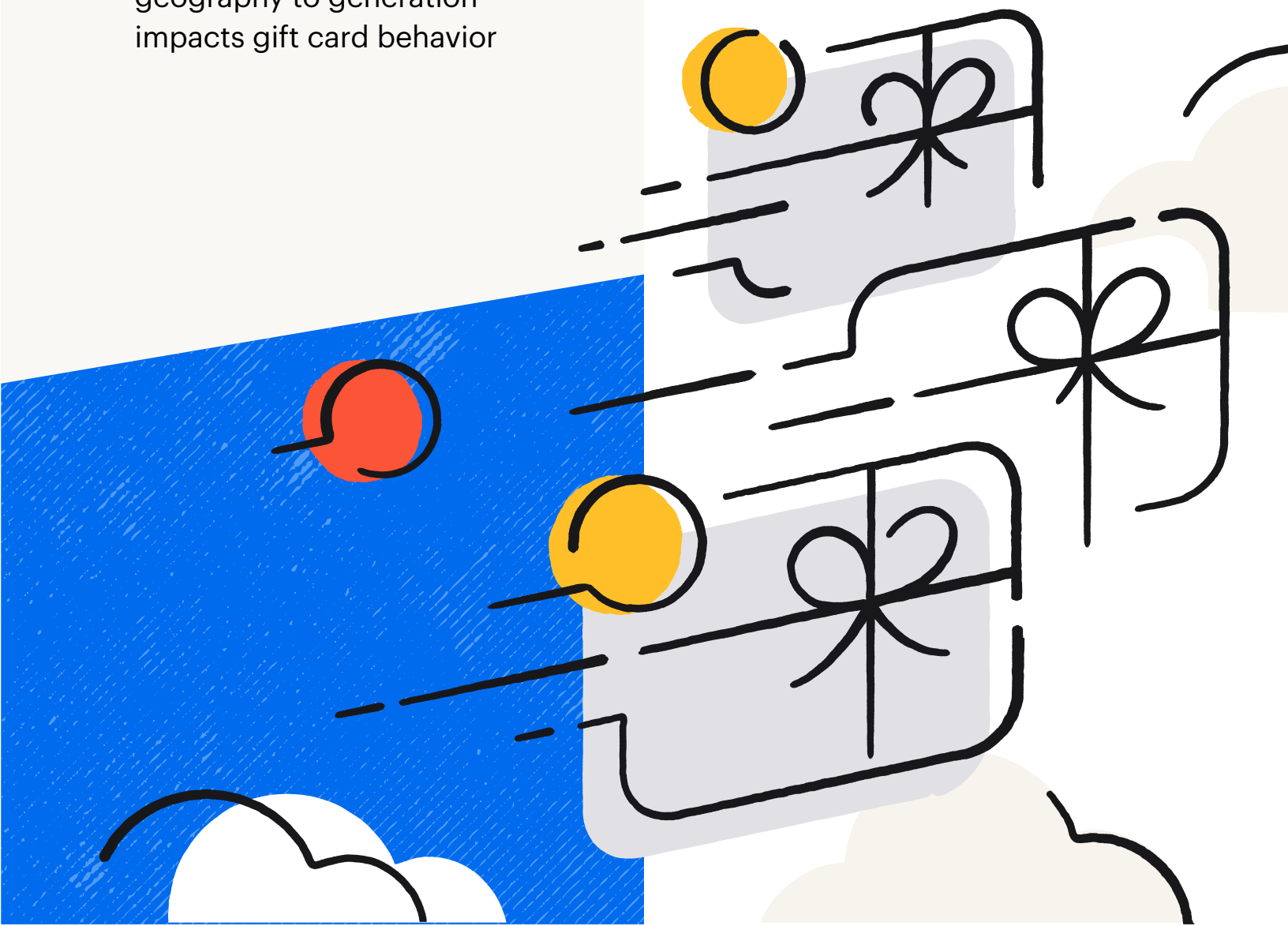


The future of gift cards: No longer one-card-fits-all

Learn how everything from
geography to generation
impacts gift card behavior



Explore how consumers are purchasing and using gift cards – and what it means for your rewards strategy

Gift cards are an ideal way to reward employees, research participants, customers, partners, and donors. They're easy and secure to send – and exciting for consumers to spend.

Common business use cases for sending gift cards at scale include:

- Survey and focus group participant incentives
- Referral, cashback, and loyalty program rewards
- Employee recognition and wellness rewards
- Legal and charity disbursements



Gift cards continue to be a popular payment method, with nearly 1 in 5 U.S. consumers buying at least one recently.

However, designing effective reward and incentive programs means looking a layer deeper at who's redeeming, where, and why.

Profile of a typical gift card buyer

The average gift card buyer skews older, more affluent, and more likely to be female compared to the general population. Boomers and Millennials make up 67% of gift card purchasers. 57% of gift cards are purchased by women. 76% of gift card buyers own a home, and 62% are employed. 56% come from households with an annual income of more than \$100k, and 43% have a college degree.



Female
57%



Male
43%



13%
Gen Z

21%
Gen X

33%
Millennials

34%
Boomers



Bachelor's Degree or Higher
43%



Currently Married
59%



Home Ownership
76%



Parent of Children
24%



Employed
62%



Affluent
58%
\$100k Household Income

Whether you're selecting a reward mix for a new program or optimizing your existing strategy, it's important to consider recipient preferences and behaviors. By tailoring everything from gift card brands to redemption experiences, you can increase the relevance and impact of your rewards.

Big brands have broad appeal while regional preferences signal opportunity

As you might expect, national brands like Amazon.com (42%) and Visa (34%) top the charts in terms of gift card popularity, given their scale and flexibility in redemption. Restaurants (34%), coffee shops (17%), and department stores (14%) are also top picks with consumers.

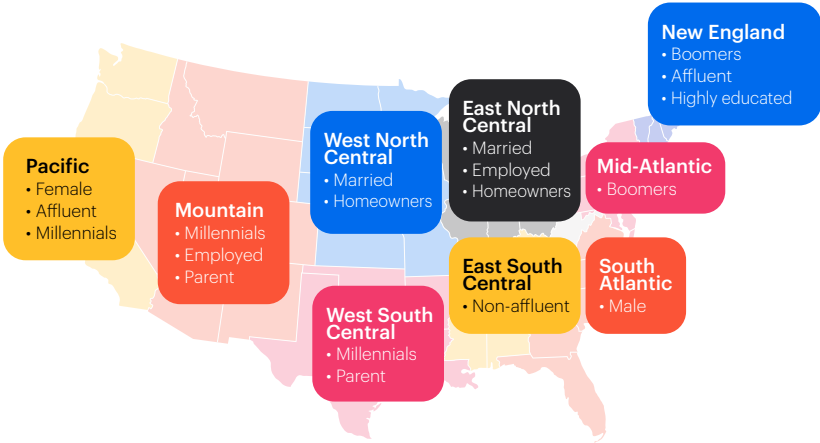


Regional gift card preferences



As you can see on the map, Amazon.com, Walmart, Starbucks, and Target are universal favorites, which makes them good options when you're reaching a broad audience or have limited information about your recipients. However, there's room to localize your program with regional favorites for added relevance and deeper value. CVS is a practical option favored on both coasts. In the Northeast, Dunkin' Donuts tops the charts, while Taco Bell is a fan favorite in the Southeast. Kroger is big in Southern states, and Domino's is a hit with Midwest consumers.

When considering segmenting by region, it's worth noting that not only do brand preferences vary, but consumer profiles vary as well.



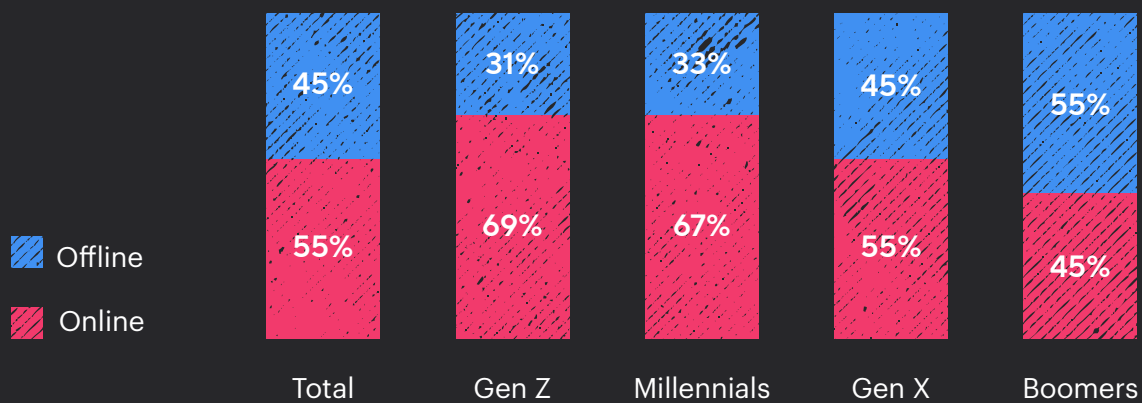
Key takeaway: Select reward options that appeal to your recipients. Lean into the popularity of big brands, then layer in regional favorites that appeal to relevant demographics for targeted promotions.

Younger generations are changing the sending and spending game

Millennials and Gen Z are evolving gift card usage to be faster, more flexible, and more digital.

With more than two-thirds of their transactions online, younger generations are welcoming the shift to digital gift cards, which can be a powerful business advantage. Not only do they eliminate the production and shipping costs associated with physical cards, but their instant delivery means consumers can enjoy their gift sooner.

% of gift card transactions made online vs. offline



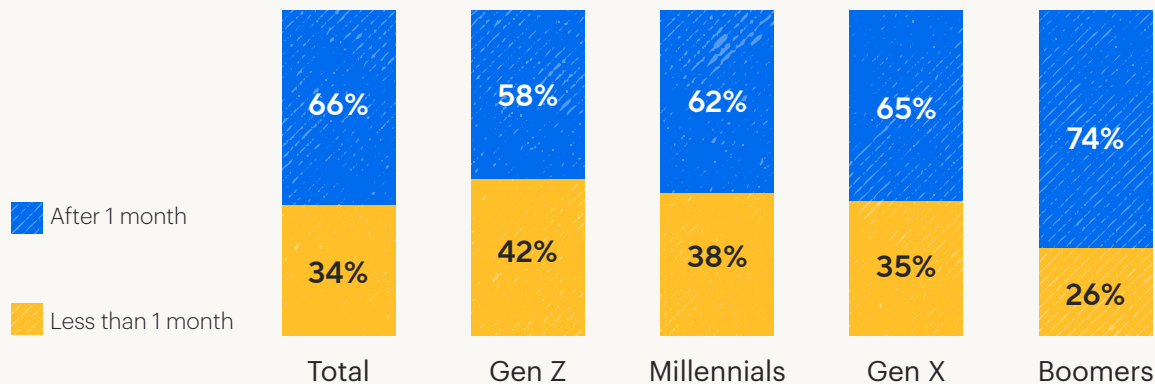
Nearly 1 in 4 Gen Z gift card transactions flow through digital and mobile wallets.

Prioritizing seamless wallet integration will become increasingly important as Gen Z becomes a more prominent fixture in today's workforce.

Gen Z and Millennials redeem gift cards at a much faster pace

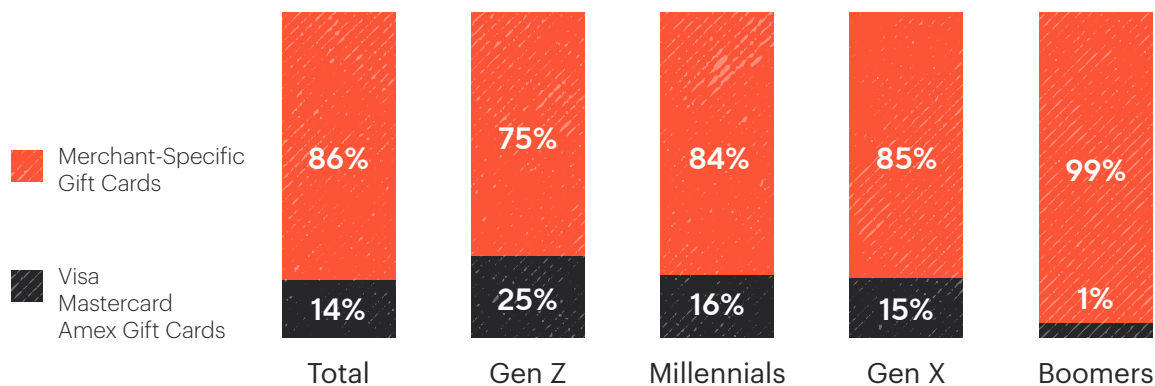
In fact, Gen Z recipients are almost twice as likely to redeem a gift card within the first month as Boomers. Offering fast delivery and easy-to-redeem options can increase perceived value with younger consumers.

Redemption timing



Prepaid card flexibility is increasingly appealing

While brand-specific gift cards remain the strong preference across demographics, younger generations show greater interest in prepaid cards from brands like Visa that allow recipients to spend almost anywhere.

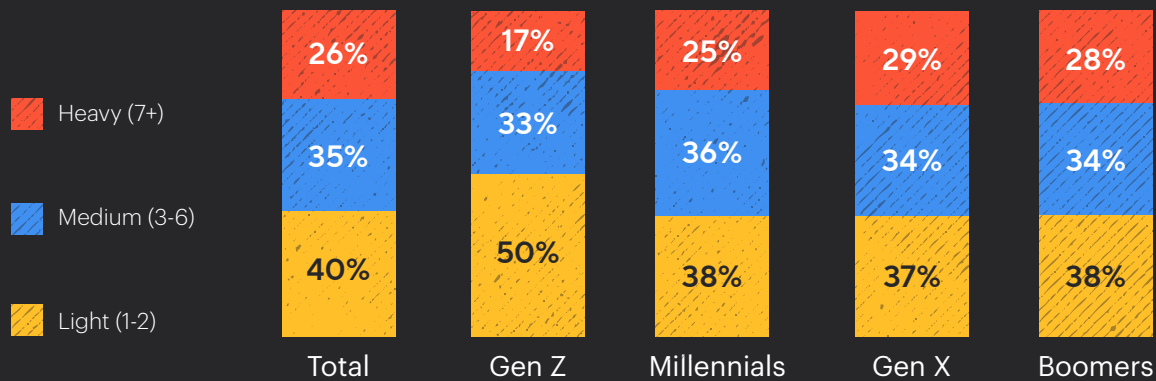


Key takeaway: Focus on speed, ease, and flexibility. By delivering seamless, digital-first redemption experiences and open-ended reward options, you can support purchase and redemption preferences for younger generations as they become an increasingly important gift card sender and recipient segment.

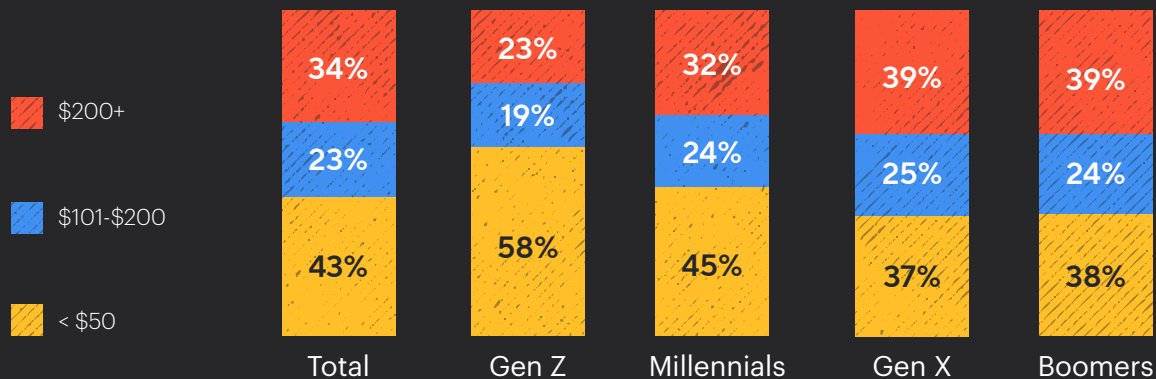
Older generations still hold purchasing power – and value

Although younger generations are changing the landscape in terms of redemptions, Gen X and Boomers remain the biggest drivers of both spend volume and frequency: 62% purchased more than 3 gift cards and 63% spent more than \$100 on gift cards in the past 6 months.

Number of gift cards bought last 6 months



Amount spent on gift cards last 6 months



55% of Boomers redeem in-store.

Enabling a smooth redemption process at brick-and-mortar stores can help ensure this high-volume audience continues to see the value in your rewards.

Key takeaway: Provide options for in-store redemption while scaling digital channels to align with the preferences of younger generations.

Use consumer gift card trends to optimize your programs



Tailored rewards create more meaningful brand experiences

No matter who your team sends rewards to, you can maximize the value of your gift cards and deliver a consistently great recipient experience by focusing on three key areas for growth:

- 1 Personalize by geography, generation, and channel.** Make the gift cards you send even more impactful by creating customized recipient journeys tailored to recipient preferences, elevating regional brands, and optimizing redemption experiences by segment.
- 2 Make redemption as seamless as possible.** For younger generations, prioritize digital and mobile redemption methods, including frictionless wallet integration and instant delivery by email or SMS. For Gen X and Boomers, ensuring a smooth in-store redemption experience is critical.
- 3 Focus on flexibility.** While top retailer gift cards should play a leading role in your strategy, offering prepaid options gives recipients greater control over how they reward themselves, which is gaining popularity among younger generations.

Send gift cards and payouts worldwide with Tremendous

Tremendous is the global platform built for businesses to send thousands of payouts to anyone, anywhere, for free. Let recipients choose from 2,500+ reward options they'll love: gift cards, prepaid Visa cards, monetary payouts, and more. Once you hit send, we'll handle everything so your team doesn't have to. And we'll track what you've sent and spent along the way.

[Learn more](#)

All data sourced from MRI Simmons USA 2025 Fall.