Gift Card Trends: Consumer Preferences & Behaviors

Consumers are using more gift cards than ever before. How are their preferences changing? What are they looking for in gift card solutions? What types of gift cards are they buying?

In 2023, Bank of America and TSG collaborated to understand what drives consumer gift card purchases. Take a look at our findings below.

**What difficulties do consumers encounter when buying gift cards?**
1. Not knowing what card to buy
2. Uncustomizable dollar amounts
3. Activation issues
4. Fraud concerns

**Gift Card Trends: Consumer Preferences & Behaviors**

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<tr>
<th>Buyers</th>
<th>76% of consumers have purchased a gift card in the past year</th>
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<td>49% Digital, 51% Physical</td>
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<td>74% Plan to purchase some kind of gift card in the next year</td>
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<td>57% In the next week, 43% In the next month</td>
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<td>92% of consumers have some preferences about the type of gift cards they choose to buy</td>
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What types of gift cards are they buying?

- **Digital**
- **Physical**

- **Large Retailers**
- **Grocery Stores**
- **Restaurants**

- **Seasonal**
- **Travel**
- **Gift Baskets**

- **Customizable**
- **Uncustomizable**

**Gift Card Preferences**

- **Average Amount Received**
  - **Physical Gift Card**
    - **Family Members** $50.06
    - **Friends** $48.57
    - **Significant Others** $73.94
  - **Digital Gift Card**
    - **Family Members** $50.06
    - **Friends** $48.57
    - **Significant Others** $73.94

- **Gift Purchasing Preferences**
  - **Given the option, most consumers would prefer to buy gift cards for others during the holiday season rather than spend time purchasing physical merchandise.**
  - **Gift Cards**
    - **Physical**
    - **Digital**
    - **No Gifts**
      - **23%**
      - **1%**

- **Reasons for Gift Card Purchases**
  - **To give the recipient greater choice**
  - **Unsure of what to purchase for recipient**
  - **Easier than purchasing merchandise**
  - **Better able to maintain my holiday spending budget**
  - **Bonus or promotion**

**Holiday Gift Card Purchases**

- **Generationally, millennials reported feeling the most likely to buy a gift card if there was a promotion or a bonus card offered.**
  - **Gen Z** 59%
  - **Millennials** 57%
  - **Gen X** 55%
  - **Baby Boomers**

Consumers have preferences moving forward will be key in providing them with the gift card solutions they need.

**Contact your Bank of America representative to learn more.**

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TSG and Bank of America conducted a survey of 1007 consumers in the US to understand their usage of gift cards, as well as their attitudes, preferences, and habits around gift card use. The survey, conducted in May of 2023, includes feedback from consumers across all 50 states with a margin of error of +/- 4% at a 99% confidence level.