Gift Card
& Voucher
Association

# April 2025

GCVA
**Consumer Report**

Vol.
**57**

The GCVA is partnering with GlobalData to deliver a monthly snapshot of consumer behaviour and attitudes when it comes to gift cards.

The March fieldwork went to field on April 1st and was designed to explore habits during the previous month, across a UK nationally representative sample of 2,000 shoppers.

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Gift Card Voucher Association (GCVA)

# Topline Takeaways

- Retail spending growth set to improve to 2.9% in 2025, boosted by inflation but also by positive volumes
- March gifting demand boosted by improving finances and Mother's Day
- Self-use purchasing displays its strong relevance over March
- Physical gift cards outperformed over March
- Multistore gift cards continue strong performance
- Experience and Leisure saw a particularly strong performance over March
- UK consumers see gift cards as a medium for supporting local businesses

# Retail spending growth set to improve to 2.9% in 2025, boosted by inflation but also by positive volumes

Following growth of 1.6% to £450.8bn in 2024, retail spending growth is forecast to ramp up to 2.9% in 2025. We expect inflation to come through higher in 2025 at 2.4%, as retailers, particularly grocers, increase their prices to cope with higher wage costs. Volumes are forecast to rise by 0.6% in 2025, which will be the first positive volume growth since 2021 as shoppers feel more comfortable given strong wage growth in 2024 and inflation being more stable in comparison to the peaks we've seen in recent years. That said, this benefit will not be felt by all households. For those needing to remortgage and facing much higher monthly payments, household spending will be squeezed.

## Online Channels

The online channel will see improved growth of 3.9% in 2025 following a rise of 2.7% in 2024 and 2.0% in 2023, after the heights of the pandemic when online penetration reached over 30%. Online penetration will rise marginally in 2025 to 27.5% and slowly rise out to 2029 with more rapid growth coming from the online food market as retailers' proposition improvements entice shoppers.

## Grocery outlook

The food & grocery market is expected to grow by 4.1% to £202.4bn in 2025. Food inflation is expected to peak in the middle of the year, rising to 4.5%. Despite inflation rising once again, volumes are expected to improve in the second half of the year resulting in a 0.4% uplift for 2025. We expect minimal trading down to discounters in comparison to last year as the mainline grocers have done a good job of offering a wide price architecture and the ability for shoppers to trade up and down whilst also providing compelling loyalty schemes.

## Clothing & Footwear Outlook

The clothing & footwear market continues with minimal growth in the early months of 2025, with sales remaining negative in January and February. However, the market is expected to improve as the year progresses, as consumer confidence and finances improve, leading it to rise 0.2% to £59.8bn. As a result, volumes will fall for the third consecutive year in 2025, falling 1.0%, as consumers prioritise spending on other areas, such as leisure.

The online channel is expected to continue outperforming, rising 1.4% £24.8bn, with online penetration growing 0.4ppts to 41.4%, as its convenience, wide product offering and price comparison abilities continue to appeal to shoppers.

# March gifting demand boosted by improving finances and Mother's Day

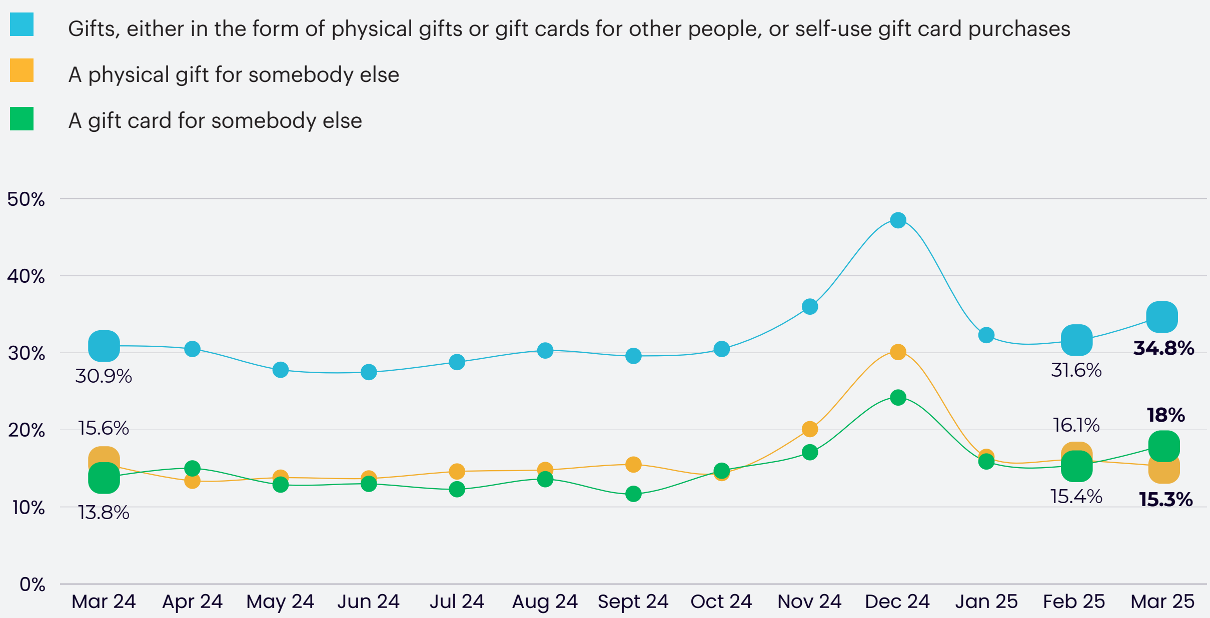
The 34.8% of consumers that bought physical gifts, gift cards or made self-use gift card purchases over March 2025 was higher than both February 2025 (31.6%) and March 2024 (30.9%). This uptick is reflective of a broader recovery in household finances, which is finally feeding through to a tangible parallel improvement in consumer sentiment. March 2025 also benefitted from Mother's Day falling in the month, with more financially secure shoppers having a greater ability to celebrate the occasion via gifting.

Gift cards markedly outperformed physical gifts, with the 18.0% purchasing gift cards being significantly increased compared to March 2024 (13.8%). Some of this outperformance of gift cards was reflective of a later Easter which meant that, for many, it was more difficult to arrange physical gatherings for Mother's Day. The outperformance also points to the increasing popularity of experience and leisure gift cards during the occasion.

However, it is important to note that this improvement is not being felt evenly across UK households. Of those that didn't purchase gifts cards over March, almost a fifth (19.2%) said they didn't because they have cut back significantly on non-essential spending, which was markedly higher than those citing this same reason in March 2024 (11.0%).

*Figure 1:*

***Did you purchase any of the following:***



# Self-use purchasing displays its strong relevance over March

9.7% of UK consumers said that they purchased gift cards for self-use over March 2025, which was an increase on the 7.7% doing the same in March 2024. This points to a greater degree of financial flexibility among UK consumers, amid improving household finances. Gift cards have both the potential to support consumers during or after periods of higher outgoings and, increasingly, in supporting shoppers looking for levers to help with saving and budgeting. Indeed, the proportion of those purchasing self-use cards that cited "to help with saving money" was at 54.1% over March 2025; the second highest level since GlobalData began tracking this measure, in May 2020.

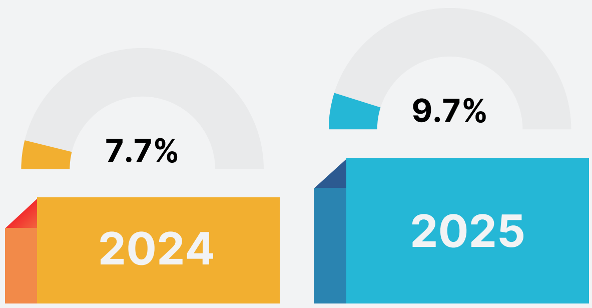
> **The proportion of those purchasing self-use cards that cited "to help with saving money" was at 54.1% over March 2025**

*Figure 2:*

***Purchasing a gift card for yourself - March 2024 vs March 2025:***

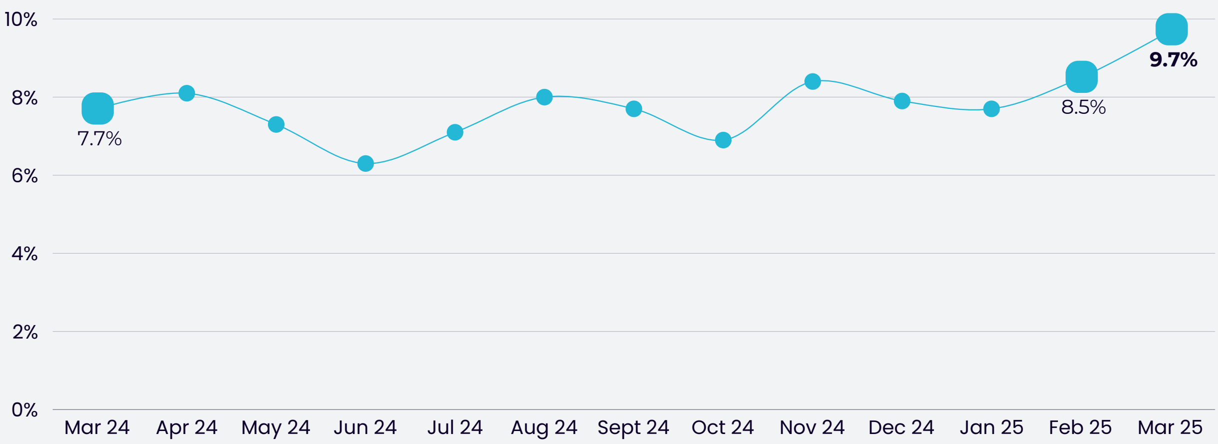
March 2024

March 2025




***Did you purchase any of the following:***

A gift card for yourself



# Physical gift cards outperformed over March

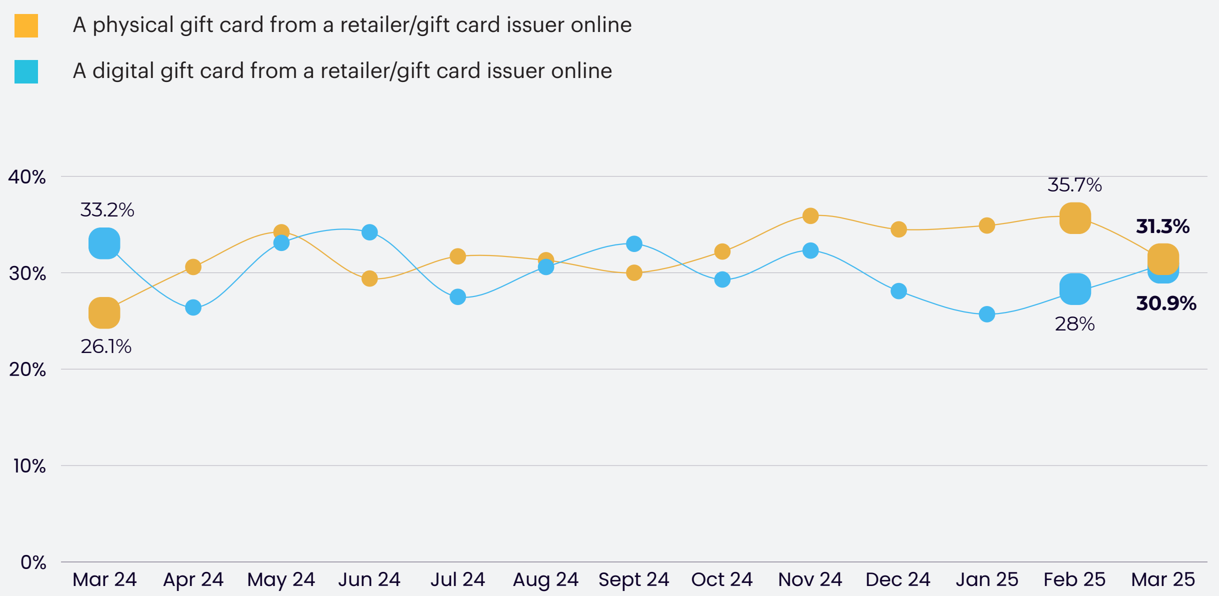
Physical gift cards enjoyed stronger purchasing among gift card buyers over March. Physical gift cards continue to be viewed as more thoughtful gifting options and will have been boosted by Mother's Day falling over the month. Moreover, physical formats have benefitted from greater choice within physical stores, And rising demand for gift card themes such as entertainment, leisure, and gaming, which have been seen as good alternatives to declining traditional gifting categories such as physical media.

> Physical formats have benefitted from greater choice within physical stores

In contrast, there was a slight dip in purchasing of digital gift cards, with 30.9% of gift card buyers purchasing, compared to 33.2% over March 2024. Despite this, shopper expectations continue to rise when it comes to cross-channel purchasing and redemption. In March 2025, 58.1% of respondents agreed with the statement "I expect all gift cards to be usable across all of the retailer's sales channels", compared to 39.6% who expressed the same sentiment in March 2024.

*Figure 3:*

***Which type of gift cards did you purchase?***



# Multistore gift cards continue strong performance

Multistore gift cards again outperformed over March; the proportion of gift card shoppers purchasing multi-store gift cards (37.2%) increased vs. March 2024 (35.5%). In contrast, 49.0% of gift card buyers purchased single brand, which represented a small decline compared to the 50.4% who did so over March 2024.

**Multi-store cards have the potential to overcome lingering consumers concerns around the lack of flexibility that gift cards provide compared to other payment options.**

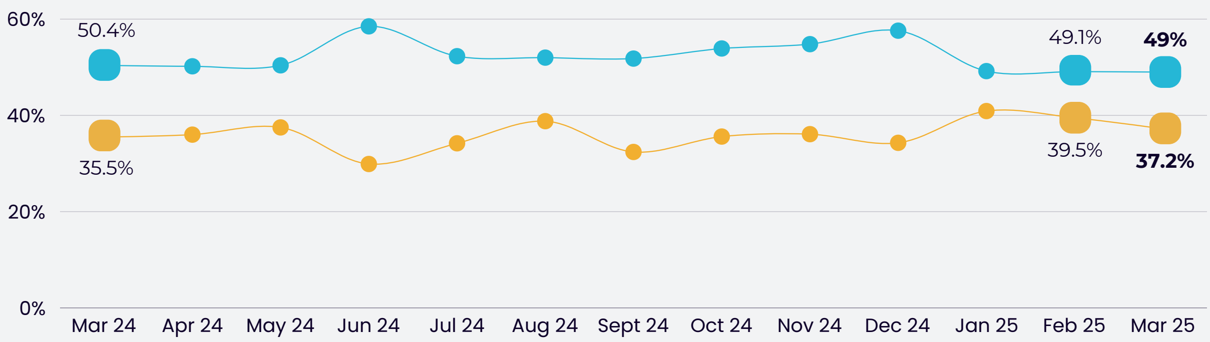
Multi-store cards have the potential to overcome lingering consumers concerns around the lack of flexibility that gift cards provide compared to other payment options. The challenge for these gift card types continues to be balancing the factors of not being too generic that it is considered unthoughtful of the gift-giver, with granting the recipient the freedom of spend within a range of retailers.

*Figure 4:*

***When purchasing gift cards (includes gift cards, vouchers, digital, e-gift codes etc.), which types of gift cards did you purchase, either for yourself or someone else?***

A retail gift card – a gift card for a specific high street retailer or a store branded gift card

A multi-store gift card– a single gift card which can be spend in multiple retailers, brands, outlets or businesses



# Experience and Leisure saw a particularly strong performance over March

The proportion of gift card buyers purchasing experience and leisure gifts cards – for activities such as hotel stays, spa breaks, and restaurants – increased compared to March 2024. These card types benefitted from stronger demand due to being viewed as more thoughtful gifting options, particularly during a period of the year when many of mapping out their social activities and holidays. Mother's Day-related purchasing will have also played a role here. Demand was also boosted by an increase in supply, with many national, regional, and local leisure and experience businesses introducing options.

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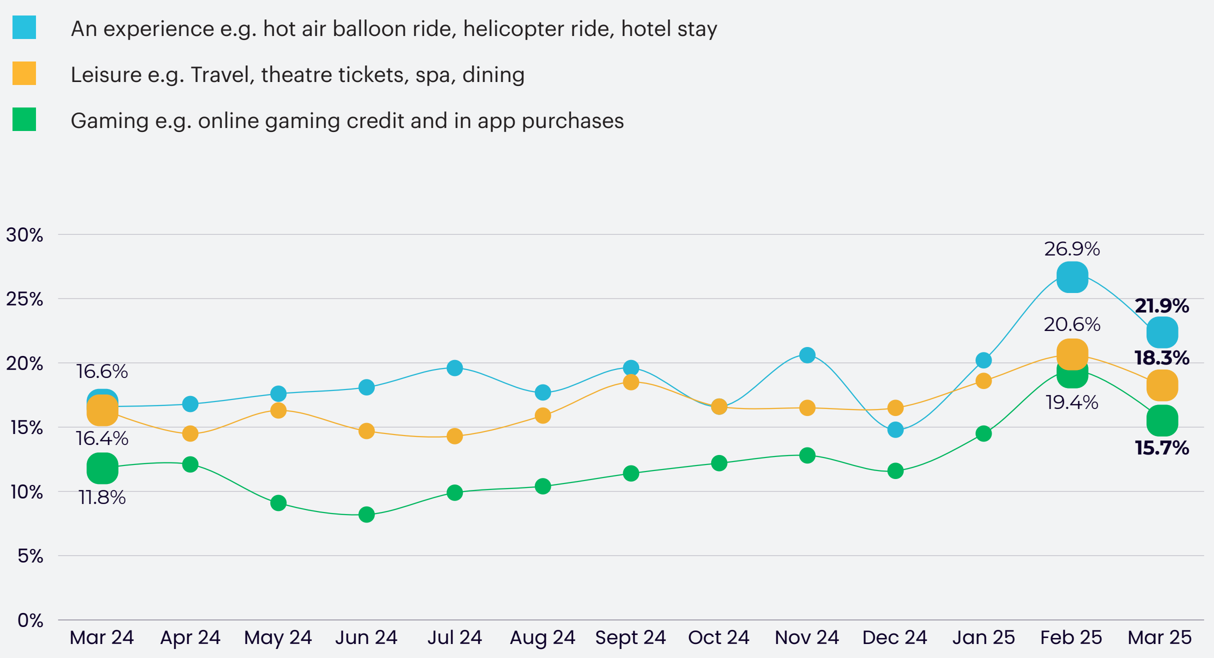
*Figure 5:*

***Experience, Leisure. and Gaming gift cards all performed strongly over March***



# UK consumers see gift cards as a medium for supporting local businesses

There continues to be evidence that many are being proactive in purchasing gift cards to funnel support to local companies. Over March 2025, 30.2% of UK consumers agreed with the statement “I have/will purchase gift cards with the intent of supporting companies that I like”. This is more than triple the 13.5% who expressed this sentiment in March 2024.

There continues to be evidence that many are being proactive in purchasing gift cards to funnel support to local companies

The GCVA is the trade body and membership organisation for gift cards and vouchers. The association represents the key players in the industry and promotes best practice for the benefit of gift card issuers, services and consumers.

On the time-period comparisons, this month’s report covers the March calendar month, with comparisons made between March 2025 and March 2024. Where relevant, comparisons have also been made to the wider tracking period.

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