

Merchandise vs. Gift Cards

In Employee Service Recognition Programs, a good selection of quality merchandise is always strategically superior to gift cards. Gift cards are easier to fulfill, but they are taxable and have a harder time making an impression. Here's why...

- **Gift cards have Little Trophy Value**

It's a lot easier to derive pride and praise from family and friends regarding the new golf clubs your company gave you for 20 years of service than it is to brag about your gift card. Trophy value is more quickly derived from a tangible, visible award than a piece of plastic. Gift cards then can easily be misplaced.

- **Gift cards have Restrictive Choice**

The particular gift card awarded may not reflect the interests or lifestyle of the recipient. The value of your award can rise or fall with the company's current reputation. The recipient may have negative feelings toward the retailer, which can diminish the perceived value of the award, Gift cards then can be easily given to others.

- **Gift cards have No Value Ambiguity**

Perceived value can be added to a merchandise award due to its desirability and function, but a gift cards usually have a set dollar value associated with it. It is more difficult to build anticipation for a gift card than a luxury item. Gift cards then have limited value potential.

- **Gift Cards can be redeemed for Everyday Items**

A merchandise award selection is built with choice, quality and trophy value in mind. Gift cards can be used to purchase a number of mundane necessities. Gift cards can then lose the ability to afford the recipient a guiltless luxury.

If you wouldn't give your spouse a gift card for your tenth anniversary, it wouldn't make sense to do the same for a valued employee's 10 years of service and loyalty.