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How Does Using a Gift Card Influence What You Buy?

Imagine you received a gift card to Whole Foods. Would you use it to buy organic produce or more commonly available products such as conventional mayonnaise? According to a recent study in the [Journal of Consumer Research](#), the odds are you'd go for the organic produce associated with the Whole Foods brand.



“Consumers with store-specific gift cards are far more likely to purchase products perceived to be that store’s specialty than consumers *in the same store* with an equal-value generic gift card such as one from American Express,” write authors Nicholas Reinholtz (University of Colorado), Daniel M. Bartels (University of Chicago), and Jeffrey R. Parker (Georgia State University).

This phenomenon recurred throughout a series of studies. In one example, people given either a Levi’s gift card or an American Express gift card were allowed to shop at a Levi’s store. Levi’s card holders were significantly more likely to buy jeans—the signature product of Levi’s—than American Express gift card holders, who were just as interested in other offerings, such as Levi’s sweaters.

Likewise, consumers with a restaurant-specific gift card for an eatery famous for its steak opted more often for the steak than those with a generic gift card, who were likely to try other options, such as the pasta.

“Consumers shop differently with a store-specific gift card. That could have substantial impact on businesses, especially retailers or restaurants considering what to feature when anticipating card redemption to be higher – such as after the holiday season,” the authors conclude.

Nicholas Reinholtz, Daniel M. Bartels, and Jeffrey R. Parker. “[On the Mental Accounting of Restricted-Use Funds: How Gift Cards Change What People Purchase.](#)” *Journal of Consumer Research*: December 2015.



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