Metaperception, Reciprocity, Generosity, and Anxiety: Consumer Ambivalence and Gift Card Use

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This research builds on gift-giving theories by accounting for the givers' ambivalence toward the gift itself, despite the ubiquity of gift card use and even despite recipients' unambiguous appreciation of the gift card. Results from our multi-method study suggest that while gift cards help alleviate shoppers' anxieties related to the gift selection process, we find that they violate Western norms related to gift-seeking effort, and non-disclosure of price. The giver's ambivalence toward gift cards is somewhat validated by gift card recipient's attributions of low effort or low knowledge by the giver.

INTRODUCTION

Gift giving is defined as the "voluntary transfer from one person to another without compensation" (McGrath, 1995). This ancient custom, which occurs in all societies, is an integral part of daily life. Gift giving is not only an economic transaction, but a process of high-context communication that conveys rich, symbolic meanings and is a medium for social interaction and personal expression (Wang et al., 2001). Despite the universality of gift giving, gift selection and exchange are not always perceived as positive events, and can be the source of consumer stress, anxiety, and even dread.

From a strictly economic standpoint, Waldfogel (1993) argues that non-monetary gifts make little sense and are a source of potential deadweight loss when givers and receivers do not perceive equal value of the gift items exchanged. Gift cards help gift givers and receivers avoid (though not entirely eliminate) this deadweight loss. This reduction of deadweight loss can partly explain why gift cards have become a lucrative source of revenue in U.S. retailing, not to mention popular with both givers and recipients (e.g., Dubner & Levitt, 2007).

However, we assert that there are more than just rationalized, economic considerations, i.e., emotional reasons, that drive consumers to select gift cards in lieu of actual gift items. Despite a substantial, and growing, body of literature related to gift-giving as a systemic relational process (e.g., Sherry, 1983; Otnes et al., 1993; Belk & Coon, 1993; Giesler, 2006), there has not been dedicated evaluation of givers' thoughts and feelings when choosing to give gift cards. Recent work by Tuten and Kiecker (2009) provides valuable insights into how teenage consumers value gift cards on both practical and emotional levels, but most current research that exists on gift card use addresses practical risks for consumers and retailers (e.g., Horne 2007a, Horne 2007b). In light of the absence of research on the overarching subject of gift cards, we follow Sherry's directive to "examin[e] the behavior underlying the actual exchange of

gift objects (including its structural and motivational components)" (Sherry 1983, p. 157) by first focusing our inquiry on three fundamental questions related to gift card giving: 1) Who buys gift cards? 2) For whom are gift cards purchased? 3) When purchasing gifts, do people tend to spend more money on gift cards or on specific gift items, and why? In answering these questions, we also examined two larger, and more interesting issues that are the ultimate focus of this research project: 1) When giving a gift card as a gift, what are the reasons that people choose to give a gift card as opposed to a specific item? And, 2) how do consumers feel about gift cards, both as givers and recipients?

CONCEPTUAL FRAMEWORK

The advent of gift cards as desirable gift items in their own right, both by givers and recipients, has changed the terms and expectations of gift-giving. Our research project focuses on the ambivalence that consumers feel when they both give and receive gift cards, given that the monetary value of a gift card is an explicitly indicated amount, and that they are less personal than other types of gifts. Thus, we explore consumers' specific interpretations and metaperceptions (Laing et al., 1966) of generosity and reciprocity (Gouldner, 1960) in light of the transparent monetary value and "thoughtfulness value" of gift cards, and the fact that recipient satisfaction with the gift is typically an important goal of the giver's gift selection.

Metaperception and Goals

Gift cards breach Western tradition, in which the monetary value of a gift has typically been undisclosed, although frequently the source of speculation and angst. (Pop-culture axioms such as "Don't look a gift horse in the mouth" provide pithy examples of this principle at work.) In violation of Western mores (Park, 1998), gift cards provide recipients (and other observers, such as party guests and family members) information about where the giver bought the card and how much he spent – information that speaks volumes about the giver's intentions and his perceptions of the receiver and the gift-giving occasion.

As such, gift cards have cemented gift giving in a realm where social norms and market norms merge (Heyman & Ariely, 2004). We note, however, that gift giving has always resided in this overlapping zone. Extant gift-giving research (e.g., Belk & Coon, 1993; Giesler, 2006; Lowrey et al., 2004; Ruth et al., 1999; Sherry, 1983) reveals that the intentions and relationships between parties, standards of reciprocity, and perceptions and metaperceptions by all parties – givers, receivers, observers – have always been part of the gift exchange process. The gift selection process forces givers into abstracted, metaperceptual thinking, in that the giver wonders, "What will the recipient think of this gift? Will s/he like it?" Regardless of whether a gift exchange occurs in public or in private, the gift giver usually engages in some degree of metaperceptual impression management (Albright et al., 2001), hoping to give a gift that the recipient values, and that accurately conveys how the giver feels about the recipient and the relationship they share.

These goals fit neatly with Baumeister's general assertion that "the two main self-presentational motives are to please the audience and to construct (create, maintain, and modify) one's public self congruent to one's ideal" (Baumeister 1982, p. 3). The gift itself can be perceived as an extension of the giver, in which case these dual motivations – satisfaction of one's own needs; satisfaction of others' needs – are both highly salient. Other research into goal-seeking behaviors and metaperception (e.g., Sheldon & Johnson, 1993; Wyer & Srull, 1986) support this position, that gift selection involves an exceptionally high level of metaperceptual engagement.

Consumers use a variety of constant and ad hoc frames (Barsalou, 1991) in order to achieve their gift-buying goals. These frames are both perceptual and metaperceptual, and based on social and market norms. Perceptual frames include the demographic profiles of giver and receiver, the gift-giving occasion, the giver's budget, geographic constraints, etc. Metaperceptual frames include reciprocity, "good" and "not good" gifts, "good" and "not good" gift givers, "easy" and "difficult" recipients, relationship effects, gift-giving contexts, etc.

Metaperception and Symbolic Interaction

There is substantial literature on gift giving as a form of symbolic interaction and personal and cultural exchange (e.g., Belk, 1979; Giesler, 2006; Ruth et al., 1999; Sherry, 1983); hence we follow this tradition to investigate consumers' use of and feelings about gift cards. Symbolic interaction theory proposes that the meanings of gifts are subject to interpretation and re-interpretation based on people's individual perceptions, social interactions, and contextual cues (Blumer, 1969; Braun-LaTour et al., 2007; Escalas & Bettman, 2005; Laing et al., 1966; Singelmann, 1972; Solomon, 1983; Zavestoski, 2002). Recent work on symbolic interaction indicates that conspicuous consumption – which includes gift exchanges (e.g. Veblen, 1992) – is a powerful means of interpersonal communication related to consumers' personality, lifestyle, and identity (Berger & Heath, 2007).

Extant research demonstrates that the meanings of gifts can be of greater consequence than their market value, because they convey emotional, financial and relational information between the giver and the recipient. In gift exchanges, both givers and receivers reflect on how they feel about each other, and gift givers must consider how to convey this sentiment in a tangible way, since a gift (or gift card) indicates:

- The giver's perception of him/herself,
- The giver's perception of receiver,
- The giver's perception of relationship (current & future), and
- The giver's intentions

The choice of a gift or gift card can indicate how the giver wants to be perceived by the receiver and potential observers; it also provides insight into the giver's perception of the recipient's lifestyle and preferences (i.e., metaperception). We suggest that the relationships between givers and receivers, the gift-giving occasions, how publicly or privately the gifts will be consumed (as gifts, not as products), and other contextual factors play a large role in how and when people choose to give gift cards, rather than actual gifts. In sum, we propose that

> *Postulation 1(P1): Givers purchase gift cards to fulfill metaperceptual goals.*
> *Postulation 1a (P1a): Some metaperceptual goals are related to how the giver sees himself and his gift-selection abilities.*
> *Postulation 1b (P1b): Some metaperceptual goals are related to how the giver sees the gift from the recipient's point of view.*

Metaperception and Reciprocity

Gouldner (1960) finds that reciprocity is a universal cultural norm (although there is considerable variance in form across cultures). Social systems rely on a series of mutually gratifying exchanges between and among various parties to help maintain power relationships, harmony and balance among the actors in the system. As we stated above, gift giving is not always a private affair; third parties can contribute to the appearance/perception questions that gift givers ask of themselves, by engaging in the "not-so-casual observing of others' consumption" (Belk, Ger & Askegaard, 2003, p. 327) that is part of the modern Western consumption landscape. Equivalence and obligation are key aspects of reciprocity, and while these vary according to the status of the actors involved in the exchanges, the fact that gift-giving frequently occurs in public indicates that third parties' witnessing a gift exchange helps cement norms of reciprocity.

Using Gouldner's findings, Caplow (1982) expands these ideas, exploring how kin networks affect gift-giving behavior, and providing a background for our own survey research. Caplow finds that the physical and emotional closeness of relationship, the sex of the giver, and the age of the receiver affect the number and monetary value of gifts exchanged. Further developing the work on gift-giving and reciprocity, Lowrey et al. (2004) develop a taxonomy of the social influences on gift giving, finding ten distinct social influences that influence what gifts people choose to give, as givers try to fulfill presumed social roles based on their relationships with recipients. Joy's work (2001) has contributed to the literature

a schematic representation of the continuum of gift giving dyads, from romantic partners to "hi/bye friends," and the gift giving norms within each of these types of relationships.

With regards to specific gift selection, Liao and Huang (2006) reveal that most Chinese think that monetary gifts are not only convenient, but sufficient when a receiver is difficult to satisfy with a non-monetary gift. In western societies, Otnes et al. (1993) unpack the notion of gift recipients who are "easy" or "difficult" to shop for, finding that givers make these determinations in advance, and then adjust their shopping strategies and tactics according to each recipient's category. Finally, Ruth et al. (1999) explore the effects that different types of gifts have on relationships, and find that gift choices are capable of strengthening or weakening (to the point of severing) the connections between givers and receivers.

All these gift-related findings clearly relate to metaperceptual processes as well as norms of reciprocity. As an extension of this prior research, we suggest that one of the main benefits of gift cards is that they help transform "difficult" recipients into "easy" ones, which explains their near-ubiquitous acceptance among the general population. Compared with actual gift items, gift cards have a high likelihood of being well-received by recipients, not to mention being extremely convenient for givers to select and purchase.

Postulation 2 (P2): Givers purchase gift cards to fulfill relationship goals.

Furthermore, with regards to consumers' feelings of anxiety when gift shopping, we expect that there is a tendency to classify self and others as "good" and "not-good" gift givers.

Postulation 3(P3): Givers purchase gift cards in order to reduce selection anxiety.

Gift-Giving Occasions and Social Exchange

During the year, consumers encounter many gift-giving occasions, including holidays, rites of passage, and spontaneous celebrations (e.g., Joy, 2001; Sherry, 1983). This means that people give gifts not only to commemorate special events, but also to mark recurring celebrations. For instance, according to Scammon, Shaw and Bamossy (1982), in many instances gift giving appears to be ceremonial, serving as symbol of social support in various rites of passage from one life stage to another, such as weddings, graduations, and funerals. Belk (1979) examines the frequency of all gift-giving occasions in the U.S. and finds that the most popular gift-giving occasions are those that occur regularly: birthdays (35%) and Christmas (29%). In other words, celebrating all types of occasions with gifts helps facilitate social exchange among givers and receivers.

Events that are markers of life transitions usually involve gifts that are generally overt messages of love and understanding. Traditionally, these gifts also celebrate the rite of passage by symbolically commemorating the change that the recipient has undergone (McGrath, 1995, p. 388). For example, high school graduates receive luggage to indicate their moving on, while newlyweds receive housewares, and new parents receive baby clothes, bedding, and toys.

These meanings and traditions are so well established in Western culture that we would expect gift cards to be given only in certain contexts when the desires and needs of the recipient are not well known (Ertimur & Sandikci, 2005). As such, Waldfogel (1993) suggests that in individualistic countries, monetary gifts are often seen as impersonal, reflect the giver's lack of personal knowledge of the receiver, and show little willingness to spend time to find an adequate gift. Thus, gift cards may appear inappropriate and impersonal on these occasions. This perception is reinforced by gift card marketing techniques that emphasize their convenience for the giver, and their "one size fits all" approach to satisfying recipients' wants and needs.

We suggest that the more commonly used gift cards are, the less "good" they seem, especially to givers. One major contribution of this research is to provide evidence that gift givers try to fulfill social roles (not just social or monetary obligations), and enact these roles based on whether they deem recipients as being easy or difficult, and whether they view themselves as good or not-good gift givers.

Gift cards illuminate this social function of gift-giving by streamlining the giver's shopping task, including calculating reciprocal values in exchange situations.

METHODOLOGY

Gift giving situations are often fraught with contingencies, ambiguities, and unique considerations that make generalization difficult. Therefore, we use a multimethod research approach of combing survey and focus group (Patton, 1990; Strauss & Corbin, 1990) to develop a robust conceptual model of the gift-card decision-making process.

We developed our survey using existing knowledge about gift cards and consumer gift giving behavior. The survey was designed to provide largely descriptive information, and was comprised of questions about people's experiences both giving and receiving gift cards, such as how they feel about the exchanges, why they choose to give them, whom they purchase them for, and how much they spend. The initial survey draft was sent to three marketing colleagues for review and criticism. In light of their feedback, we revised some language in our questions. We sent out the revised draft to a limited number test subjects for pretesting (n = 52), to check the questions' wordings and our online method for collecting data. Following pretesting we sent the survey to a national online panel of test subjects, using a snowball method to reach additional respondents. Subjects were encouraged to participate by having the opportunity to enter a drawing for one of two $25 gift cards to Amazon.com. We received 150 valid survey questionnaires with a response rate of 92.6%. 48% of the survey participants were in the age group of 18-29; 28% were 30-39; 94.5% resided in the U.S.A.; and 58% were females. This demographic information provided us with guidance for selecting focus group participants.

The survey responses provided guidance in developing the next phase of data collection by illuminating interesting trends and unexpected results. After analyzing the survey data, we developed a small-group interview protocol (e.g., Morgan, 1997; McCracken, 1988) to explore decision-making challenges that gift buyers encounter in different situations, delving into gift-giving ambiguities that emerged from our quantitative and conceptual research on this topic. The focus group topics provided insights into the questions that consumers ask themselves related to gift-giving occasions, how they prioritize these considerations, how they ultimately decide what to buy, and how much to spend on gifts and/or gift cards.

We held the focus group at a professional marketing research firm that has a facility designed specifically for this purpose. We recruited participants using paper and electronic fliers and word of mouth, as well as through the marketing research firm whose facilities were used. Eight people participated in our focus group, which lasted just over two hours. Detailed information of the focus group participants is enclosed in Appendix I. The focus group was moderated by one of the authors of this paper; a research assistant took notes behind a two-way mirror, and provided feedback and areas for further discussion during a short break in the session.

In addition to taking observational notes, we created a video recording of the session for further review (Morgan, 1997). Following the focus group, each author independently watched the recording and coded themes from the discussion (Strauss & Corbin, 1990). We then compared observations, corroborating our analyses of the major constructs that presented themselves during the focus group.

RESULTS

Survey

Our original research questions were descriptive in nature, and therefore very easy to answer using survey data alone:
1) Who buys gift cards? Everyone (96% of respondents)
2) For whom do they buy them? Everyone (family, friends, and acquaintances)
3) On which do consumers spend more – gifts or gift cards? Gifts (58% v. 32%)

The questions related to consumer motivations are more complex, and more deeply conceptually and theoretically grounded. They therefore required us to analyze both the quantitative and qualitative data we collected, to form a comprehensive picture of consumers' emotions and behaviors related to gift cards.

    4) When giving a gift card as a gift, what are the reasons that people choose to give a gift card as opposed to a specific item?

    5) How do consumers feel about gift cards, both as givers and recipients?

Motivations for Choosing Gift Cards

Nine items in the survey are designed to uncover consumers' different motivations for choosing gift cards. The subjects were asked to give their opinions on these statements (Table 1). We deleted one of the items in order to significantly increase the reliability of the items.

TABLE 1
LIST OF ITEMS FOR THE MOTIVATIONS CHOOSING GIFT CARDS

	Mean	S.D.	Factor Loading	Composite Reliability	Cronbach α
Metaperception (self orientation)	6.37	1.17			.93
M1: Gift cards can save me time for searching specific gifts.			.79	.88**	
M2: The recipient is hard to shop for.			.76	.87**	
M3: I don't know the recipient well enough to choose a specific gift item.			.82	.85**	
M4: I don't want to disappoint the recipient with the "wrong gift."			.88	.91**	
Metaperception (recipient orientation)	5.46	1.41			.91
M5: Gift cards are easy for the recipient to use because of the flexibility.			.72	.93**	
M6: The recipient can have fun experiences from shopping with gift cards.			.68	.88**	
M7: The recipient can appreciate the services brought by the gift cards.			.74	.90**	
M8: Gift cards can ensure the recipient's satisfaction with the ultimate gift selection.			.81	.91**	

** Significant at the .01 level.
Notes: all items were measured on seven-point scales: 1 = strongly disagree; 7 = strongly agree. Extraction method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization. The Cronbach α is improved from .71 to .93 after the item, "I'm not confident in successfully buying a specific gift," was removed from the factor "Own Preferences."

We then conducted an inter-item correlation analysis to find correlations among the eight statements, seeking confirmation of *P1a* and *P1b*. Both postulates were confirmed by this analysis. The inter-item correlation matrix in Table 2 shows that subjects who agreed to M1 tend to agree on the statements M2 and M3; and with a reduced significance also tend to agree to M4. These correlations strongly stress the assumption that the first four statements reflect one specific construct, namely the giver's metaperception of his/her gift-selection abilities (*P1a*). These factor loadings are indicative of a giver's likelihood to select a gift card in lieu of an actual gift item. Most of these reasons are related to reduction of social risks from the giver's own perspective. For instance, 53.8% of the subjects will opt for a gift card if they think a "recipient is hard to shop for;" 48.3% of the subjects choose gift cards because they "don't know

the recipient well enough to choose a specific gift item;" and 32.4% of the subjects "don't want to disappoint the recipient with the 'wrong gift.'"

TABLE 2
CORRELATIONS AMONG THE MOTIVATIONS CHOOSING GIFT CARDS

Items	M1	M2	M3	M4	M5	M6	M7	M8
M1	1.00	.77**	.65**	.32*	.24	.07	-.03	.14
M2	.77**	.1.00	.68**	.41*	.02	.11	.14	.02
M3	.65**	.68**	1.00	.55**	-.09	.08	.06	.13
M4	.32*	.41*	.55**	1.00	.10	.19	.07	-.06
M5	.24	.02	-.09	.10	1.00	.63**	.48**	.62**
M6	.07	.11	.08	.19	.63**	1.00	.55**	.34*
M7	-.03	.14	.06	.07	.48**	.55**	1.00	.42*
M8	.14	.02	.13	-.06	.62**	.34*	.42*	1.00

** Correlation is significant at the .01 level (2-tailed).
* Correlation is significant at the .05 level (2-tailed).

Statements M5 to M8 are strongly correlated which supports the argument that gift card selection is also driven by reasons involving consideration of recipients' desires (P1b) – shopping with a gift card is fun and practical – and a card ensures the receiver's satisfaction with the ultimate gift selection. These findings are reflected and supported by the literature (e.g., Arnold & Reynolds, 2003; Holbrook & Hirschman, 1982; Tuten & Kiecker, 2009).

Contexts and the Strength of Social Relationships in Choosing Gift Cards

We find that the amount spent on a gift card depends upon the occasion (wedding, birthday, and holiday) and how close the giver is to the recipient (i.e., social proximity: family, friends, and acquaintances). Results from a 3×3 ANOVA suggest a significant main effect from the occasions (F $(2,141) = 48.74$, $p < .001$). The occasions for which the largest amounts are spent on gift cards are birthdays, followed by holidays, then weddings. Note that these findings are specifically related to gift cards, rather than to gift-giving overall.

When we look at gift cards as gifts, we find that the significant main effect from the social relationships between the giver and the recipient indicates that the *closer* the giver is to the recipient, the *less* he or she spends on a gift card for that person (F $(2,141) = 78.29$, $p < .001$). Just as importantly, the two-way interaction is also significant (F $(4,141) = 26.36$, $p < .001$). As Table 3 indicates, people spend the most on gift cards for acquaintances' birthdays but least for their family members. Similar patterns appear in the cases of weddings and holidays.

TABLE 3
THE AMOUNT CONSUMERS SPEND ON GIFT CARDS FOR VARIOUS OCCASIONS

	Wedding	Birthday	Holiday
Family	4.34 (1.59)[a]	5.62 (.92)[b]	5.25 (1.33)[b]
Friends	4.99 (1.25)[c]	6.27 (.76)[d]	6.23 (.78)[d]
Acquaintances	5.89 (1.15)[e]	6.72 (.56)[f]	6.61 (.65)[f]

Note: Means with different superscripts represent significant differences ($p < .001$); larger means represent for larger amount spent on gift cards; standard deviations are indicated in parentheses.

These findings demonstrate strong convergent validity with the qualitative results. Focus group discussants stated that they feel more comfortable giving gift cards to acquaintances they are not as close to (co-workers and bosses) than those with whom they are close (friends and family), which supports and extends earlier research on social networks, equipollence, and gifts as symbolic communicators of relationship status (e.g., Giesler, 2006; Lowrey et al., 2004; Sherry, 1983; Otnes et al., 1993; Ruth et al., 1999). These findings also support Joy's (2001) findings about gift-giving dyads – that there is considerable variance in the motivations, risks, effort, and expectations involved in gift giving depending on the nature of the relationship between giver and recipient. We discuss these findings in greater detail in the next section.

We suggest that the reason that people are far more likely in general to spend more on a specific gift (58%) than a gift card (32%) is due to givers' assessments of self, other, and the nature of the relationship involved in gift-shopping. In attempting to be "good" gift-givers, i.e., to please their recipients by finding gifts that are meaningful, creative, and valuable, and to communicate to themselves and their recipients how much they value these relationships, consumers spend far more time and money shopping for actual gifts, especially those that are given to close family and friends. These findings support *P2* – that gift selection and shopping are tasks that consumers undertake in order to accomplish specific goals related to maintaining their relationships with others.

Interestingly, men are *less* likely than women to spend more on specific gift items as opposed to gift cards (26% vs. 42%, $\chi^2 = 3.22$, $p < .05$). In other words, men tend to spend more on gift cards, and less on actual gifts, than women do. While both men and women are concerned with the symbolic meanings of the gifts they give, women take greater care to keep account of what they spend relative to what they receive (63% vs. 37%, $\chi^2 = 3.56$, $p < .05$). Our qualitative data also support this finding, that women are indeed more concerned with norms of reciprocity (Gouldner, 1960), exchanging giving gift cards of *identical* value with friends and acquaintances. We also discuss this phenomenon in more detail below.

Consumers as gift-givers make distinctions between what are "good" and "not-good" gifts, and are quite emotionally invested in seeking good, i.e., thoughtful, generous, creative, unique gifts when shopping for recipients whom they are close to. While gift cards are convenient and popular, most are not considered "good" gifts.

Focus Group

For our qualitative exploration, we generated five general topics of conversation based on our preliminary theoretical, conceptual and quantitative findings:

•Questions that consumers ask themselves related to gift-giving occasions
•How they prioritize these considerations
•How they ultimately decide what to buy
•How much to spend on gifts and/or gift cards
•How they feel about gifts and gift cards

The recurring theme throughout the discussion was that consumers feel very ambivalent about gift cards. As Carl says, summing up the group's feelings, "I'm embarrassed to give [gift cards], but excited to get them." We find that there are four primary dimensions that contribute to consumers' ambivalent attitudes towards gift cards: pleasure, anxiety, effort, and meaning. These four dimensions show considerable overlap in the ways in which they contribute to consumer decision-making, and fall under the greater umbrellas of metaperception, reciprocity, financial consideration, and symbolic interaction.

Pleasure

Across the board, subjects report buying gift cards because they know recipients will be able to select something they want and will be able to use. This is further support for P1b, that when opting to give gift cards, consumers engage in metaperceptual and/or empathetic reasoning to support their decisions. For instance, they report feeling pleasure when they receive gift cards themselves, using words like "love," "excitement" and "power" to describe the feeling that gift cards give them as recipients, and consequently project these feelings onto other recipients.

Not all gift card exchanges are pleasurable, though; in some cases, cards can cause displeasure, especially if the retail outlet is not one where recipients prefer to spend money for ethical, aesthetic or other reasons. In these instances, subjects use words such as "controlling" and "burdensome" to describe such cards. These reactions are strongly reminiscent of how consumers describe externally regulated or socially sanctioned desires (Belk et al., 2003). Gift card givers can avoid causing such displeasure by using what they know about the recipients to choose cards that they know the recipients will enjoy.

> Tad: "I was going to my girlfriend's house for Christmas and I didn't know what to get her mom, so I got her a gift card because I don't know her very well. I spent about 30 bucks, and it was actually to a place that my girlfriend told me to get it from."

The alternative to seeking and buying such a retail-specific card is to give the most general type of gift card, issued by a mall or a credit-card issuer, such as Visa. In the gift-givers' hierarchy, this type of card is not considered to be a "good" present (see Table 4), because it indicates how little the giver actually knows about the recipient, but it limits the chance that the recipient will actually dislike – or simply not use – the card. These types of cards minimize the probability of deadweight loss (e.g., fees and expiration dates notwithstanding) at the expense of personalization and emotional resonance for both givers and receivers.

TABLE 4
HIERARCHY OF GIFTS IN SOCIAL SETTINGS

Best to receive	Best to give
• Personal (e.g., handmade) gift	• Personal (e.g., handmade) gift
• Specific (e.g., store bought) gift	• Specific (e.g., store bought) gift
• Cash	• Store-specific card
• General (e.g., Visa) gift card	• General (e.g., Visa) gift card
• Store-specific card	• Cash

While not usually causing active *dis*pleasure, we find that the pleasure of receiving gift cards can be subject to diminishing returns: In our focus group, subjects agreed that a $25 iTunes gift card is "a great gift," but a $50 iTunes card is not twice as great. It is not the same as receiving two CDs because, again, it is impersonal and largely thoughtless, quite unlike two albums specifically chosen to reflect the tastes and preferences of the giver and receiver. There are also strong contextual effects that gift card buyers must be aware of – the occasion, the store, and the amount of the card all play into how much pleasure the receiver feels. For example, Monica perceives a $25 card she received as a wedding gift for World Market (which sells imported furniture, housewares, and specialty foods) as being too small to be "fun." However, had the same card been a gift for another occasion, such as her birthday, she "would've been really happy to get it."

Finally, from the standpoint of creating pleasure for the recipient, gift cards are usually "safe" gifts to give, but not always. Over the years, Carl has learned that he can never successfully buy clothes for his wife, and that she regards gift cards from him to be "insulting," precisely because they are thoughtless and impersonal. So he buys her jewelry on special occasions, because it is "safe" (i.e., he uses heuristics to find pieces she will like) and gives both of them pleasure. Carl explains, "It's a no-brainer whether to buy a [gift] card or a gift – you just make a decision depending on the amount you're going to spend, the

person, and the occasion." All the focus group subjects agreed that this is their general strategy for buying gifts and/or gift cards for close friends and family members.

When discussing "safe" but relatively impersonal gifts, Neil likens gift cards to liquor gifts. "Most people don't often spend $50-$100 on a bottle of liquor for themselves, and you know they'll enjoy it if you give them one. So it's a good gift, even though it's a cop-out." According to our subjects, the reason that liquor doesn't qualify as a "good" gift is that givers see it as not requiring much thought or creativity, despite the pleasure that it is likely to bring to recipients.

Gift cards and other "safe" gifts fulfill givers' focal goals, and at least one supraordinate goal – that recipients are likely to be pleased to receive them. However, such "safe" gifts frequently sacrifice other supraordinate goals in order to meet the givers' focal and even subordinate goals (e.g., not spending too much time on the gift search). In the case where these supraordinate goals are more valued in a giver's hierarchy, s/he may feel like s/he has failed, or "copped out" of the gift-buying task.

Anxiety

We find that, similar to "easy" and "difficult" recipients, consumers classify themselves and others as "good" and "bad" gift givers. "Bad" gift givers are not necessarily "avoiders" – people who do not engage in gift exchange (as per Lowrey et al., 2004), although some do avoid giving gifts altogether. Being a "good" gift giver is a role, and a goal, that becomes especially salient when social anxiety, the context of the gift-giving occasion, and/or the social proximity between giver and receiver is emphasized. Spending more than the giver would like on a gift card, especially when the recipient is someone whom the giver is not particularly close to, is one strategy that consumers adopt in order to allay the social/contextual anxiety of wanting to be seen as "good" gift givers.

Self-reported "bad" gift givers are consumers who lack confidence in their abilities to come up with ideas for gifts that are thoughtful, generous, creative, unique, and, most importantly, appreciated. Gift cards allow self-identified "bad" gift givers to feel more confident about their choices, although these consumers do not believe that gift cards can transform them into "good" gift givers. As such, we find that these consumers resort to giving gift cards; they know that recipients enjoy using them (as evidenced by the givers' own pleasure in receiving them), even though gift cards lack the other qualities that "good" gifts possess. Dana describes why she feels like she's a "bad" gift giver:

> I always feel nervous, giving gifts *or* gift cards. You know, you always look to see what their reaction is…I guess I've had too many experiences where people were like, "Oh, hm," when they opened a present from me.

Most subjects report feeling as though they are not always able to choose appropriate, or desirable gifts, and find that gift cards are a way to avoid their own discomfort and potential embarrassment with what they select. Frank describes feeling nervous anticipation that goes along with giving a gift:

> If it's really important, and you want to buy something or do something special for someone, you're excited about it but also nervous about it. You think, "If I really screw this up, I'm never going to do it again. I'll just give gift cards from now on."

There are metaperceptual processes (e.g., Laing et al., 1966) at work when consumers select gifts and gift cards. These conversations that consumers have with themselves can be a source of considerable anxiety. Owen describes his thought process on why he went over budget and bought a $50 gift card for a social friend's wedding:

> "What are we going to use $25 for at Lowe's?" was the question in the back of my head that they were going to ask. So that's what it came down to.

Shelly also describes having such an internal dialogue when she is gift shopping. She reports:

I'm more worried about looking cheap to someone who I'm not as close to. I know my mom's going to love me even if I get her a $5 gift card, but with outer-circle people, they might be like, "$10? That's it?"

In Owen's case, he wants his friends to derive pleasure and utility from gift cards he buys them; for Shelley, social comparison drives her consumption behaviors. Whether seeking pleasure or avoiding punishment, gift givers often try to resolve the tension they feel by spending more on gift cards for people on the fringes of their social networks than they do on actual gifts for people in closer social proximity. The less well they know the recipients, the more money they are likely to spend on gift cards.

Effort

In spite of the clear social and practical benefits of gift cards, we find that neither gift givers nor receivers consider them to be "good" gifts; they can even inspire feelings of contempt when exchanged between members of certain gifting dyads (e.g, Carl and his wife). For the most part, respondents do not deem gift cards "good" gifts, largely because they do not take much effort – time, labor, and thought are minimal inputs when selecting gift cards. Even the act of "wrapping" gift cards merely involves putting them into festive, specially designed card/envelope combinations (provided by the retailer), and writing the recipient's name on the outside.

Subjects report that often they resort to buying a gift card for a particular recipient only after trying, and failing, to find a "good" (i.e., actual) gift. In not finding "good" gifts for people they're close to, consumers may make a considerable effort, yet fail to accomplish their supraordinate social and symbolic goals. (The focal goal is acquiring and giving *any* gift; an important supraordinate goal is ensuring that they give something that both they and their recipients perceive as being "good.") Therefore, we posit that giving gift cards – after spending considerable effort to find actual gifts – can symbolize gift-givers' failures as shoppers and their investment in the relationship.

The valence and strength of subjects' perception of gift cards as "bad" is consistent and surprising, considering how widely used they are: all the focus group participants give them to others on a regular basis, as do 96% of survey participants. Frank describes gift cards as "a last ditch effort." Monica makes an even more surprising statement: "If I'm giving you a gift card, I've already given up on you." This doesn't mean the relationship is over, just that she is not willing to put any more thought or effort into the gift selection process. In choosing a gift card in lieu of an actual gift item, she feels that she has limited her emotional investment in the gift selection process, and therefore, in the receiver.

Other subjects try to make up for imbalances between how they feel about recipients and their metaperception of the situation by making extra effort when selecting gifts and gift cards. Neil explains the steps he takes when figuring out how much to spend on a gift card (i.e., when he resorts to buying one). He says, "I find an item I think the person might like, and then get a gift card for about that much." Thus, he makes the same amount of effort as he would if he were buying an actual item, but minimizes the chance that the recipient will be displeased, for whatever reason, with his selection. Some consumers address the dissonance they feel when giving gift cards by insisting on absolute reciprocity. Shelly reports that she ascertains (as well as she can) how much money and effort someone has put into a gift (or gift card) selected for her. She then exerts the identical amount of effort, to maintain balance in her relationships (Gouldner, 1960).

Male subjects report feeing a need to closely match the emotional content of gifts they exchange, especially with close friends and family, but do not take money as closely into account as women do. However, everyone feels that it is "natural" to exactly match gift cards' dollar amounts when exchanging them with others. Pressing this idea further, however, reveals a limit to this "natural" order of reciprocity. Our subjects found the suggestion of using a gift card they have received to buy a gift card to give back to the original giver to be literally laugh-out-loud ridiculous. This level of hyper-reciprocity seems absurd, even though all agree that the mental accounting and framing that goes into gift selection would indicate

that this would be a rational action for consumers to take. We posit that this breaks the "good" and "safe" gift frames to such an extent as to make such behavior seem like a true violation of a social norm.

Finally, we must note that geographic proximity impacts the effort equation that most consumers use when selecting gift cards. Distance makes gift cards much more attractive and acceptable to givers among both our survey and focus group subjects, because it is expensive and inconvenient (or impossible) to send actual gift items through the mail. For big-ticket gift items such as furniture, appliances, and electronics (as might appear on a wedding registry), subjects do not feel conflicted in purchasing gift cards.

Meaning

In our focus group we find that gift cards indicate a lack of thought or time going into gift selection, or that it is a "last resort" option for many respondents. In addition, retailers' gift cards carry an obligation for the recipient to shop at a particular store, a requirement that many of our respondents deem restrictive, or even "controlling." They often prefer receiving cash over gift cards, because cash allows them the ultimate freedom to spend, whether on luxuries or on bills or other necessities. Despite preferring cash as recipients, our subjects are reluctant, and in some cases refuse, to give cash as a gift to anyone else.

We find that effort is a proxy for how valuable gift givers think their relationship with the recipient is. Similarly, selection of a gift or gift card carries important symbolic meaning for both givers and receivers (e.g., Belk, 1979; Sherry, 1983; Ruth et al., 1999; Giesler, 2006).

> Tad: I think it's better giving a gift, as opposed to a gift card, because a gift is something that you actually thought about giving somebody. You have to pick it out, from knowing them.
> Neil: That, to me, seems to be a key distinction. With an actual gift you have more of a personal relationship, so I feel like there's a little more of myself vested in that gift that I give them.

The example from Carl and his wife demonstrates how, in some contexts, recipients can actually perceive gift cards as insulting.

We find that consumers have two mindsets for giving gifts: personal (volitional) or reciprocal (compulsory). Reciprocity is based on objective criteria, while personal giving is more subjective. Our subjects feel that gift cards are perfectly acceptable to use in reciprocal, compulsory situations – they are best used to adhere to market norms (Heyman & Ariely, 2004). Actual gifts, especially handmade gifts, or those that take an unusual amount of thought or effort to acquire, top consumers' lists as the best, both to give and to receive (Table 4) in personal situations, governed by social norms (Heyman & Ariely, 2004).

Even when giving a card from a favorite store (as in the case of Tad's girlfriend's mother) givers see this as not as meaningful as a riskier, actual gift that they select personally, especially if they put thought and effort into the selection process. Social proximity is clearly a key factor in the idea of meaning as well. Romantic partners are far less likely to rely solely on gift cards when exchanging gifts with each other than business associates are.

Power structures within families and social networks create interesting contingencies for gift exchanges, though. Focus group subjects report "loving" to receive cash gifts from their parents and, especially, grandparents. When asked to rank cash as gift they prefer to receive, they unanimously placed it above all types of gift cards. However, no one said they would feel comfortable giving cash *to* parents or grandparents – this scenario seems "weird" for everyone we asked. In addition, no one ever gives cash gifts to friends; subjects also deemed this as entirely inappropriate gift-giving behavior. If subjects want to gift money to their friends, it takes the form of in-person "treating," say, to a meal, or a round of drinks.

Social and market norms impel adults to spend money on children, especially within nuclear and extended families. Money gifts from parents and grandparents to adult children, therefore, harken back to an earlier time of care and protection, as well as serving as empathetic gifts for cash-strapped young adults. Intergenerational cash gifts within families – from older members to younger ones – serve as

friendly and loving symbolic reminders of former power imbalances, and we propose that this is why cash gifts are taboo in virtually all other contexts.

To support this idea, our subjects report that the only acceptable recipients of actual cash gifts in non-wedding situations[1] are younger relatives, and even this situation carries some unwritten rules. Carl will only give brand-new banknotes to his children, nieces and nephews. In general, subjects' feelings towards cash as a gift are less ambiguous than their feelings towards gift cards, but these feelings vary widely from one person to the next. Monica finds cash fascinating, and Frank loves the sense of power that cash bestows, but they, too, only gift it sparingly. Dana "hates" cash, finds even new bills dirty and disgusting, and refuses to give it at all. Gift cards carry similar meanings to consumers, but eliminate the revulsion, and some of the vulgarity and social awkwardness that cash gifts can convey.

DISCUSSION

Gift cards put the burden of completing the exchange on the recipient, an interesting addition to the gift exchange process, and a substantial facet of the modern notion of shopping as pleasurable leisure activity in its own right (e.g., Arnold & Reynolds, 2003; Holbrook & Hirschman, 1982). The receiver feels excitement and anticipation about being "forced" to spend money on a gift of his/her own choosing. The limitations imposed by the gift card (location, amount) can actually heighten the recipient's pleasure, however, more often than not, people feel frustrated by the constraints of the card.

As *P3* predicts, almost all of our subjects feel that gift cards are "safe" to give – they are usually desirable and appreciated as gifts, yet they do not take much thought, creativity, or personalization. In this way, they are like bottles of liquor or wine, purchased food, or ready-made gift baskets. They are satisficing gift options (Simon, 1957) – not bad, but not optimal, either.

Even though gift card sales continue to grow, retailers have tried to limit consumers' ambivalence by making gift cards more desirable gift items in their own right. They have incorporated product innovations into the cards themselves (e.g., Target makes gift cards in the form pedometers, puppets, holograms, mini-games, etc.), in addition to creating themed designs, such as cards featuring holiday decorations, babies, wedding motifs, child-friendly graphics, and more. Our subjects do not seem particularly interested in these features, even though retailers have obviously put a lot of thought and effort into designing them. Vendors such as PhotoGIFTCARD.com, are trying to make gift cards even more personal, more unique, more like handmade gifts (which top the lists of both givers and receivers) by allowing consumers to upload graphics files (photos, artwork) that are then printed onto unique customized gift cards. The design, monetary exchange, and distribution of these cards can all take place while the gift giver is sitting at a computer, removing him/her from the physical act of shopping – an interesting notion, considering that effort plays such a prominent role in consumers' perception of how "good" a gift is.

This topic is of growing importance, as international activities and people's mobility are extensively increasing. With the globalization of today's world, the understanding of gift giving concepts in different cultures becomes more and more important, in particular for business relationship. Therefore, future research can be called upon the differences in gift card giving behavior between cultures in both personal and the business environment. In addition, possible future fields of research can exist in examining the gift card giving behavior considering generational differences. Finally, it is assumed that there are differences in gift card giving in a gender context which can be as well an interesting future filed of research.

CONCLUSION

We find that even though it is not the preferred mode of expressing the depth of feeling that they have for recipients, nearly all modern consumers buy gift cards, regardless of age, income or any other demographic variable. However, our findings support the theory that suggests that gift giving is a form of symbolic exchange. Marketers can also use the finding from this study about the motivational and

monetary aspect of gift giving behaviors to promote gift vouchers in party gatherings and big festival occasions. Also, this research can come useful to the top management of the business firms to develop much more cordial and strong business relationships to attain a competitive edge.

ENDNOTE

1. In certain cultures, giving cash as a wedding gift is a social and cultural norm. For instance, a red envelope containing cash is a very common gift in China that is socially accepted and economically supports the receiver.

APPENDIX I

FOCUS GROUP PARTICIPANT DEMOGRAPHICS

Code name	Sex	Age	Occupation
Shelly	F	22	Undergraduate student, part-time retail
Owen	M	27	Consulting manager
Tad	M	27	Lighting technician
Carl	M	50	College instructor
Neil	M	34	Graduate student
Frank	M	37	Self employed, retail owner
Monica	F	27	Marketing coordinator
Dana	F	28	Graphic designer

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