

# Three steps to better gift card giving

December 10 2014, by Tom Robinette

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Is it the thought that really counts? When it comes to giving gift cards, maybe not.

New research from the University of Cincinnati can help even the most thoughtful gift giver avoid the mistake of over-personalization and keep that card from being banished to the bottom of a purse or hidden deep inside a wallet for the next six months.

"Givers often fail to anticipate that the gifts they prefer to give are not necessarily the ones recipients prefer to receive," says Mary Steffel, researcher and assistant professor of marketing in UC's Carl H. Lindner College of Business.

So before you make that specialty retailer rendezvous, remember these three tips, with further guidance from Steffel:

1. Don't overdo it with personalization. What you think is the "perfect" gift card might never get used.

"We find that givers tend to select gifts that are highly personalized to the recipient but that are less versatile than recipients prefer to receive. For example, a giver might personalize a gift card for a friend who loves sports by getting him a gift card for his favorite sporting goods store or a local sports venue. However, the sports lover might prefer a more general card, like a Visa- or Mastercard-backed gift card, as it would allow him to purchase sporting equipment, tickets to a

sporting event or anything else that he might want or need.

"We further find that the tendency for givers to select overly specific gifts can contribute to gift nonuse. Recipients take longer to redeem gift cards that are specific to a particular store or product category than gift cards that can be used at more places and for a wider range of products. Givers, however, don't recognize this and overwhelmingly gravitate to more specific gift cards."

2. Really trying to impress that special someone? Think romantically, but shop for versatility.

"When it comes to choosing gifts for close others, like romantic partners, givers try especially hard to be thoughtful and demonstrate their knowledge of their partner. Ironically, these attempts to be thoughtful can backfire: we find that givers tend to choose more specific, less versatile gift cards when shopping for romantic partners than friends, but that recipients prefer more versatile gift cards regardless of how close they are to the giver."

3. Focus on what recipients would like, not what they are like. Consider their current wants and needs rather than their traits.

"Why do givers, who have been gift recipients at some point themselves, fail to realize what recipients actually want? It's a fundamental human tendency to focus on other people's stable traits and personality when trying to explain their behavior and preferences, but to focus more on situational factors when making sense of one's own behavior and preferences. Thus, when choosing gift cards, givers may focus on recipients' stable traits and choose gift cards that are tailored to those characteristics,

whereas recipients focus on their variable wants and needs and prefer gifts with greater versatility.

"We find that encouraging givers to focus from what recipients would like rather than on what they are like makes givers more likely to choose the more versatile gifts than their recipients prefer."

## About the Research

Steffel's research team presented "Giver-Recipient Discrepancies Contribute to Gift Card Non-Redemption: Givers Choose Personalized but More-Restrictive and Less-Preferred Gift Cards" at the Society for Judgment and Decision Making annual conference held Nov. 21-24 in Long Beach, California. The team also will present at the Society for Personality and Social Psychology annual conference to be held Feb. 26-28 in Long Beach.

The research features data analysis from multiple experiments where participants were asked to put themselves in the role of a giver or recipient and then choose between gift cards that varied in terms of specificity or versatility. Steffel and her team also incorporated real-world data from multiple gift card services, such as Giftly, into their research. The results showed a giver's preference for personalization often worked against him or her.

"Recipients took longer to redeem gift cards the more specific they were," Steffel says. "Givers didn't anticipate this. They thought it would take recipients equally long to redeem regardless of how specific they were."

Steffel and her co-authors Elanor F. Williams, an assistant research

scientist at the Rady School of Management at the University of California, San Diego, and Robyn A. LeBoeuf, an associate professor of marketing at Olin Business School at Washington University in Saint Louis, plan to publish their research paper "Excessive Personalization in Gift Giving: Givers Choose Personalized but Less-Versatile and Less-Preferred Gifts." Further areas of study could involve other categories of gifts, such as cash, or the effect of [gift card](#) non-redemption on merchants.

**More information:** "Giver-Recipient Discrepancies Contribute to Gift Card Non-Redemption: Givers Choose Personalized but More-Restrictive and Less-Preferred Gift Cards"

Provided by University of Cincinnati

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