

Starbucks Gift Cards Keep Giving

By Alyce Lomax
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Is it news to anyone that **Starbucks'** ([Nasdaq: SBUX](#)) gift cards have been an overwhelming hit? Chances are you've received one yourself, if you haven't doled out a few of your own. A recent Associated Press report confirmed what many of us already suspected: Those gift cards are magic.

The AP article pointed out that Starbucks' reloadable gift card sales made up a whopping 12% of all sales in last year's holiday quarter, and it provided some great data for Starbucks fans (and shareholders) to chew on. It seems that 96 million Starbucks cards have been activated in the U.S. and Canada since November 2001. Patrons have subsequently reloaded their cards 38.6 million times, generating \$2.17 billion in revenue.

Starbucks gift cards may be the perfect impulse gift, conveniently positioned at the coffeehouse's cash registers with cute card holders included. As the article pointed out, gift cards in general have shaken off the stigma that they're thoughtless gifts, since many people would rather pick out their own gifts than get something they can't use at all.

And when you consider Starbucks' large mass of loyal customers, let's face it, a reloadable gift card will always come in handy. Meanwhile, even people who aren't Starbucks aficionados can probably find something they'd like at the java giant. (Starbucks probably wouldn't mind in the least if those reluctant would-be customers became converts, either.) Even people who hate coffee could always pick up tea or chai, Frappuccinos, breakfast sandwiches, or even a CD, DVD, or book.

The Starbucks card phenomenon speaks to many of Starbucks' true strengths, especially its massive, pervasive appeal with consumers. True, you can always stuff stockings with gift cards from **Target** ([NYSE: TGT](#)), **Lowe's** ([NYSE: LOW](#)), **Gap** ([NYSE: GPS](#)), or the like. But many gift cards still speak to particular tastes or hobbies. A Lowe's card may be perfect for the DIY enthusiast, but it'd be a bad fit for a renter like me. And if you're a teen pining for new duds from **American Eagle Outfitters** ([Nasdaq: AEOS](#)), imagine being stuck with a gift card from the far less trendy Gap.