

# Gift Cards Remain Popular for Giving and Receiving

Physical cards are preferred, but digital options are becoming mainstream

## ARTICLE |

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**I**mpersonal or practical, gift cards are integral to the holiday season. [Purchases of gift cards also keep rising every year.](#)

In 2017, US internet users purchased an average of 6.5 gift cards and 6.1 digital cards, up from 5.9 and 4.0, in 2016, according to [First Data](#).

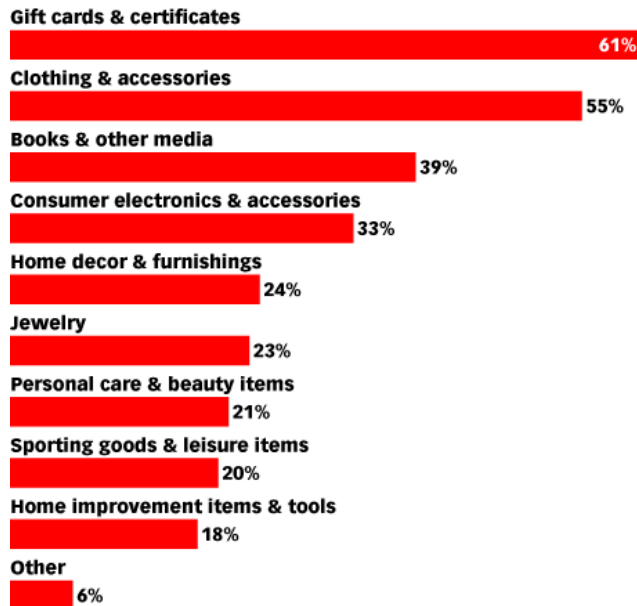
Last holiday season, gift cards or certificates tied for first place with clothing (49%) among planned purchases in a [Deloitte](#) survey of US internet users. For receivers, gift cards aren't a cop out. In fact, gift cards and certificates were the most wanted holiday gifts among 61% of US internet users surveyed, according to a [National Retail Federation](#) (NRF) survey.

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## Holiday Gifts that US Internet Users Would Like to Receive, Oct 2017

% of respondents

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Note: ages 18+

Source: National Retail Federation (NRF), "Holiday Spending Survey" conducted by Prosper Insights & Analytics as cited in press release, Oct 27, 2017

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And yet, despite the healthy annual growth in digital, sales of physical gift cards have persisted.

Roughly 71% of gift cards purchased in the US in the past 12 months were bought in-store, according to a new [Packaged Facts](#) study. Half of those physical cards were purchased on a shelf display at a supermarket, drug store or other retailer. More consumers ages 18 to 24 claimed to buy gift cards through this channel than all other age groups.

This preference for buying gift cards at a third-party location, like a grocery store, was borne out by a March 2018 [Blackhawk Network](#) survey. Roughly three-fourths of US consumers bought them at a third-party store while 49% of survey respondents bought directly from a retailer.

As for virtual gift cards, the channels were reversed. Per [Packaged Facts](#) data, 19% of gift cards were purchased from a specific online retailer while 10% were bought on an online gift card site. Only 10% of digital

gift card recipients saved it in a retail mobile app, while 9% saved the digital gift card in a mobile wallet.

Blackhawk Network found far more interest in mobile methods. More than half (55%) of US digital consumers showed interest in giving a gift card that could be saved to a mobile app or wallet. Perhaps unsurprisingly, this interest was stronger among millennials and smartphone users. Of respondents ages 18 to 24, 67% were interested in giving a mobile gift card, and 69% were interested in receiving one. Smartphone users were also three times as likely to give and receive mobile gift cards than non-users.

Food service retailers like **Dunkin' Donuts** and **Starbucks** have **popular apps** that **integrate mobile payment** and gift cards, so even if physical gift cards are still preferred, there is mainstream precedence for gift cards of the future.