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## **Gift card sales to hit \$110 billion in the United States this holiday season**

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Gift cards are still at the top of many consumers' holiday shopping lists, according to CEB TowerGroup research. The firm expects 85% of the U.S. population will exchange gift cards this season, driving U.S. sales of gift cards to \$110 billion.

The firm says the most popular type of gift card will be the "open loop" ones sold by American Express, Discover, Mastercard and Visa. The firm expects \$40 billion of these cards, which can be used anywhere, to sell this holiday season. It expects consumers to spend \$19 billion on restaurant gift cards and another \$36 billion on retailer gift cards. Electronic gift cards won't be as popular as physical ones. While the firm says electronic gift card sales have increased since it began tracking them in 2010, sales in 2012 are only projected to reach \$3 billion, reflecting slower than initially projected adoption.

And gift card recipients are getting more conscientious about how they use their gift cards. CEB Tower reports that 75% of consumers will spend the full amount of money on the card and 30% will spend \$25 more than the value of the card, which is helping lower spillage - the amount of money left on a gift card that a consumer will never spends - to \$1.7 billion.

"Consumers continue to flock to gift cards as a popular gift choice due to the variety and assortment of cards available," said CEB TowerGroup senior research director Brian Riley in a press release. "Consumers can now more easily use all the funds loaded on their gift card thanks to safeguards put in place by Title IV of the Credit Card Accountability, Responsibility, and Disclosure (CARD) Act of 2009, which severely restricts expiration dates and fees."

Gift card sales are rebounding after two years of slow growth in 2008 and 2009 due to the economic downturn, Riley says. CEB TowerGroup, which has tracked gift card sales and use since 2006, suggests that the market will top \$130 billion in sales by 2015 with electronic gifting growing from \$3 billion in sales (2012) to roughly \$16 billion by 2015.

Compiled by the staff of Shopping Centers Today.

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