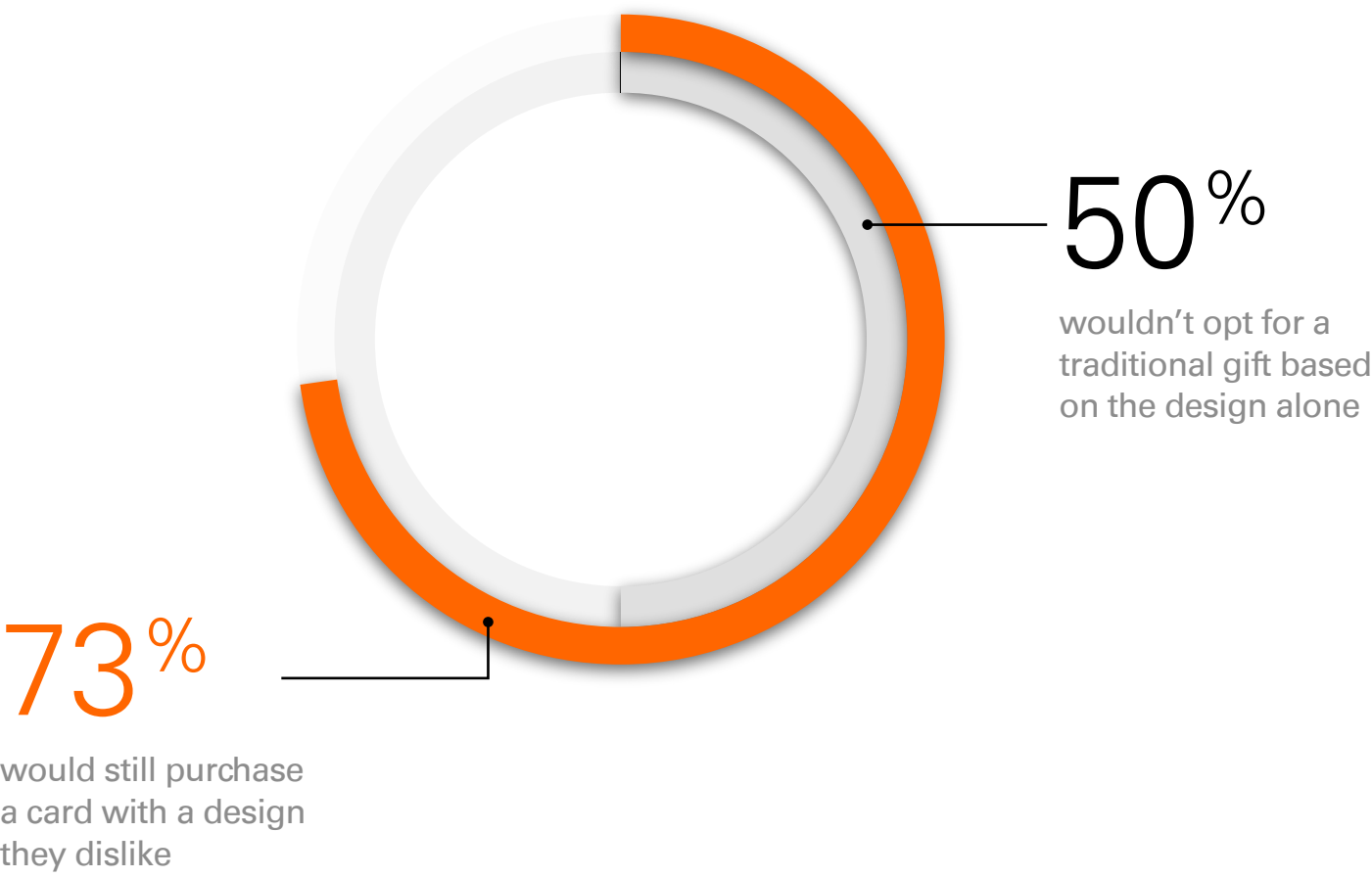
The quick turn on gift card purchases means more opportunities for merchants, especially when consumers will typically spend above the gift card value.

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Looks Aren't Everything

While the look and feel of a tangible gift can be the difference between a good one and a bad one, when it comes to gift cards, looks don't matter at all.



This is not to say that merchants should immediately pack it in and create bland gift cards, but instead provides assurance that consumers place more value in the gift card brand and value than the look.

While the look of the card doesn't bother consumers, the standard gift card packaging does, as 56% agree a more attractive gift card carrier design would eliminate the need to purchase a separate greeting card to accompany the gift card.

Don't go changing your designs yet though, because while consumers would love better card packaging, they aren't in a hurry to pay for it. Specifically, 55% of consumers wouldn't be persuaded to spend more on a gift card for personalization options like gift wrap or a personalized message, photo, video or design.



What Innovations are on the Horizon?

Merchants are always looking for ways to improve the customer experience, and often do so through innovation. Gift cards are no exception.

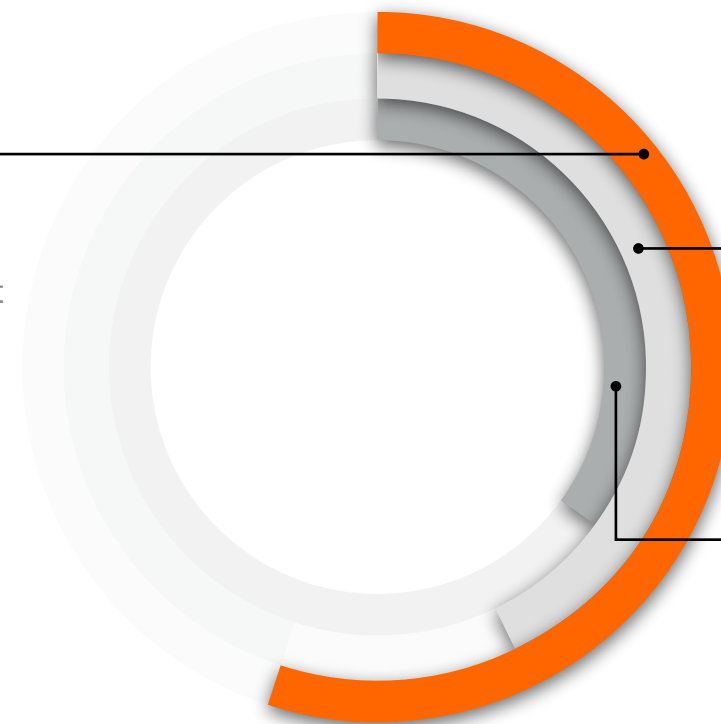
We've seen a recent wave of gift card innovations, including scheduled delivery, full customization of digital gift cards including the use of personal photos and even slightly nicer packaging with high-level brands.

When asked what future innovations consumers want from gift cards, their focus was geared toward the actual card experience and usage over areas like looks and functions.

Which of the following gift card innovations would you be interested in?

55%

a gift card to be used
at any local restaurant



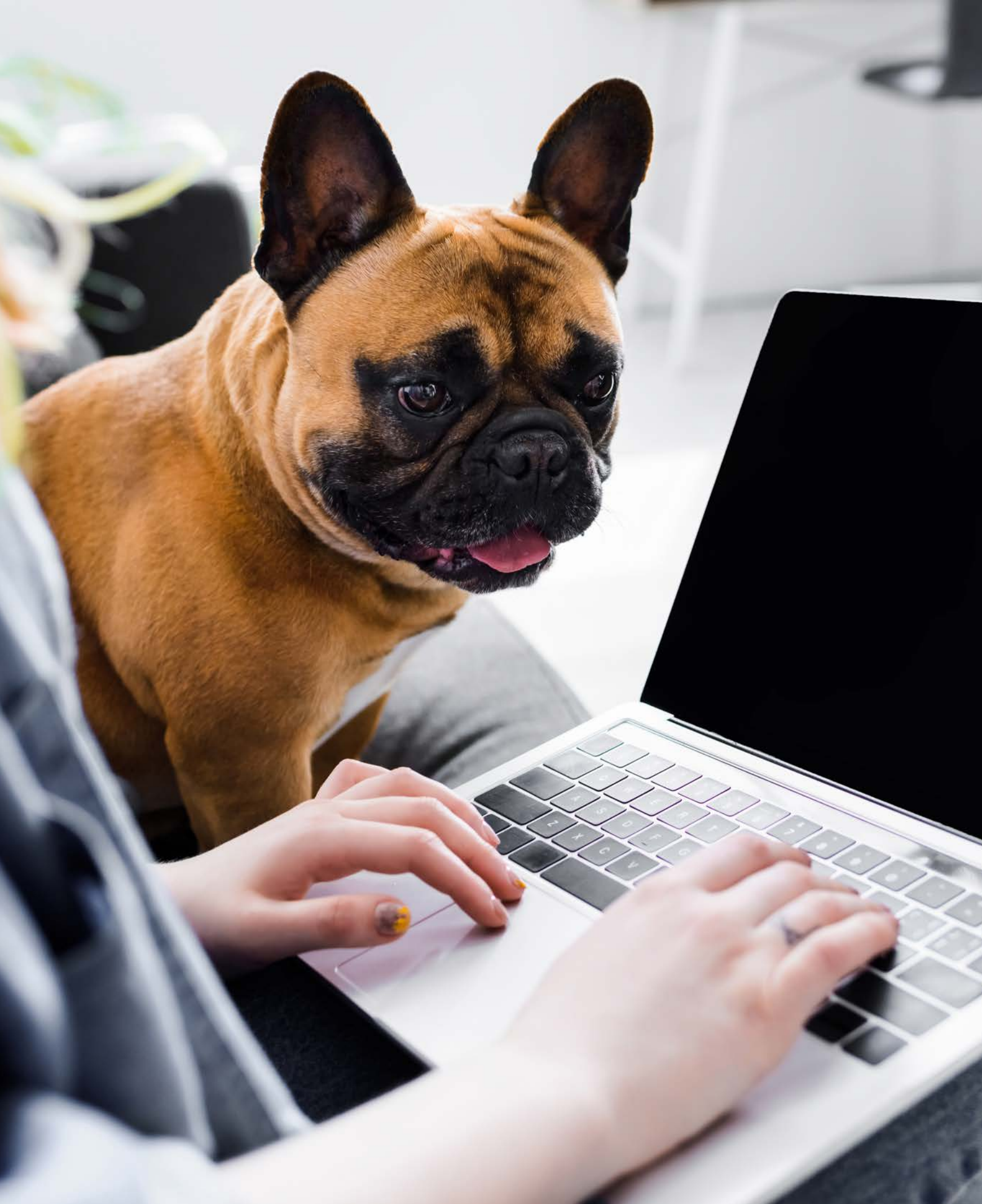
43%

e-gift card that
could be delivered
immediately

35%

a mobile
platform that
could house all
of your gift cards

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Do Rewards Really Create Loyalty?

Consumers say yes, loyalty's the best. They shop where they do because they like it, and a loyalty program that provides discounts and other incentives keeps them coming back for more.

Money talks – so do discounts and freebies

They also say, "show me the money." When it comes to incentives for purchasing gift cards, most consumers are motivated by increased dollar value. If purchasing a gift card stretches those hard-earned dollars, they'll take it.

37%

want a bonus
gift card

29%

want a dollar
amount discount

When it comes to loyalty points for purchases, consumers are still looking for value. "Discount me or give me something free" seems to be their sentiment. The more merchants are willing to give to entice a purchase, the more likely they are to sell gift cards.

53%

want a discount
for points

24%

want a free item
for points

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Put Access in the Palm of Consumers' Hands

For many consumers, their phones are their lifeline, so it should come as no surprise that 51 % are aware they can use a mobile app to store a gift card. This represents a 100% increase from 2019 when only 25% of consumers showed awareness.

Consumers are not only aware of the mobile gift card options that are out there, but many are also putting them into practice amidst the growth of mobile payment options.

Since consumers rarely shop without their mobile devices at the ready, merchants must make sure they are offering mobile solutions to meet these shifting needs.

Mobile users and gift cards

	2019	2021
Stored gift card on an app		37%
Used single merchant app	57%	36%
Recieved a gift card by text	12%	28%
Purchased a gift card in app	10%	25%



Tackling the Great Resignation with Great Workplace Incentives

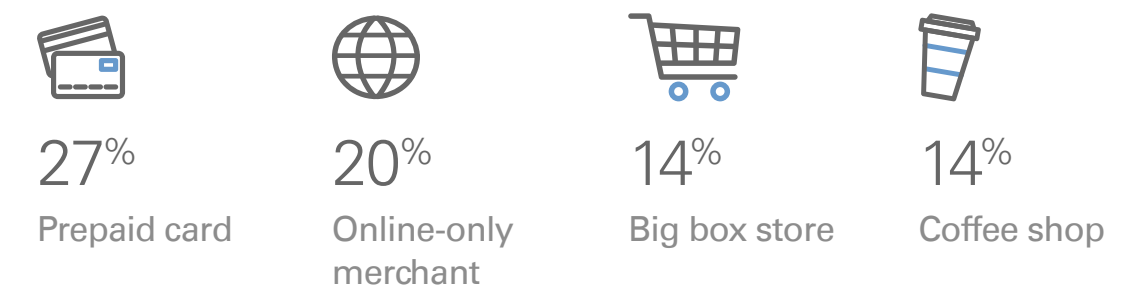
As employers continue to navigate the great resignation, employee retention has never been more important. One means of keeping employees happy is by rewarding them for a job well done. To do so, many employers are turning to gift cards.

Just how common are gift cards in the workplace? Respondents showed nearly a 100% increase in those that received a gift card as an incentive or award from their employer.



Not only are employers giving out more gift cards, but their employees also seem to welcome them.

What do employees want?



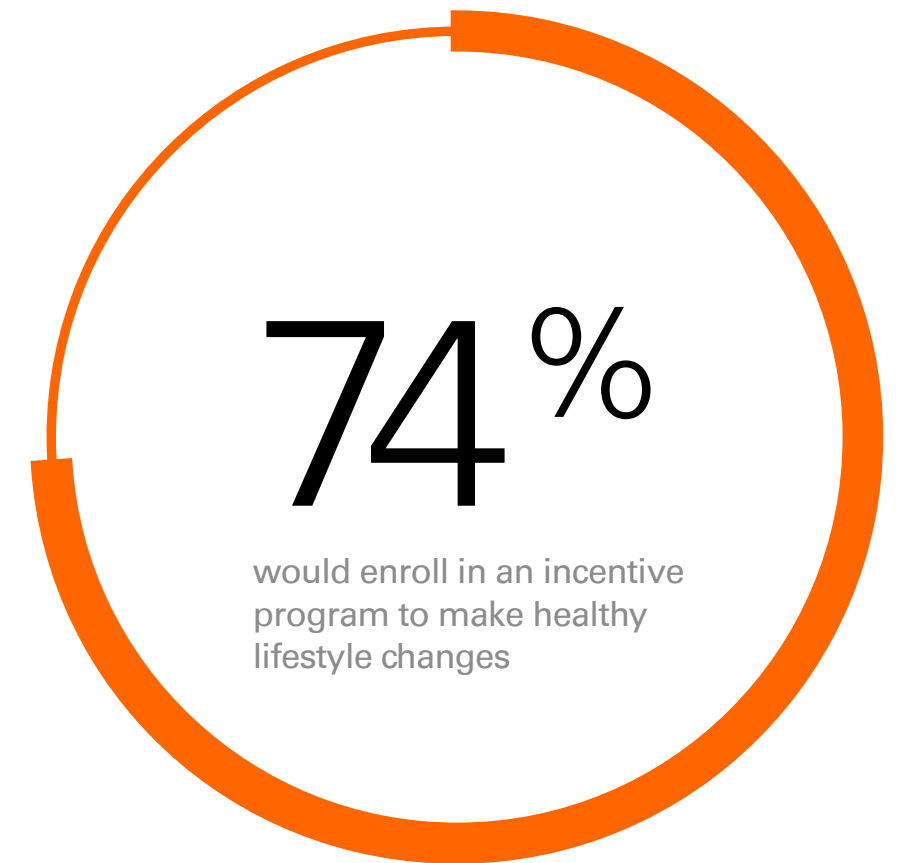


New Year New Me

Employees are willing to improve their lifestyle habits in favor of an incentive program. Whether exploring weight loss programs, better eating habits or reducing their vices (drinking and smoking), most consumers are willing to make changes if there is money involved.

A majority would participate in a gift card incentive program for making healthy lifestyle changes, such as enrolling in a smoking cessation program or purchasing a gym membership.

For employers, these programs can bring long-lasting benefits to both employee health and corporate bottom line through more favorable benefits packages.





Covid's Impact On the Gift Card Market

COVID seemed to impact every aspect of life as we know it, except gift card purchasing. Most consumers say that their gift card purchasing habits remained unchanged over the last 2 years, a move that is likely due to the rise of digital purchasing and delivery. With more options available to buy digital gift cards during potential lockdowns and send them through contactless options, the gift card market remained steady during an economy where many were struggling.



60% didn't give more gift cards as gifts because of COVID-19



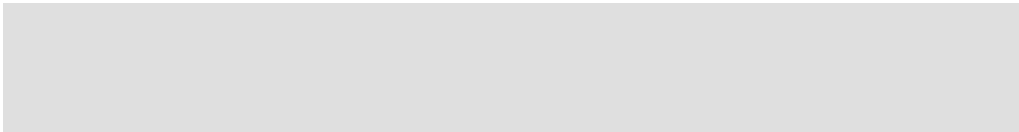
58% agree COVID-19 did not impact gift card purchasing habits



57% didn't receive more gift cards as gifts because of COVID-19



48% purchased more digital gift cards than physical ones

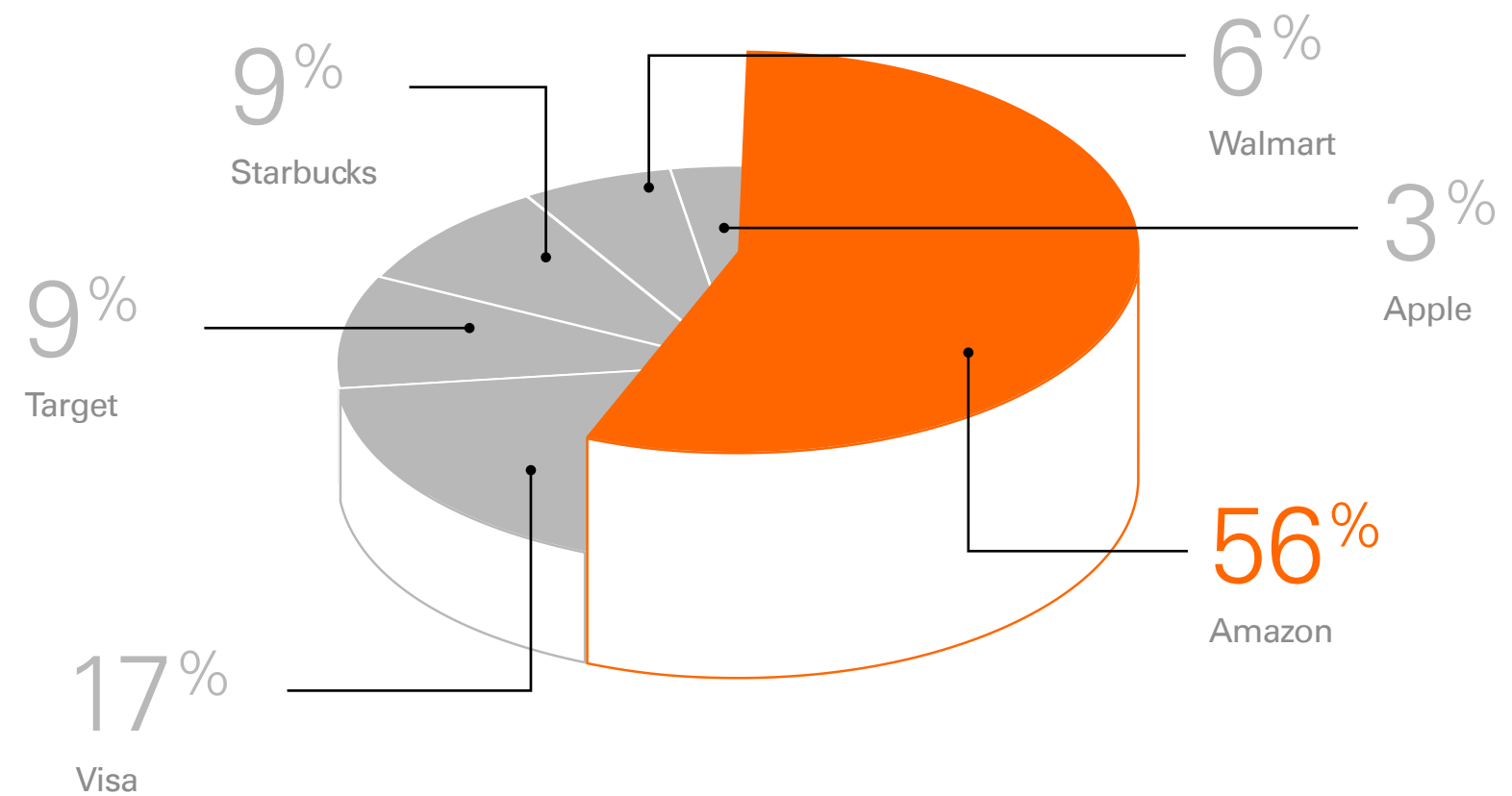


38% purchased more gift cards during the pandemic



Amazon is King


Of the consumers surveyed, most would choose a \$25 gift card to Amazon. It really is the everything store.



Clearly, convenient, contactless, coronavirus-less shopping – plus other benefits – keep the retail behemoth on top as more than half of consumers would choose Amazon gift cards.

Connect With Us

Are you gift card ready?
We can help get you there.

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