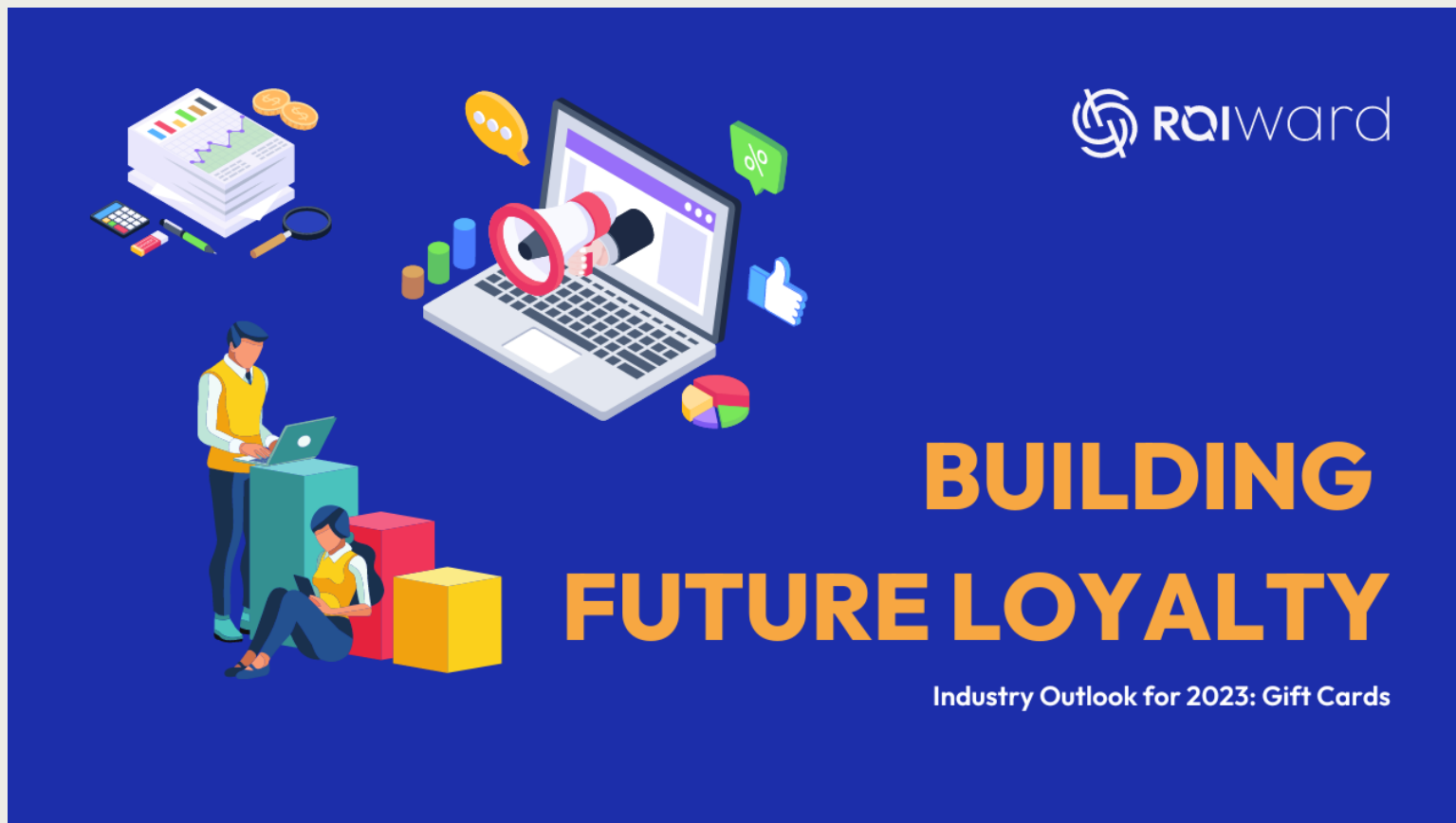


INDUSTRY OUTLOOK FOR 2023: GIFT CARDS

In this post we will take a closer look at the data on the European gift card industry, summarizing the most interesting points from The Incentive Research Foundation's [\(IRF\)](#) Industry Outlook 2023: Merchandising, Gift Cards and Event Gifts [case](#).



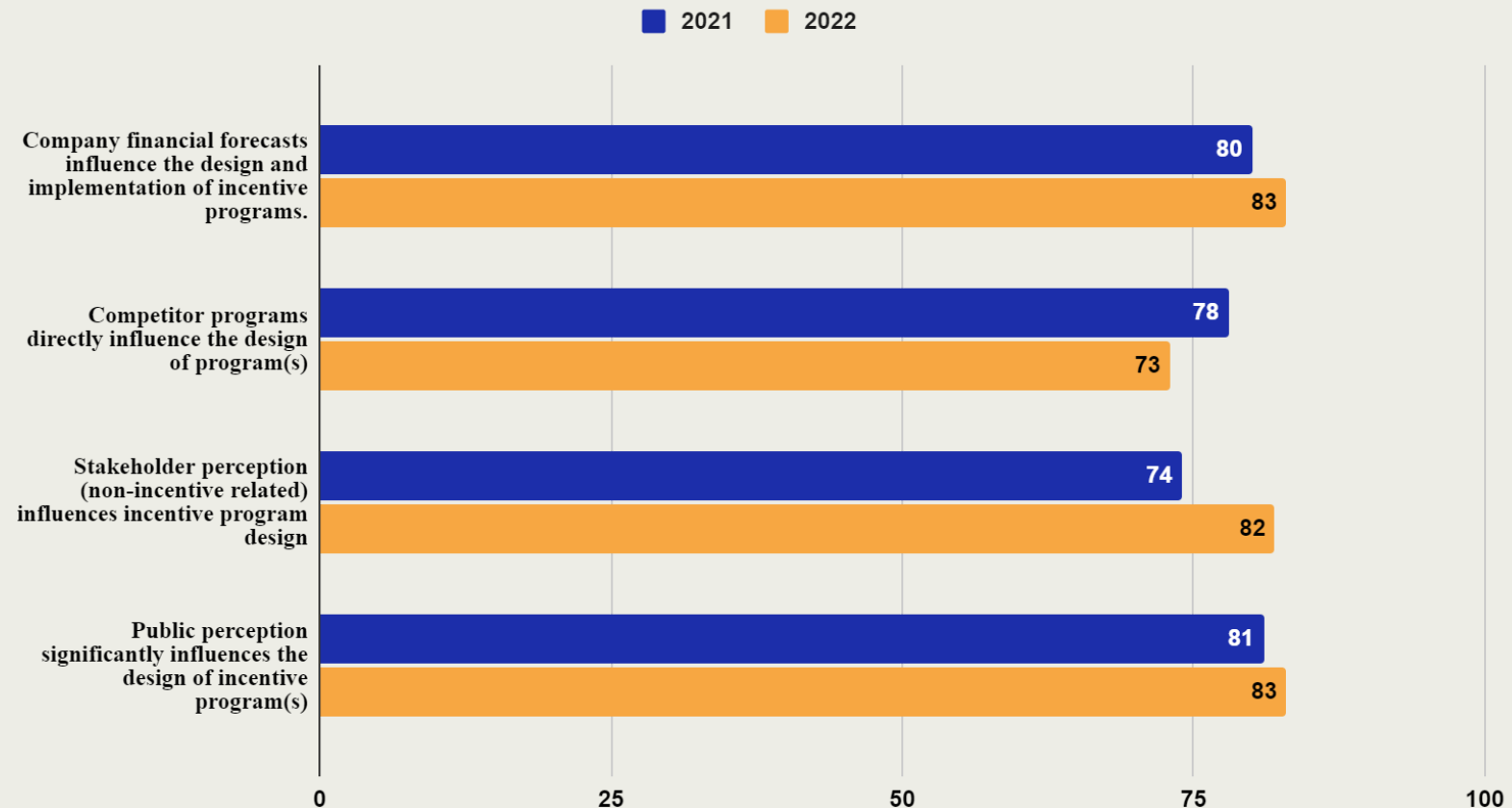
To conduct this study, 500 industry professionals were recruited by an independent panel research firm, and 43 additional respondents from incentive groups and communities to complement the study panelists, distributed as follows:

Country	Total	Percentage
USA	187	34%
Germany	58	11%
United Kingdom	54	10%
Canada	52	10%
Spain	50	9%
Sweden	49	9%
France	47	9%
Italy	46	9%

Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation

European considerations are similar to North American ones with financial forecasts and public and stakeholder perceptions accounting for more than 80% of European respondents.

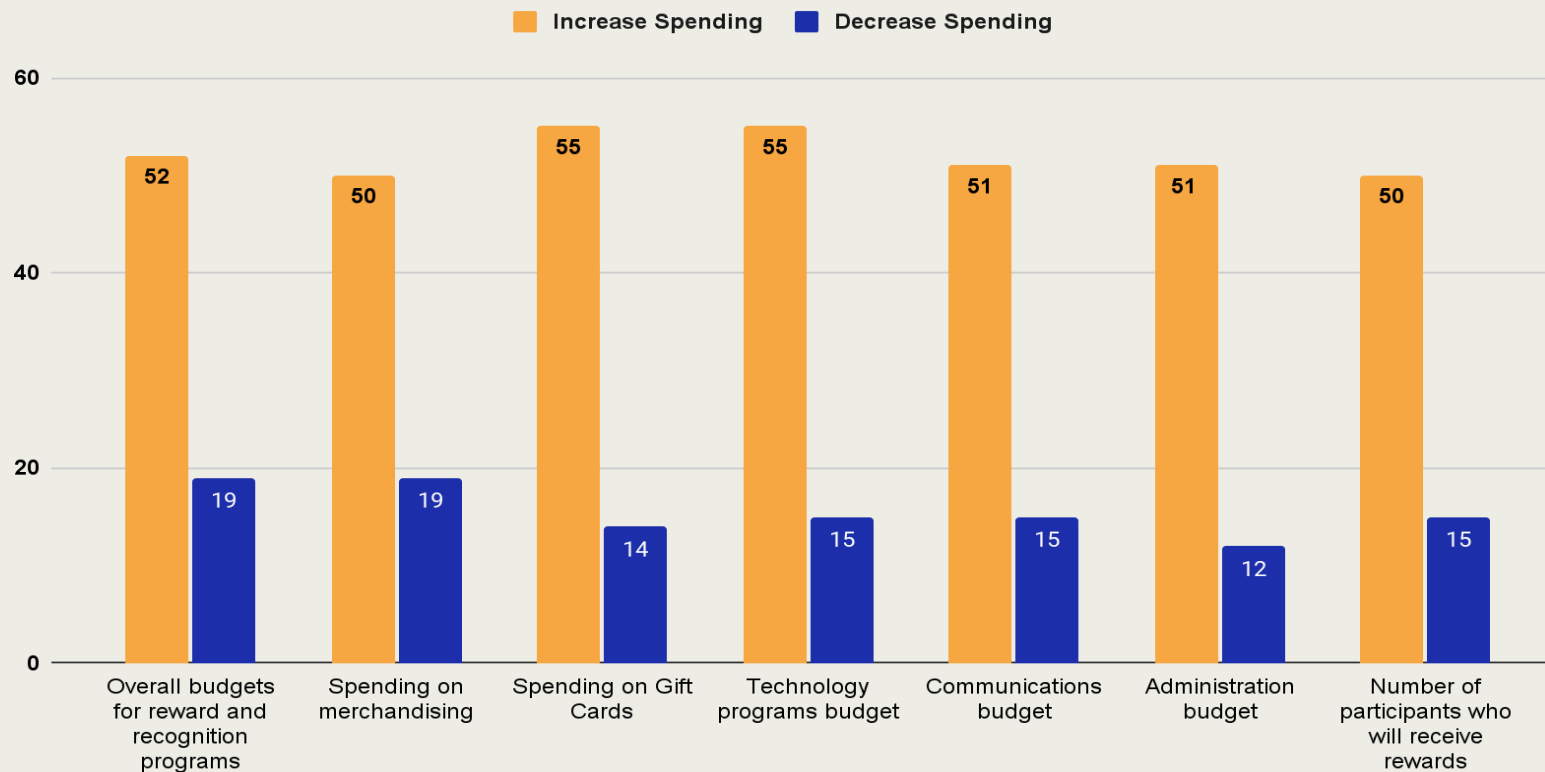
Considerations for non-cash programs



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation

In terms of the European Rewards Budget Outlook, we can see that more than half (52%) of Europeans expect an overall increase in their budgets and recognition, while 19% expect a decrease. Spending on gift cards and technology budgets have the most significant net increases by 2023 among Europeans.

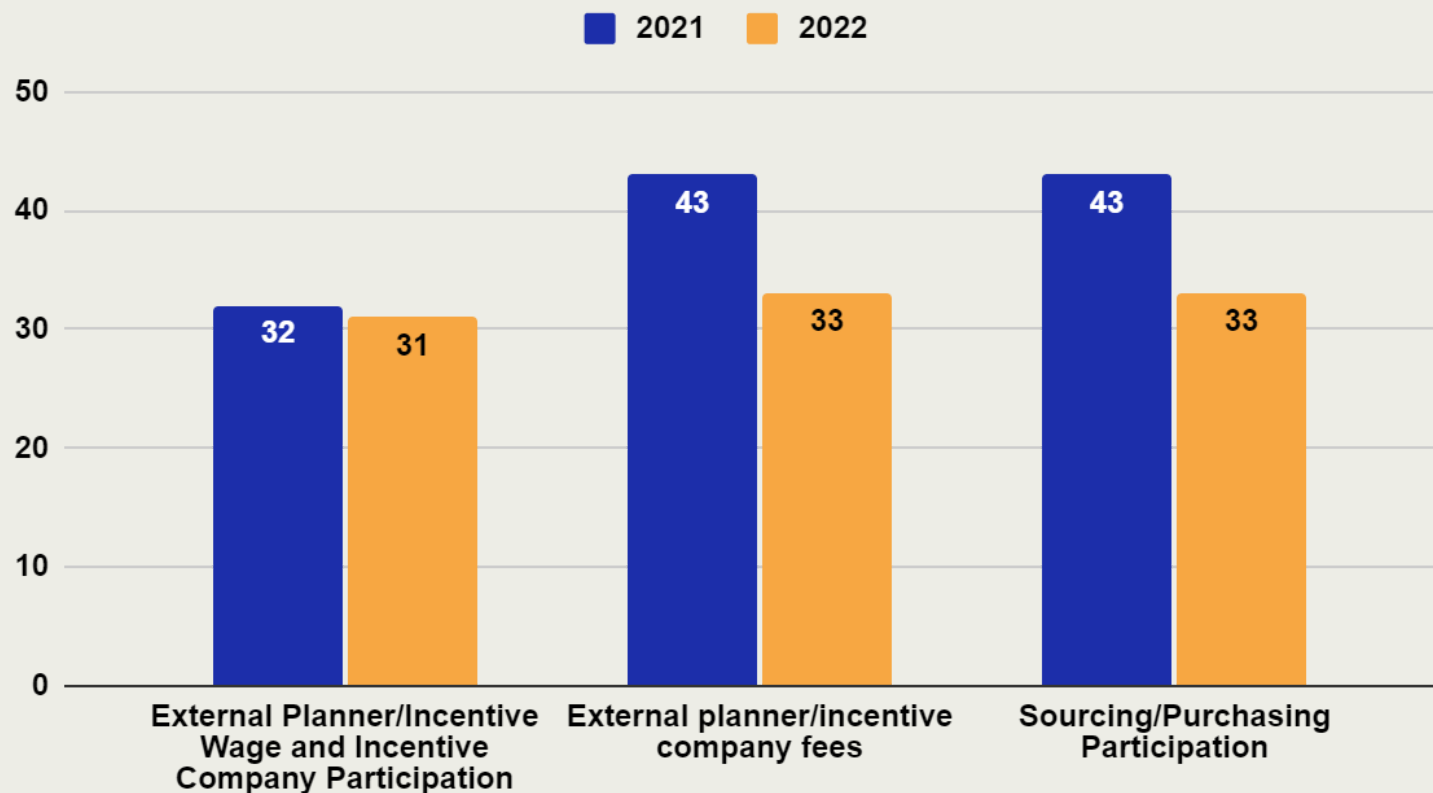
Reward budget outlook



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation.

Compared to North America, Europeans are less likely to work with incentive companies and merchandising brand agencies.

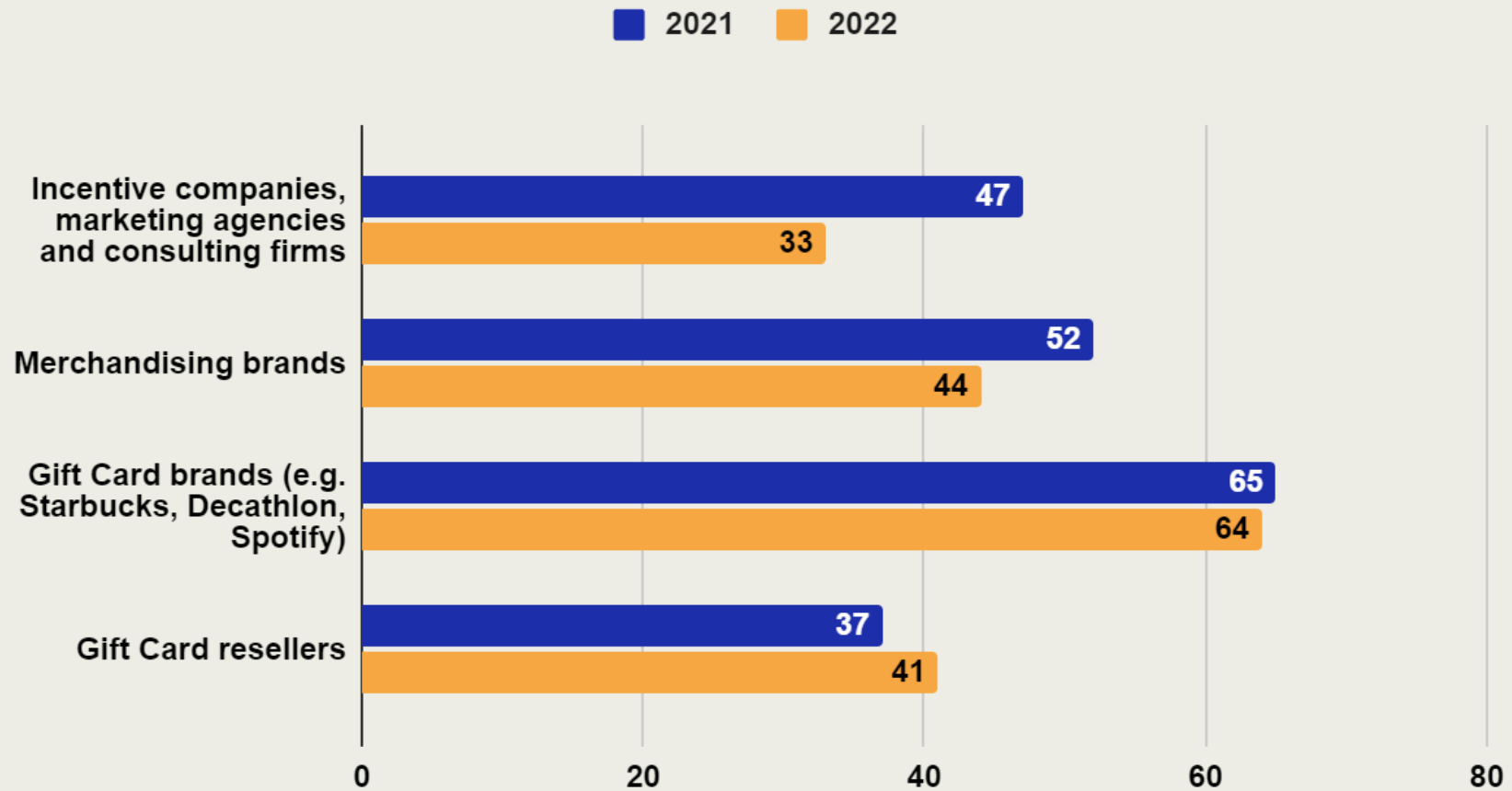
Rewards Partner Perspectives



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation.

Direct partnerships with incentive companies and product brands have decreased significantly since last year.

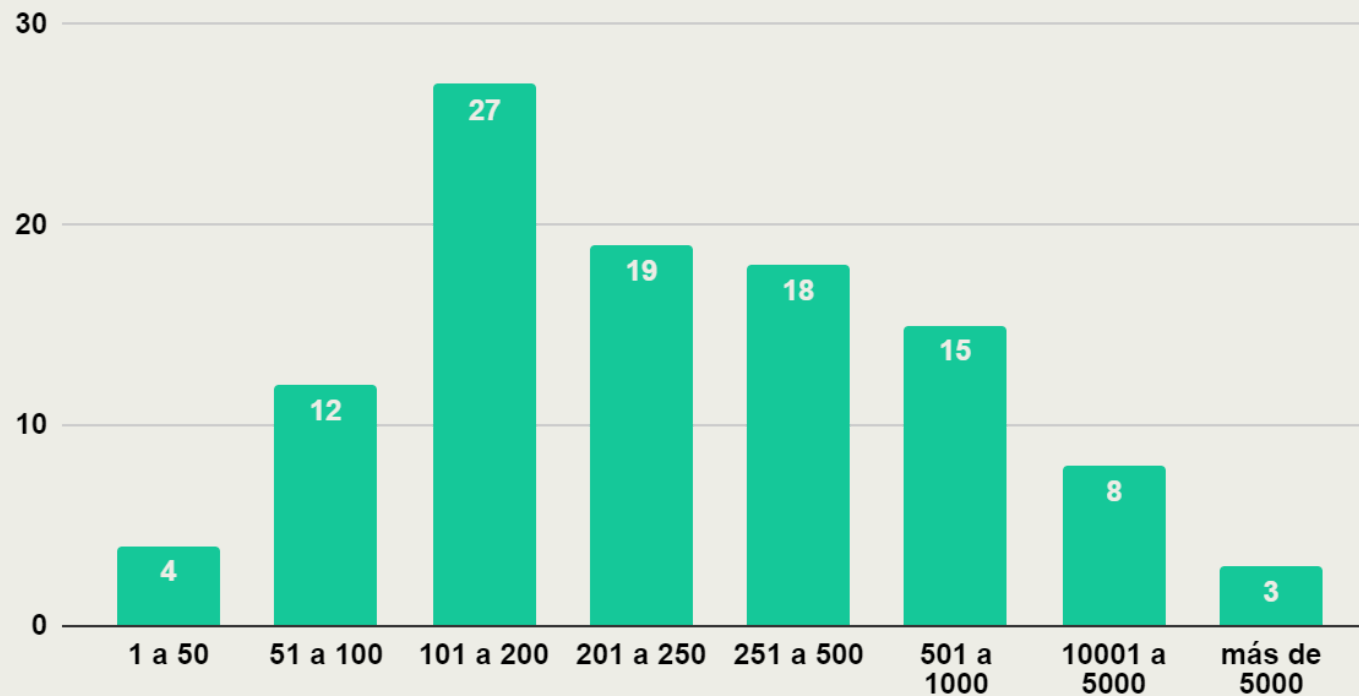
Working with incentive companies and marketing agencies



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation.

The average spend per person in Europe on non-monetary reward and recognition programs is €650. In this graph, **57%** corresponds to **gift cards** from €1 to €250. The remaining 43% spend more than €250, compared to **58% of North Americans** who spend **more than the average of \$250** per person on **reward and recognition programs**.

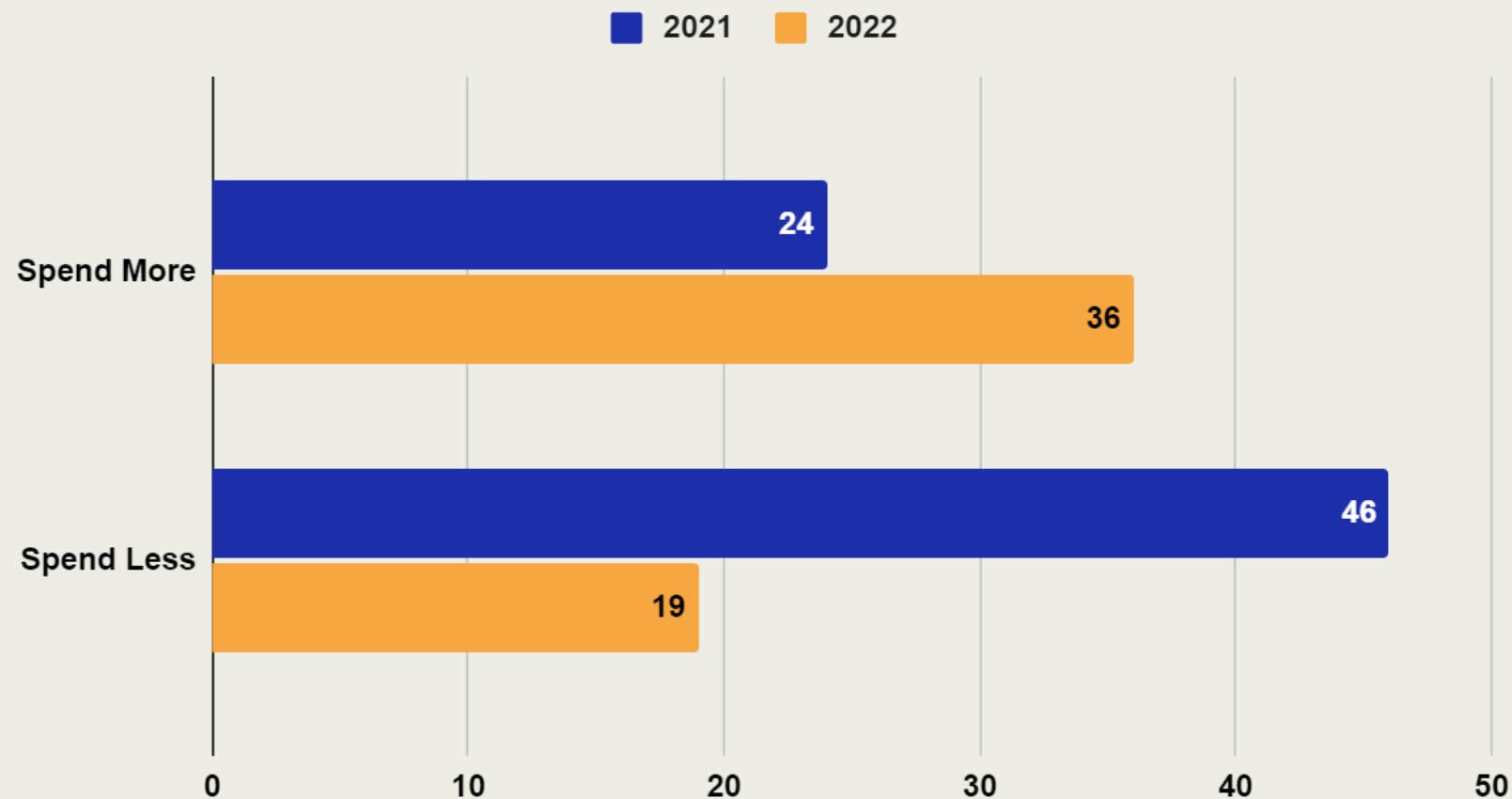
Average spend per person Non-cash rewards and recognition program



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation.

Spending on gift cards has rebounded in Europe, after a decline in gift card usage last year, with those who spend more on gift cards outpacing those who spend less by a margin of (36% to 19%).

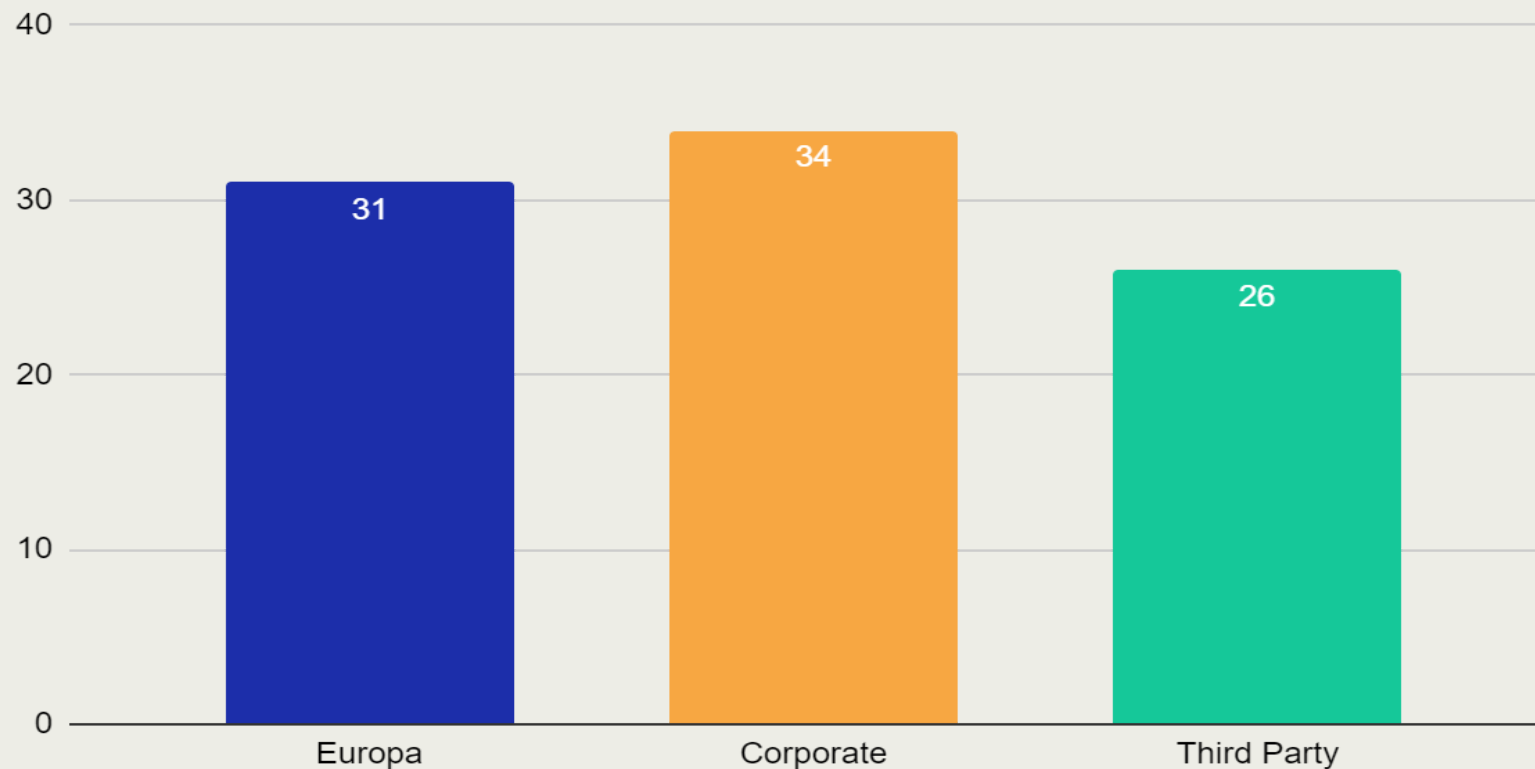
Percent Spending More/Less on Gift Cards



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation.

As with gift items, Europeans plan to increase their gift card budgets in 2023, although the net increase will not be as large as in North America. Half expect to increase spending on gift cards, while 19% expect to reduce spending on gift cards.

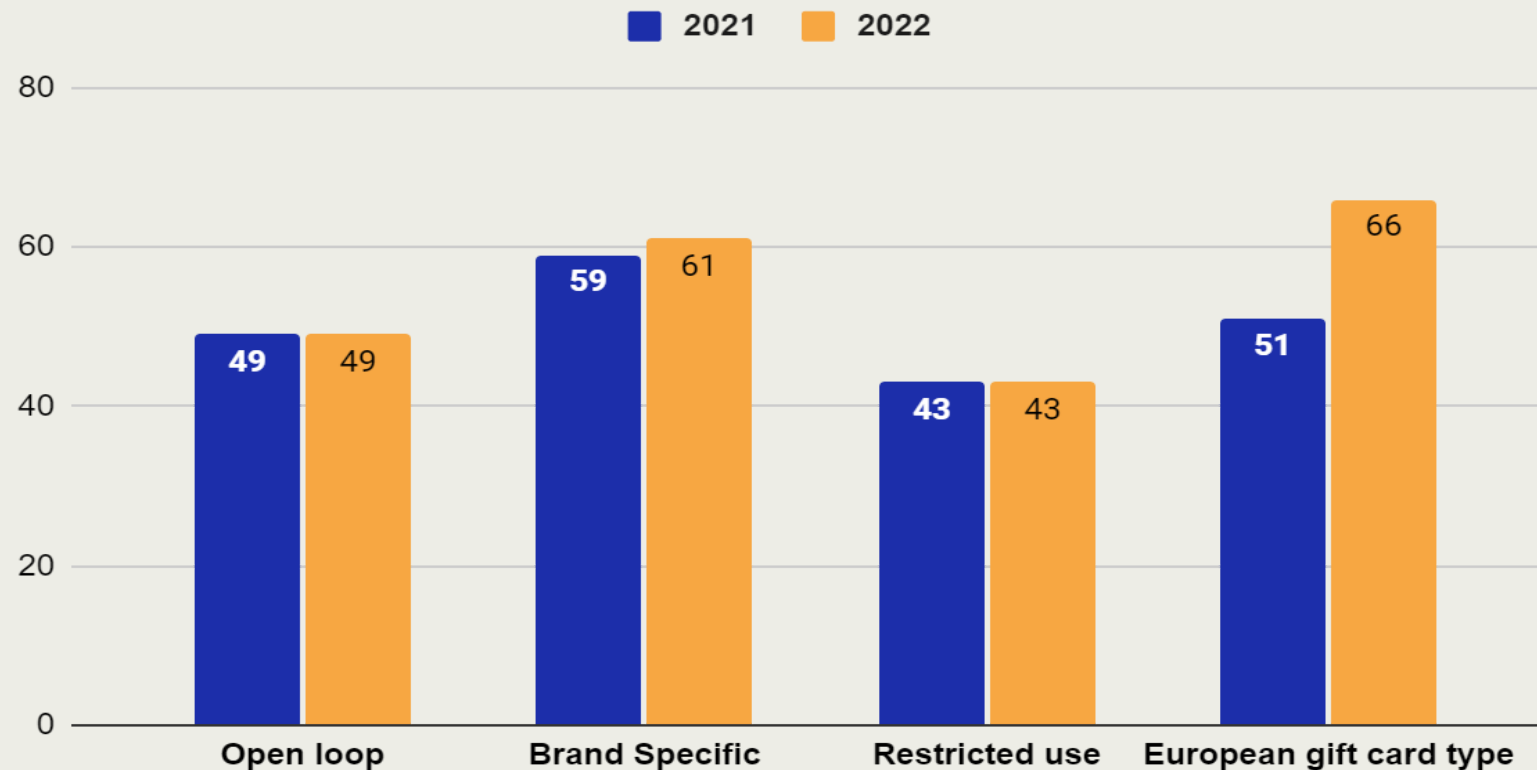
Net increases by 2023



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation.

For the most part, the types of gift cards Europeans used in 2022 did not differ significantly from those in 2021. The only exception was gift vouchers, which increased from 51% to 66%. Europeans were much more likely to use gift card vouchers.

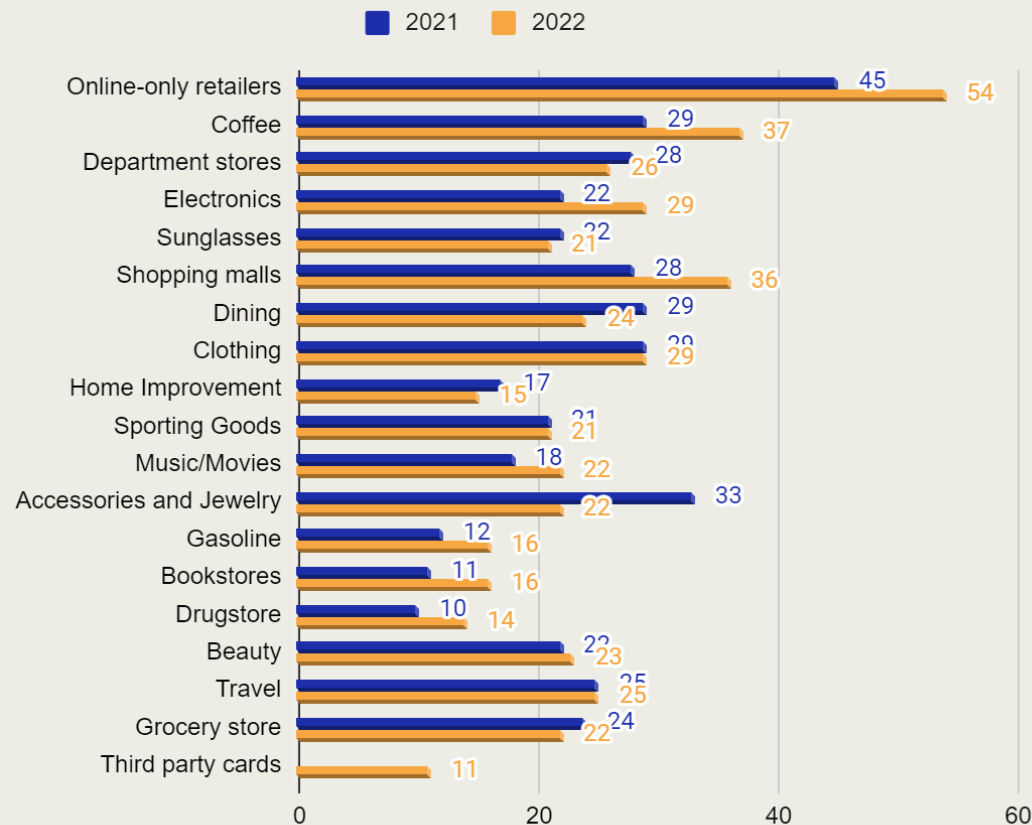
European gift card type



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation.

As in North America, online retail cards recorded the strongest growth in Europe, rising from 45% to 54%. Coffee gift cards and department store cards also grew, ranking 2nd and 3rd as the most frequently used card categories in Europe.

Types of European retailers by brand



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation.

The average gift card amount for both North Americans and Europeans is \$100 (dollars/euros). The percentage of those who average \$100 or less in gift cards is 55%, almost identical to last year's 58% and very similar to the European percentage of 58%.

North America USD 1 - USD 100 → 55%

North America USD 100 median

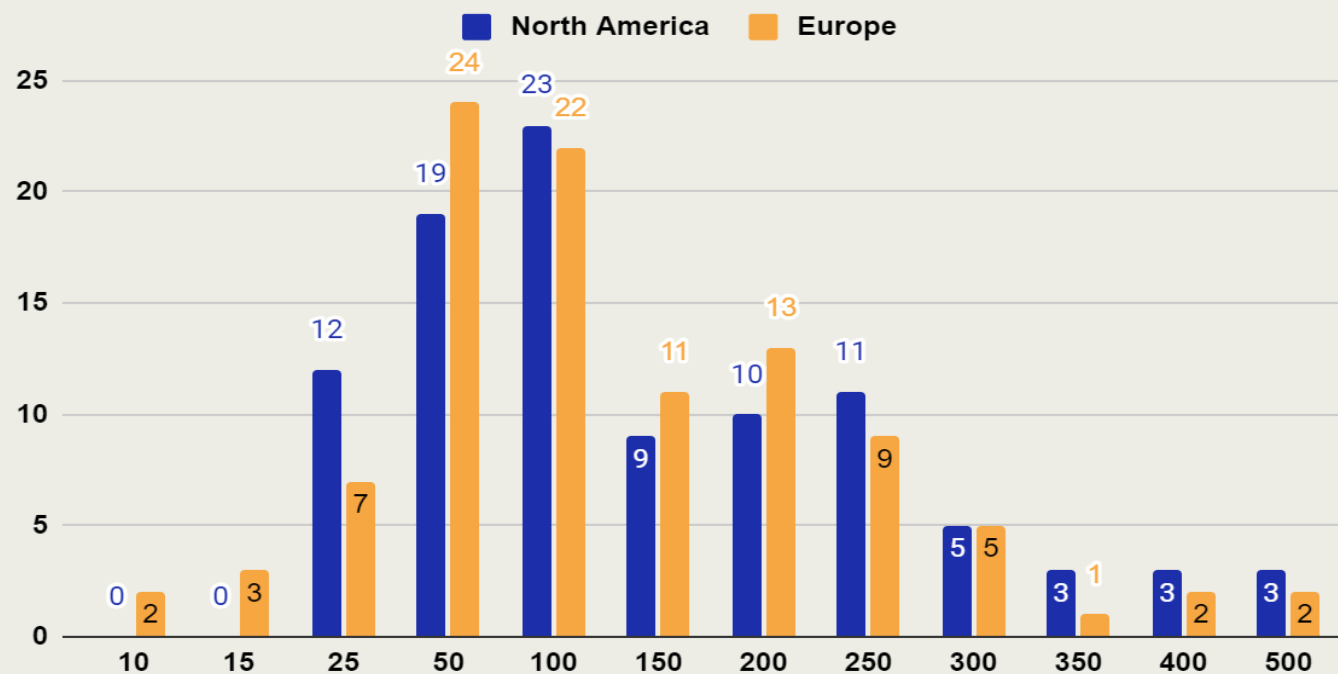
North American Median: USD 153

Europe €1-€100 → 58%

European median €100

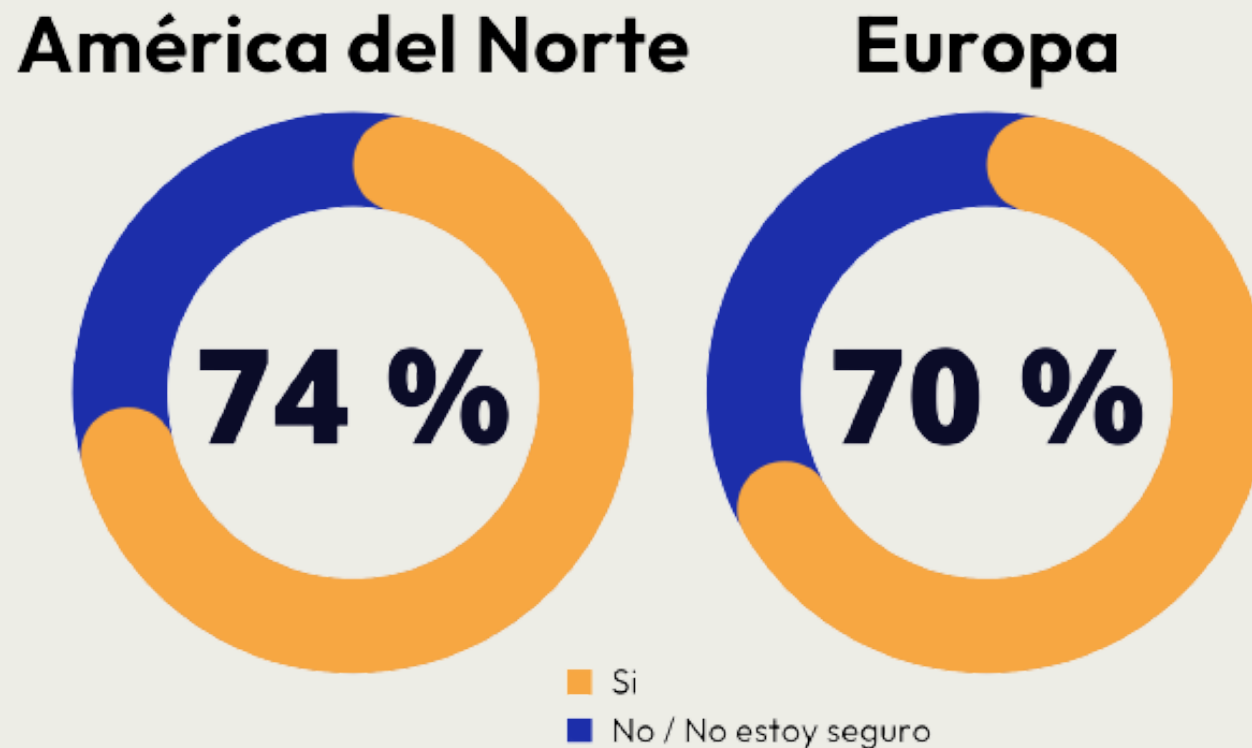
European Median €134

Average gift card value



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation.

Local sourcing of gift cards in North America increased from 65% in 2021 to 74%. In 2020, the percentage was 61%, while in the previous two years, it was 69%, all within sampling error. In 2022 was the first year in which the percentage exceeded 70%. This percentage of Europeans obtained their gift cards from retail. While this percentage is still high, it is down quite a bit from the 2021 study, when 82% of Europeans purchased their own gift cards. purchased their own gift cards.



Source: Industry Outlook 2023: Merchandise, Gift Cards, and Event Gifts. Incentives Research Foundation.

In conclusion, more than half (**52%**) of **Europeans** anticipate an **overall increase** in their **rewards and incentives budgets in 2023**, while 19% anticipate a decrease. **Gift card spending** and technology budgets appear to have the **largest net increases**. In addition, partner or **third-party engagement** is forecast to continue to **grow** in 2023. The average spend per person in Europe on **non-cash reward and recognition programs is €650** and **57% is on Gift cards** from €1 to €250. Europeans are less likely to work with incentive companies and product brands compared to North America.

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