

Carat_{from} fiserv.

Gift Solutions

20th Annual Prepaid Consumer Insights Survey





About the survey

The 20th Annual Prepaid Consumer Insights Survey from Fiserv explores the continued impact of inflation on U.S. consumers as they increasingly use gift cards to stretch their spending, communicate value to employees, and even support corporate social initiatives. Over 1,000 U.S. consumers participated in the study, conducted in November 2022, covering all age groups (18 and older), regions, and genders. The margin of error on the study is +/- 3%.



Key findings

Inflation is Impacting Sales

Over one-third of consumers are purchasing fewer gift cards due to inflation, contributing to a slight reduction in sales compared to previous years.

Purchasing Trends Mirror the Pre-Covid Marketplace

Consumers appear to be slowly moving back to their 2019 purchasing habits, specifically regarding the occasion they buy for and retailer they purchase from.

Physical Gift Cards Remain Preferred

While consumers are split on using gift cards in-store versus online, they still prefer tangible gift cards over virtual ones.

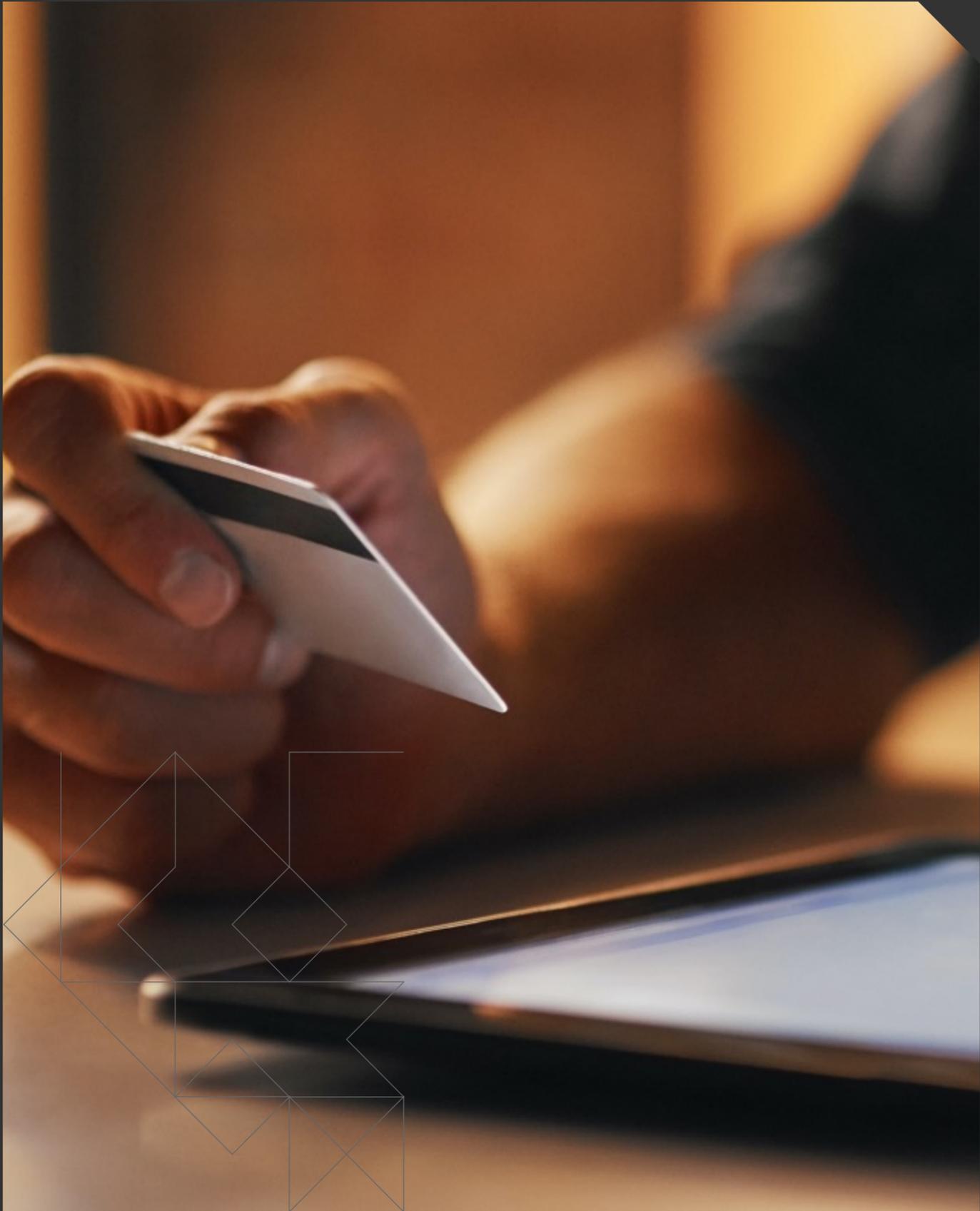
Consumers Care About Who They're Buying From

Most consumers agree that a company's sustainable and charitable positioning directly impacts their willingness to spend with that company.

Workplace Incentives are Now Expected

With more consumers regularly receiving workplace rewards/incentives, many are turning to gift cards to keep them motivated.





Consumer gift card purchasing continues to decline

Gift cards are still popular among U.S. consumers who love both giving and receiving them. However, gift card purchases aren't quite as robust as they were in 2021.

Overall, 56% of U.S. consumers purchased the same amount or more gift cards in 2022 compared to 2021, but this was a decline from the 73% who said the same in 2021.

Purchasing patterns by gift card type	2019	2021	2022
Purchasing the same or more physical cards	80%	69%	59%
Purchasing the same or more digital cards	86%	68%	59%

Inflation leads to less discretionary income, which impacts overall gift card spending.

35% slightly more than one-third of U.S. consumers said inflation is why they are purchasing fewer cards

Physical cards continue living large in a digital world

Despite exponential growth of the digital marketplace, gift card buyers prefer purchasing physical gift cards, with only 29% of consumers buying more digital than physical.

The trend toward tangible holds steady

While consumers love the ability to have digital cards delivered immediately, our survey found physical cards reign supreme. Why the preference for physical gift cards?

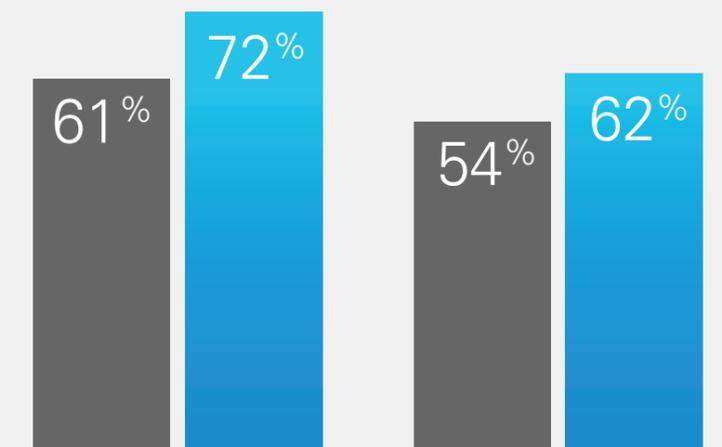
62% want to give an actual card/gift to the recipient

38% want the recipient to be able to unwrap a gift



At the same time, U.S. consumers are becoming more receptive to the digital marketplace.

2021 Versus 2022



are confident recipients would be able to receive a digital gift card

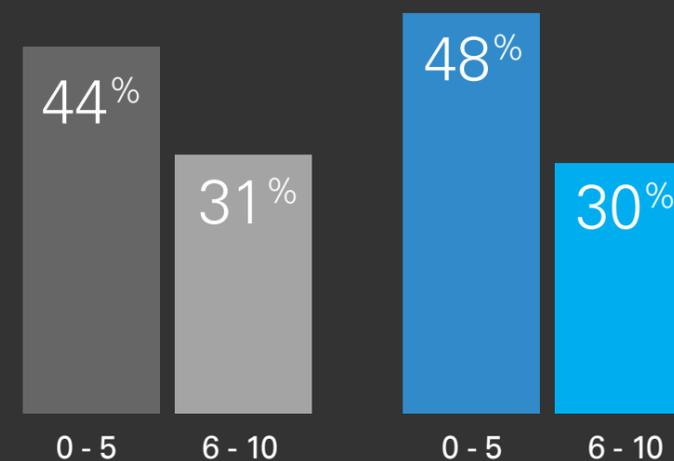
are OK with giving a gift that doesn't require unwrapping



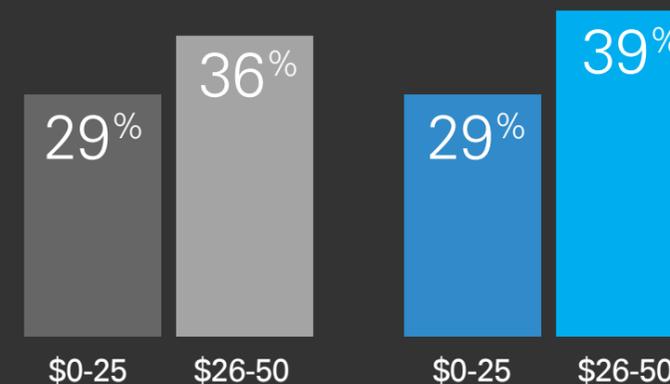
Gifting trends remain stable

While gift card spending is facing a slight reduction – given the conflict in Ukraine, inflation and the fear of a recession is in the back of U.S. consumers' minds – gift card spending remains steady as consumer purchasing trends are on par with 2021.

Number of cards purchased



Typical spend



2021 versus 2022

Buyers and recipients like choice

Gift card giving nearing pre-COVID habits

Consumers are starting to return to their pre-pandemic purchasing habits, both in terms of the occasions they are buying gift cards for and their destination of purchase.

The most popular occasions for buying gift cards:

	2019	2022
Birthdays	65%	72%
Winter Holidays	41%	41%

More than half (56%) of consumers agree that gift cards are better than giving someone a gift that might be returned. A gift card enables recipients to purchase what they want and when they want.

From which businesses are U.S. consumers buying gift cards?



45%

Casual restaurant



44%

Coffee shop



Earth-friendly and eye-popping

Consumers want innovation and personalisation

While consumers remain pleased with today's current gift card marketplace, they welcome design improvements. Color, branding, creativity, materials used and messaging matter. For instance, a gift card for a birthday with a birthday message is more personal than a generic one.

What other innovations interest U.S. consumers?

63%
sustainable or
biodegradable
materials

61%
attractive
envelope designs

50%
personalization
options

49%
3D or pop-up
designs

Corporate responsibility matters... **to most**

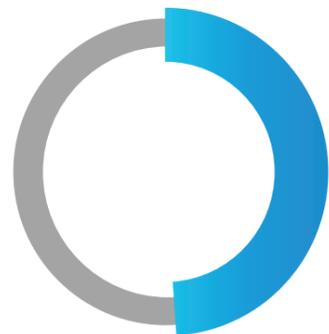
Global warming, the desire to decrease our overall carbon footprint, and conscientious consumerism are all on the rise. In fact, most U.S. consumers are increasingly willing to open their wallets to companies sharing their societal interests.

My desire to purchase from a company is influenced by:



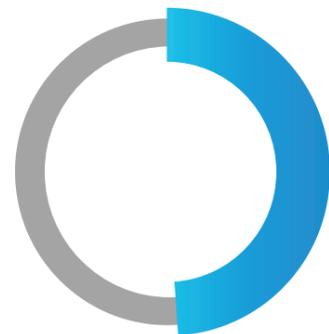
52%

if a portion of the spend is donated to charity



49%

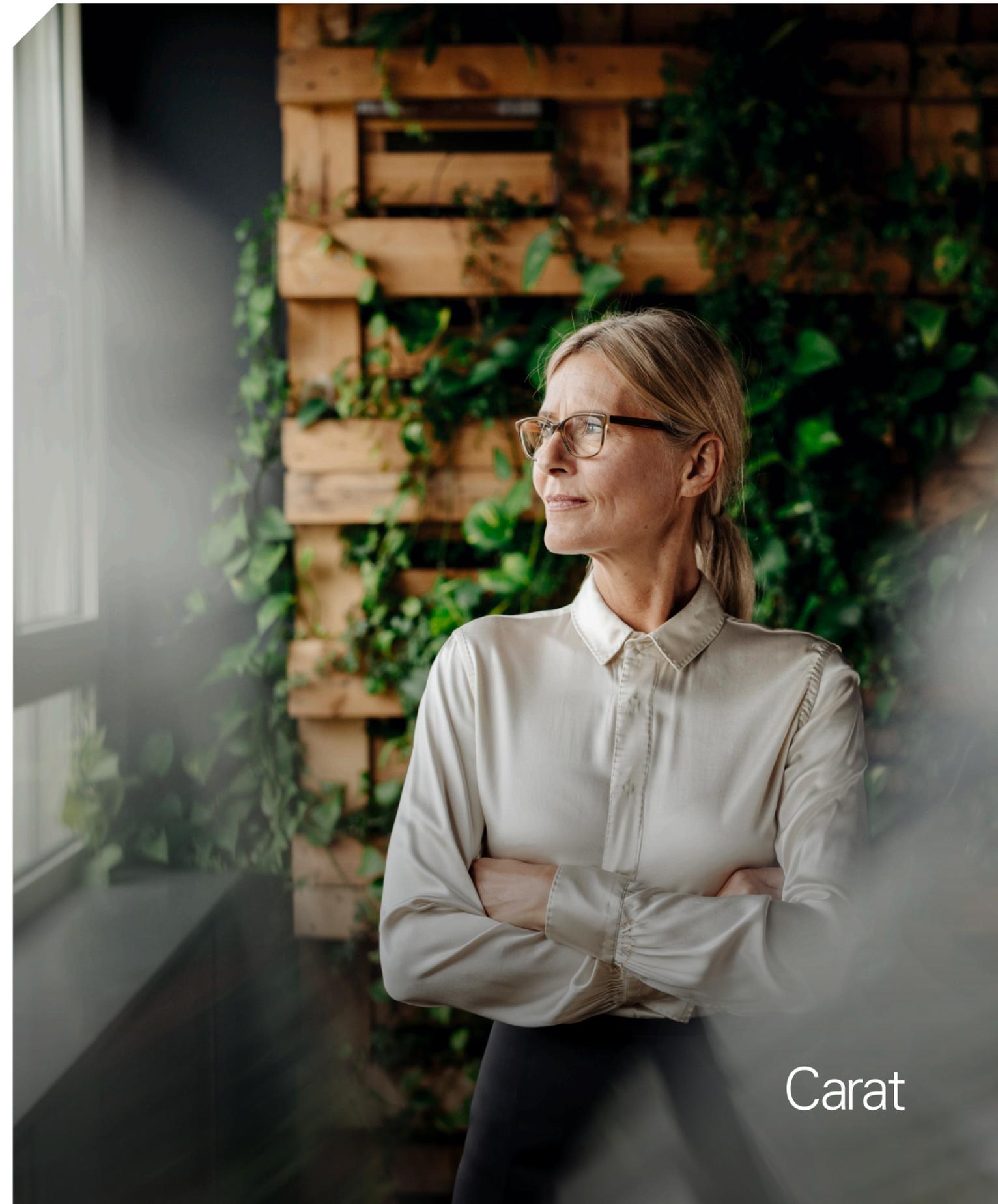
position on sustainable and environmentally friendly practices



49%

charity involvements (such as partnerships, donations, etc.)

Overall, 52% are more likely to spend more with a merchant/retailer supporting a charity they would also support. Likewise, only 19% of consumers said a company's sustainability position would have no influence how much they spend on their products/services.





Give a little, get a lot more purchases

Incentives continue to drive spend

As in the past, consumers continue to look for ways to get the most for their dollars. With today's inflation stretching their pocketbooks, 67% said promotions would influence them to purchase more gift cards.

More than half of consumers (54%) said they have already taken advantage of a gift card promotion. Additionally, 71% of consumers said they have joined at least one frequent shopper's program.

Those little extras could very well sway their purchasing decisions.

What are the promotions they most want? Consumers are trending more toward bonus gift cards.

	2019	2021	2022
A bonus gift card with the purchase of a gift card	32%	37%	40%
Dollar-amount discount	38%	29%	27%

What loyalty rewards do they want?

45%

dollar discount in exchange for points

29%

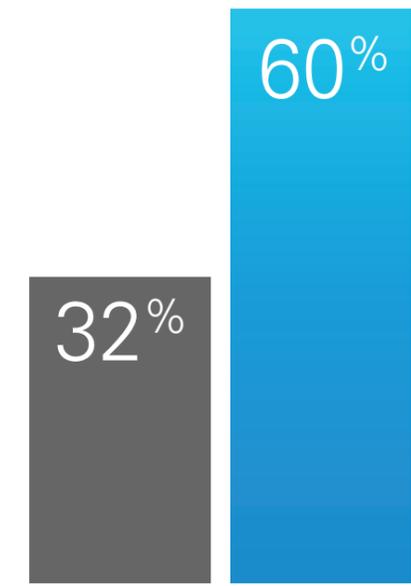
free item in exchange for points



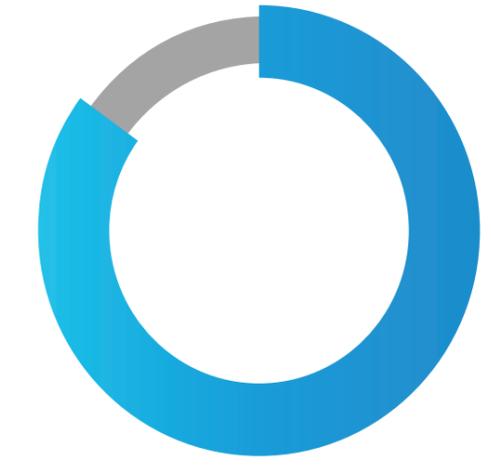
The great **incentivation**

Workplace rewards are increasingly expected

Top talent is often hard to find and keep. In today's workplace, consumers expect perks for a job well done, and it needs to be more than just being told "great job." While rewarding employees is nothing new, using gift cards as the basis for these rewards continues to rise.



received a gift card as an incentive from their employer



think gift cards make an appropriate business gift

2019 versus 2022

Gift cards increase productivity and retention

Is it time to consider workplace incentives for your employees?



1/3

say incentives and rewards motivate them to be more productive at work



1/4

say when evaluating an employer, employee rewards are a big factor

What's an acceptable amount?

26%

\$20.01 - \$30

24%

More than \$50



Carat



Connect with us

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

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