

# 2024 Could Be a Shockingly Normal Year for Gift Cards

Australian shopper attitudes toward gift cards



# A Bit Better Every Day

Even with the rising cost-of-living and interest rates remaining higher than average, Australians are looking for creative ways to save and spend money. With consumer confidence subdued for most of 2023, it showed improvement in early 2024. Australians are still feeling economically squeezed but are anticipating better conditions at the end of the year. All these bits of data add up to one surprising conclusion: 2024 might be a bit of a normal year for shoppers, after all. Normal, at least, as compared to the dramatic swings up and down of the last few years since COVID.

To understand how shoppers across Australia feel about gift cards and gift-giving after so many years of economic confusion and anxiety, Blackhawk Network (BHN) commissioned a global research study. That study included 1,000 shoppers in the Australia. This guide is based on the results of that survey, and these insights are meant to help brands meet customers with empathy and understanding. Making this connection will help you build customer loyalty and deliver business growth during these (still) uncertain economic times.

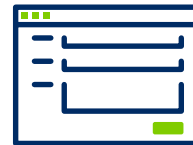


At BHN, we believe consumer insight should be more than facts and figures. Understanding what drives our customers helps us give our partners a clearer view of current and future trends.



## Objective

To understand today's consumer & gift card behaviour



## Survey

Online



## Sample

1,002 consumers from Australia., aged 18+



## Dates

Completed February 2024.

# More Gift Cards, More Often

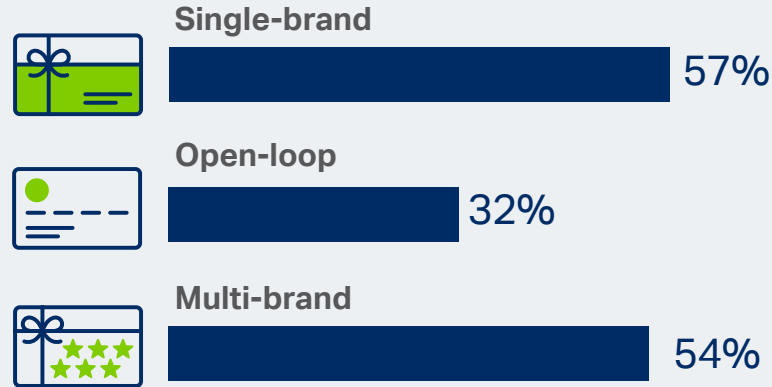
Gift cards are becoming more common options for big and small occasions throughout the year, and the overall trend is heading upward year over year.



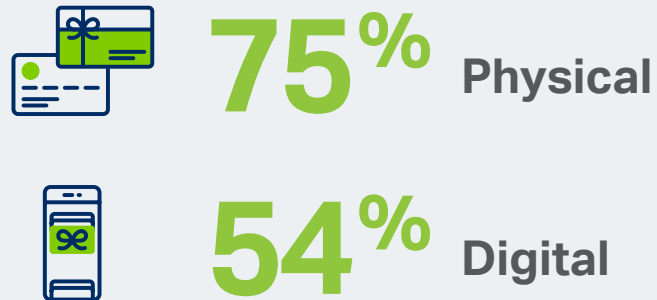
## The Average Australian Gift Card Buyer:

- Married
- Millennials
- Children in household
- Living in urban areas
- Has primary responsibility for purchasing gifts in the household

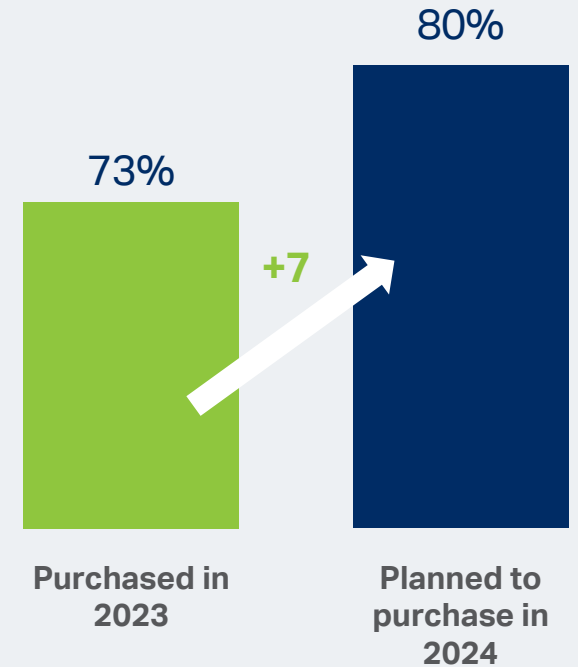
## Purchased in the Past 12 Months:



## Types of Gift Cards Purchased:



## More Gift Card Purchases Planned for 2024





# Expect Shoppers to Buy 8 Gift Cards Outside of Holiday

All of these planned gift card purchases add up to some concrete numbers. Between birthdays and gifting occasions like Valentine's Day and Mother's Day, our respondents plan to buy about 8 gift cards throughout the year—not counting purchases during the holidays. This pattern shows how gifting is a repeatable, consistent way to bring in loyal customers over time.

## Average Number of Gift Cards Purchased Outside of Holidays

Occasion	# of Gift Cards	% Buy Gift Cards
Birthdays	<b>3.1</b>	<b>93%</b>
Thank You	<b>.9</b>	<b>94%</b>
Valentine's Day	<b>1</b>	<b>93%</b>
Easter	<b>.9</b>	<b>85%</b>
Mother's Day	<b>1.1</b>	<b>90%</b>
Father's Day	<b>0.8</b>	<b>92%</b>

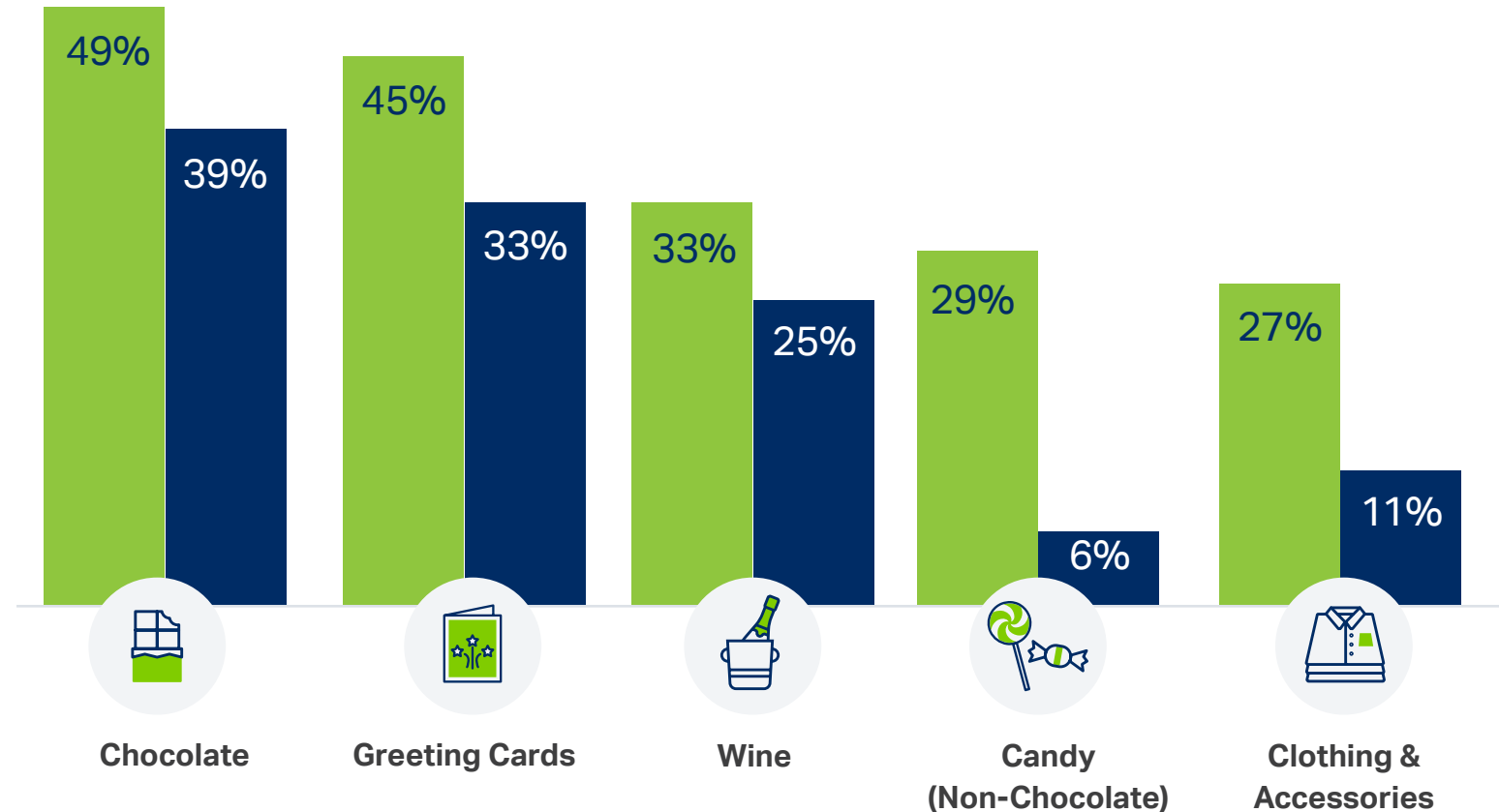
**Total: 8**

# Gift Cards Pair Well With Chocolates

One trend that has emerged as standard practice across Australia: 88% of shoppers paired a gift card with another gift. Our survey respondents—especially our younger shoppers—paired gift cards with something else, like chocolates or sweets.

## Top 5 Gifts Given with Gift Cards

Older Generations Younger Generations

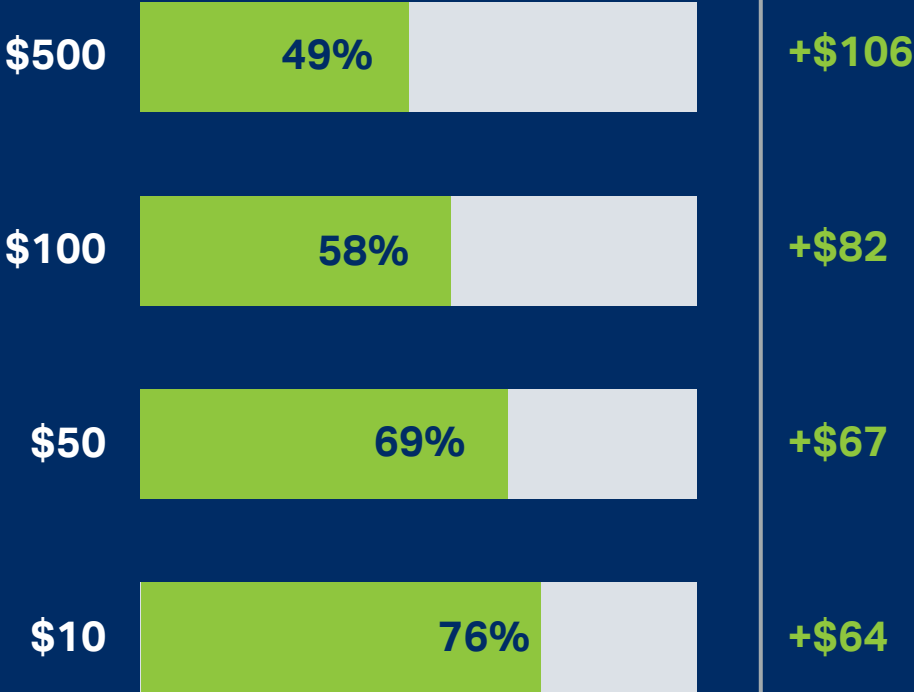


# Gift Card Recipients Routinely Spend Beyond Their Gift Card's Value

Over the years, gift card spenders have remained remarkably consistent. The amount varies, but recipients of every denomination of gift card are willing to spend more than the gift card's value. The gift card essentially becomes a discount or helping hand toward a larger purchase. For retailers, this pattern shows how offering gift cards can attract new customers—shoppers who stop by specifically because they have a gift card—and increase sales.

Willingness to Spend More than the Gift Card Value\*

\$ Spent Beyond Gift Card Value





# Meet Consumers with Gift Cards Online and In Stores

The majority of Australia shoppers still prefer to buy gift cards in stores—usually from a gift card display rack. Online sales continue to grow, however, and our respondents said that they buy gift cards from retailers they already trust and frequent.

## Where Do You Typically Buy Gift Cards?

In-Store (79%)



63%

In a store that sells gift cards for a variety of brands (3rd party)



36%

In a store, directly from the brand

Online (56%)



40%

Online, directly from a brand's website



34%

Online, from a site that sells a variety of brands (3rd party)

## Top 5 Places Where Consumers Purchased Gift Cards



1

Grocery Store



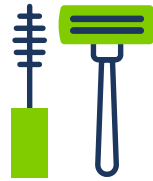
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Mass Merchant



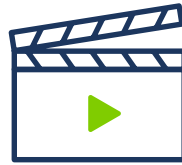
3

Dept Store



4

Personal Beauty/  
Cosmetics

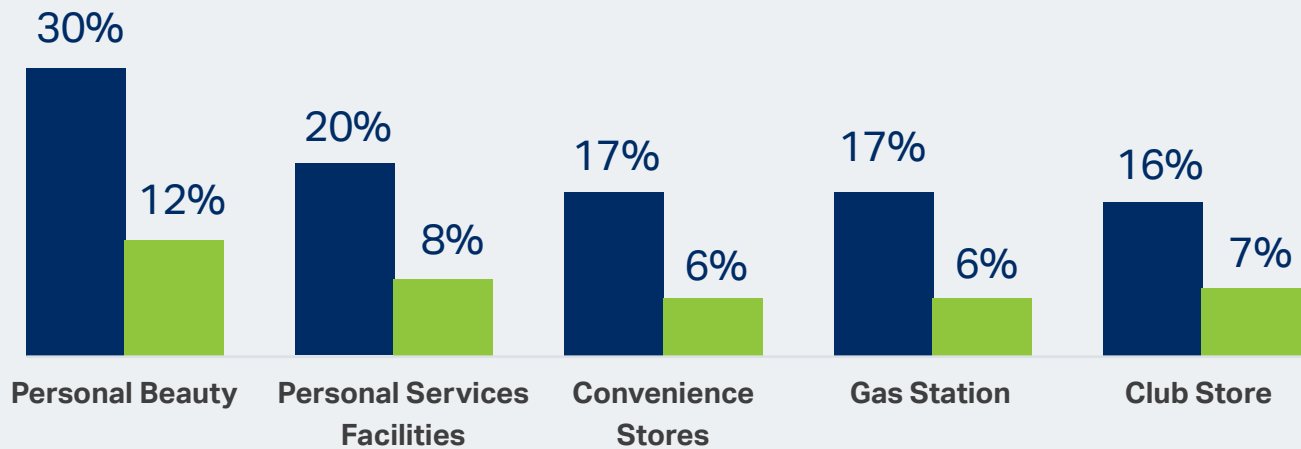


5

Entertainment

## Notable Gift Shopping Differences

■ Younger Generations ■ Older Generations





# Shoppers are Aware of Gift Card Fraud

Fraud in the gift card space is a growing problem. Australian shoppers are more aware of gift card fraud and have heard stories, either in the news or from friends and family, of several different types of fraud.



Australian consumers are aware of gift card fraud

## Type of Gift Card Fraud

Reduced Balance	59%
\$0 Balance	31%
Fake or Counterfeit	16%
Can't Remember	14%

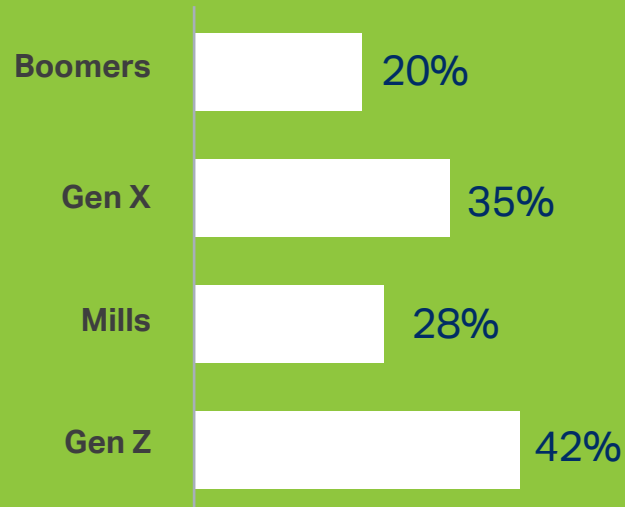
# Last-Minute Gifters

No one is immune from sometimes forgetting an important birthday or occasion, but this habit seems to mostly afflict younger shoppers. Most gift card purchases are planned ahead (68%), but a last-minute buyer is more likely to be young. Younger shoppers are also more likely to buy gift cards while in line at checkout.

## Planned Purchases



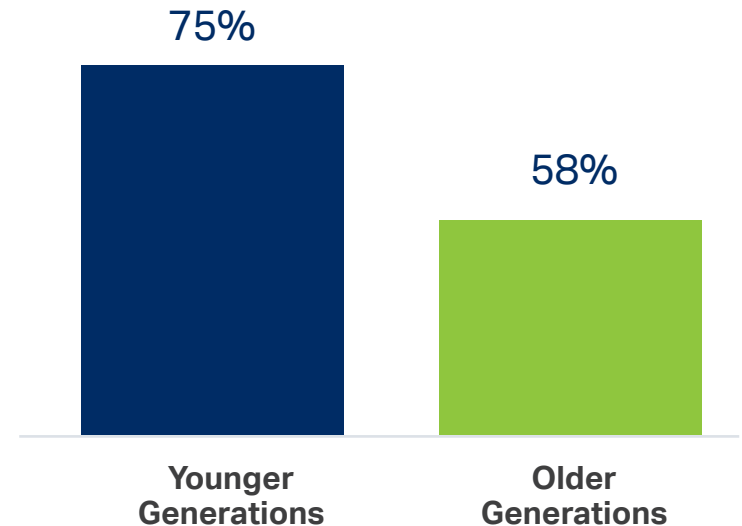
## Last-Minute Shoppers



## EQ Insight:

Checkout point gift cards stands should appeal to your younger customers

## Purchase Cards While In Line at Checkout



Shoppers Say:

# I Want to Buy with Loyalty Points

The idea of using loyalty points to make purchases is still pretty niche—only 14% of Australian shoppers have made this exchange for gift cards—but it is growing in popularity. Remember that inflation does remain a concern for shoppers, and everyone is particularly motivated by deals and getting extra value from purchases these days. Loyalty programs, and the points they generate, are a reflection of that thrifty attitude.

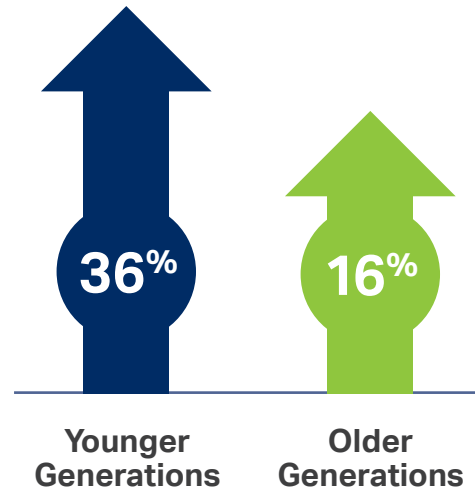
# 16%

## Exchanged Loyalty Points for Gift Cards

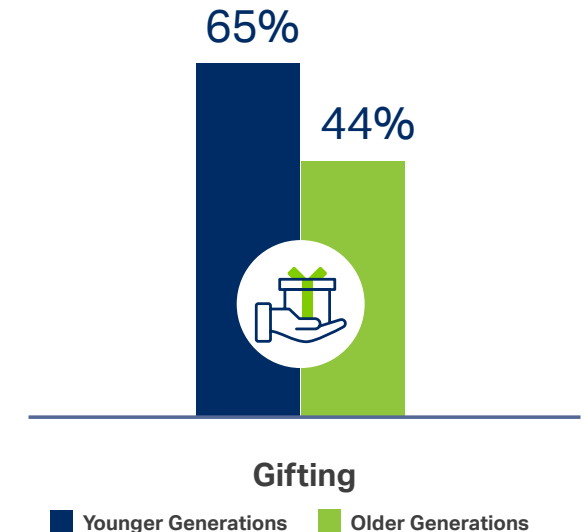


(Includes credit cards, travel, hotels, airlines, etc.)

Compared to last year, Australian consumers are planning to **increase redemption for gift cards** from their loyalty programs

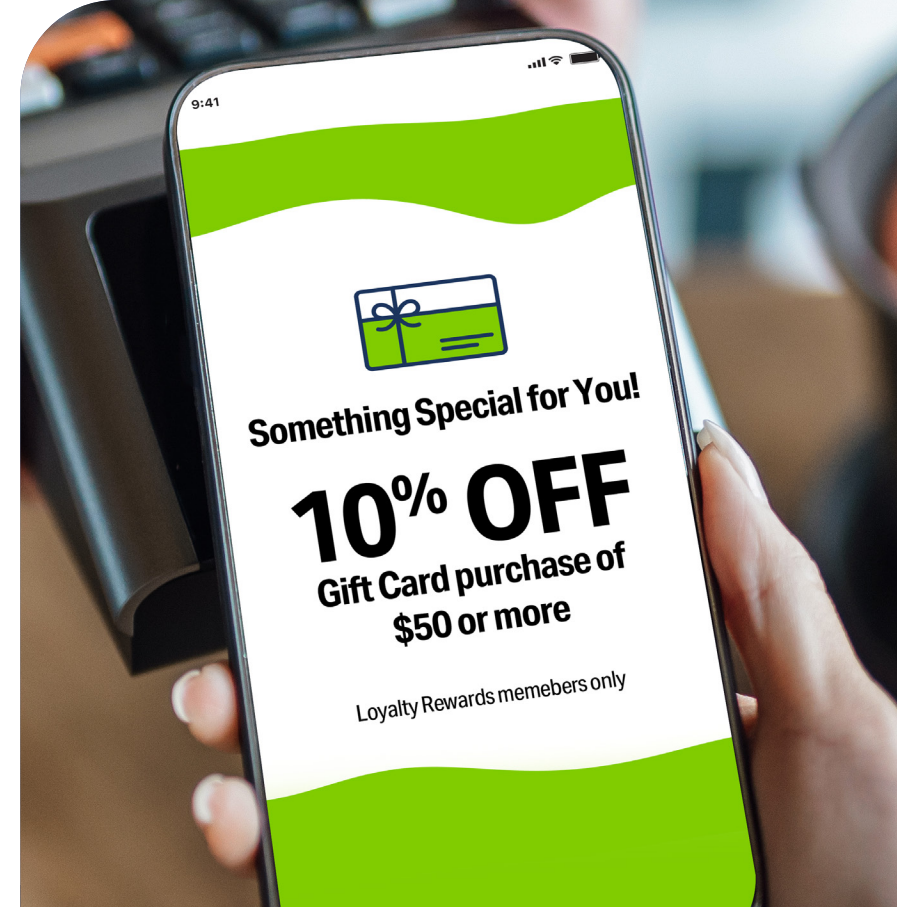
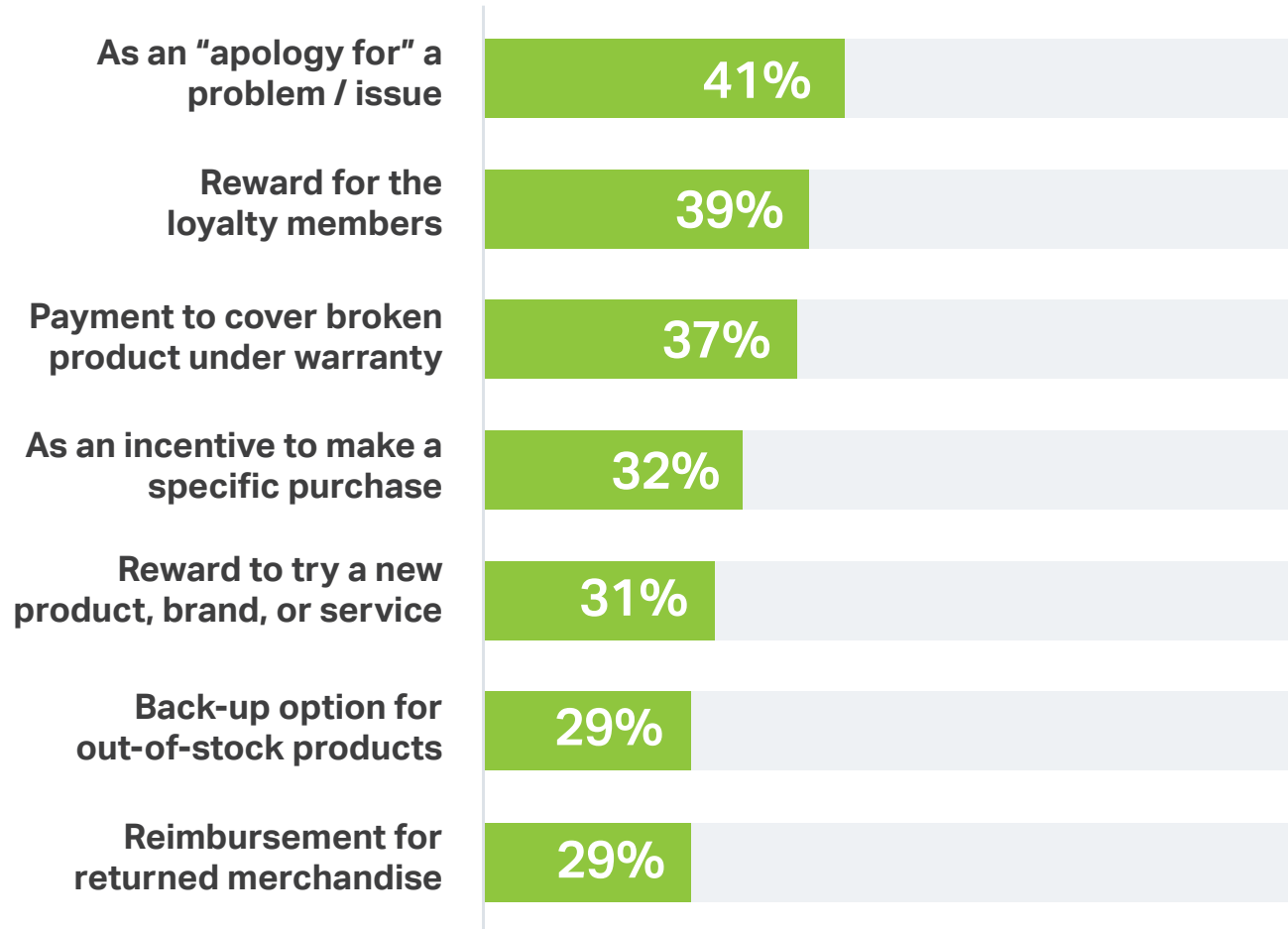


% Exchanged / Redeemed Gift Cards to Give as Gifts



# Build Customer Loyalty with Gift Cards Throughout the Customer Journey

## A Gift Card is a Good Option for...

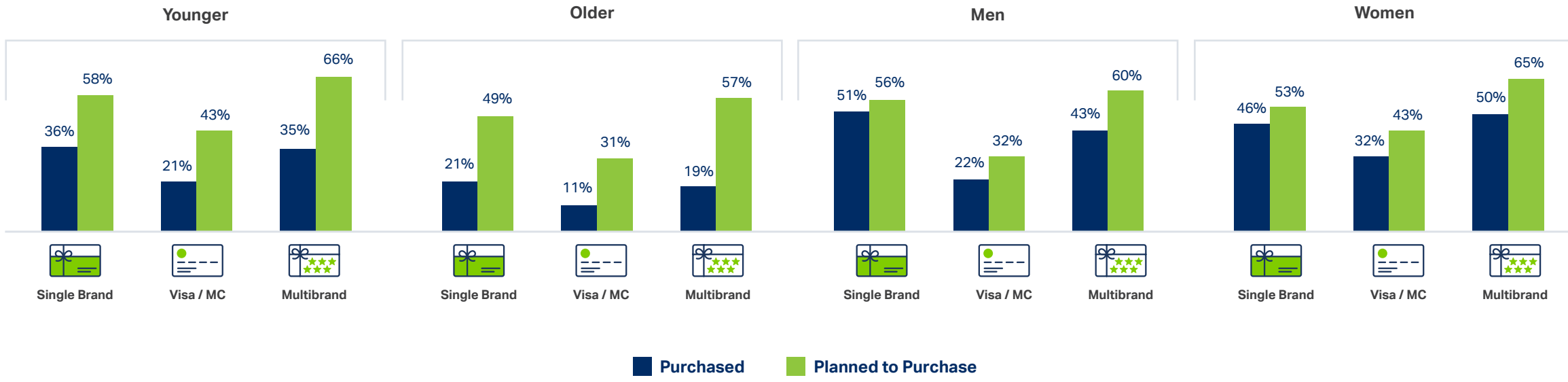


**90%**

of Australian consumers agree gift cards from merchants are a good option

# The Gap Narrows Between Multi-Brand and Single-Brand Gift Cards

Australian shoppers are continuing to embrace multi-brand gift cards and single-brand cards. Though a strong majority still says they have bought and plan to buy prepaid gift cards, the other options are growing in popularity.



# Gift Cards are Getting Greener and More Digital

Every aspect of life is getting more digital and more environmentally conscious—often at the same time. For gift cards, this is reflected in the growth of digital eGift cards and paper-based gift cards. Digital options are especially appealing to young people, who want to be able to purchase eGifts directly within messaging apps to send to friends.



43%

of younger generations

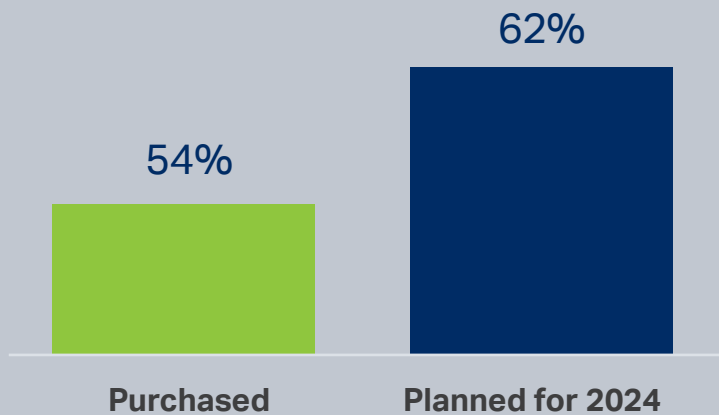
23%

of older generations

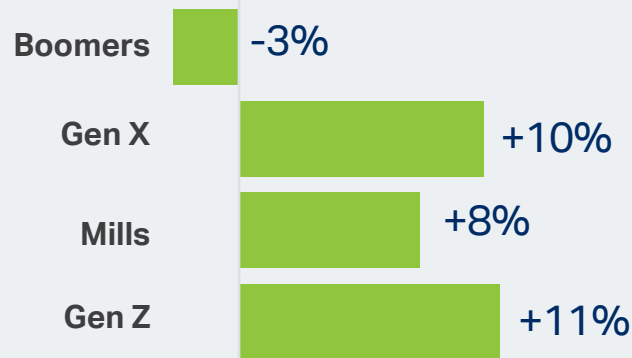
of Australia shoppers purchased a paper gift card



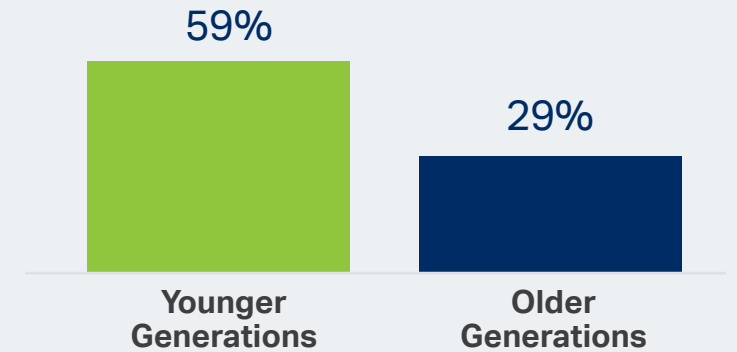
## Digital Gift Cards



## Generational Breakout



## Interest in Purchasing a Gift Card Through a Messaging App\*

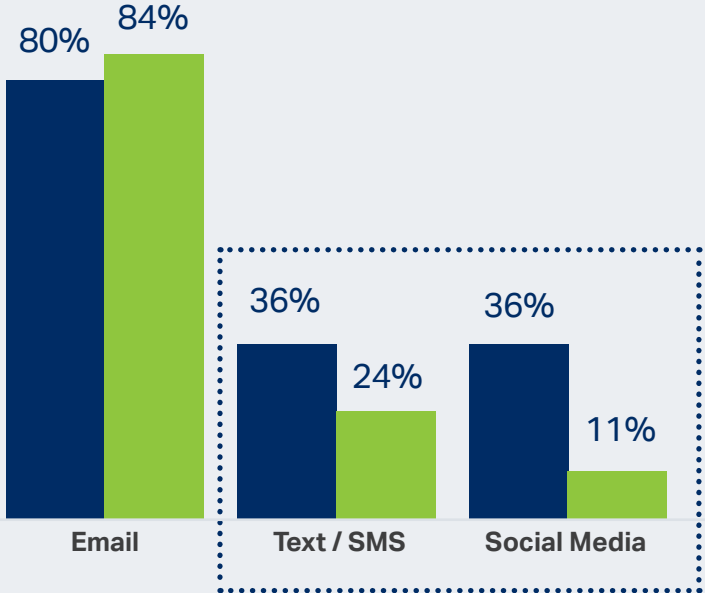


\*Google Message, WhatsApp, Android Message, iMessage etc.

# Younger Shoppers Embrace Social eGift Delivery

Digital gift cards are most often sent by email, but other options are becoming more common. Compared to older shoppers, younger shoppers were twice as likely to deliver eGifts by text or social media.

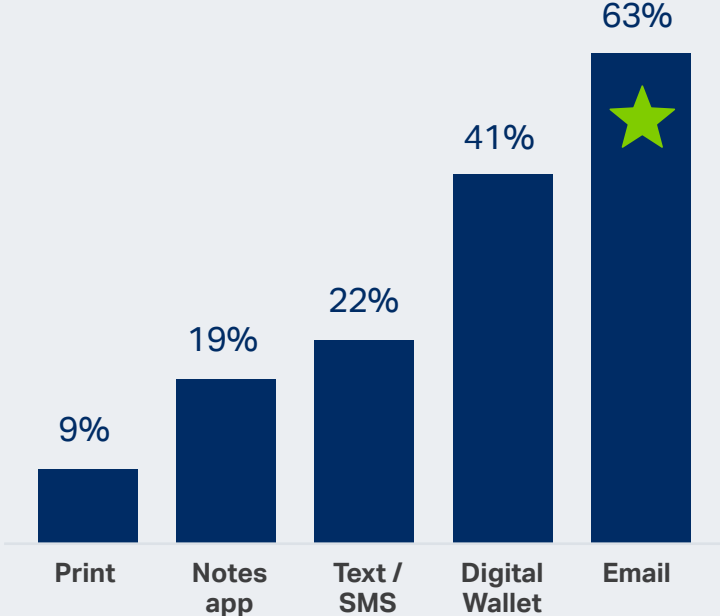
### How the Digital Gift Cards Were Sent...



■ Younger Generations ■ Older Generations



### Digital Gift Card Storage





# Key Takeaways for Your 2024

What does a “normal” year look like for gift cards? We know that Holiday is the focus for most retailers, but shoppers are ready to be enticed back more often. Be ready for gifting occasions throughout the year and beyond—driven by people wanting to connect to family and friends.

- 1. Ensure trust and convenience with placement across physical, digital and loyalty channels.**
- 2. Maximise year-round gift card business by tapping into:**
  - Gifting occasions—especially birthdays
  - Pairings
  - Overspend
- 3. Embrace increasing consumer demand for gift cards with a selection spanning multiple compelling categories.**



# Need Help Navigating your Gift Card Program in 2024?

Talk to **BHN**.

Our gift card experts can help.

[BHN.com/au-en](https://www.bhn.com/au-en)

