

\$8 billion in gift cards went unclaimed in 2006

Consumer Reports finds billions of dollars in gift cards go unspent and announces an education campaign with full-page New York Times ad.

November 12 2007: 5:39 PM EST

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NEW YORK (CNNMoney.com) -- Consumer Reports announced Monday that it is launching a new public education campaign aimed at creating awareness of the pitfalls associated with gift cards.

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The consumer advocacy group said in a written statement that the campaign will officially begin Tuesday with a full-page ad in the *New York Times*.

The ad, according to the statement, will read: "Dear Shopper, Last year, shoppers like you were out \$8 billion because of unused, lost, or expired gift cards. Easy money for retailers. Lost money for you. Yours truly, Consumer Reports."

In addition to the ad, the campaign will launch a "holiday shopping hub" webpage that will provide tips on how to avoid gift card problems and allow users to share stories of gift card woe.

The group also released survey results that found 62 percent of consumers are planning to buy gift cards this season. Last year, the survey said, 27 percent of those who received a gift card never used them.

The majority of respondents said that they did not have the time to redeem the cards. Not finding anything they wanted was another popular excuse given by respondents. Nearly a third said they forgot about their cards.

Consumer Reports advises shoppers to be wary of bank cards, which tend to have higher fees and restrictions than other types of gift cards.

They also recommend checking the merchant's prices to make sure that the amount of the card you purchase will be enough for the recipient to buy something without having to supplement their own money.

Other tips to help steer clear of gift card headaches include: registering the card, use the card quickly, especially if the card has an expiration date or monthly maintenance fee and, finally, spend the entire amount of the card.

- “Last year, shoppers like you were cut \$8 billion because of unused, lost, or expired gift cards. Easy money for retailers.”
- “62 percent of consumers are planning to buy gift cards this season. Last year, the survey said, 27 percent of those who received a gift card never used them.”

“The Consumer Reports National Research Center found that 27 percent of respondents who received gift cards for the holidays last year have not yet used one or more of them-up from 19 percent at the same time last year.”

Survey says gift cards are popular, but many go unused

REUTERS 

By Nicole Maestri

Mon Nov 12, 4:03 PM ET

NEW YORK (Reuters) - Gift cards may be touted as the easiest gift to give, but more and more of them are going unused by forgetful, time-strapped consumers.



A survey released on Monday by the Consumer Reports National Research Center found that 27 percent of respondents who received gift cards for the holidays last year have not yet used one or more of them -- up from 19 percent at the same time last year.

More than half of those survey respondents said they had not used their card yet because they did not have time, while 35 percent said they could not find anything they wanted. Almost one-third said they did not use their card because they forgot about it.

"That is quite sobering when it comes to the whole notion of the gift card being the perfect gift," Consumer Reports Senior Editor Tod Marks said in an interview.

Gift card sales have soared in recent years as more companies, ranging from retailers and mall operators to Web sites, sell them and shoppers see them as a quick and easy gift idea.

Archstone Consulting expects sales of gift cards in the United States to jump 25 percent to \$35 billion this holiday season.

The Consumer Reports survey of 1,000 adults interviewed between October 18 and 21 found that six in 10 shoppers planned to purchase gift cards this holiday.

But when consumers do not use the cards, they are giving billions of dollars in free money to retailers, Marks said.

He has some simple words of advice for consumers who receive a gift card this holiday season.

"Spend it quickly," he said. "Cash that card in."



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