GIFT CARD AND VOUCHER SALES ANALYSIS AND OUTLOOK UK

2024 H1

Gift Card & Voucher Association

KPMG

GCVA DATA ANALYSIS 2024 H1

Gift card and voucher sales prove resilient in H1, with Digital overtaking Physical gift cards in market share for the first time

Executive Summary

In a period of continuing low economic growth, data from the gift card and voucher submitting membership nevertheless revealed a robust performance in 2024 H1, with like-for-like sales growth of 9.5% compared to 2023 H1 and a rolling year increase of 8.3%.

For the sixth successive period, growth was highest in the Leisure (experiences, hospitality, travel and entertainment) sector, rising 15.5% on a like-for-like basis and an eye-catching 24.6% over the rolling year. For Retail, these figures were a more modest - but still commendable - 9.4% and 7.8% respectively. With Retail representing around 95% of total sales, this growth still represents far more in real terms than the Leisure uptick. As inflation has now fallen back to around the Bank of England's target of 2%, the increase in sales also represents a much more significant gain than it did a year ago when inflation ate up most of the revenue rise.

As was the case in the last period (2023 H2), Grocers were the drivers of retail sales growth. For General Retail, it remained a tough period with consumers still reluctant to spend. As is usually the case in the first half of the year, it was B2B sales that performed most strongly, driven by the Employee Benefits sub-market, with 11.8% growth on a like-for-like basis and 10.7% rolling year. B2C sales take over in the second half of the year due to the Christmas period - but still rose by 4.3% on a like-for-like basis in 2024 H1, and 4.1% on a rolling year basis.

Given the predomination of the B2B market in this period (where most sales are online/portal-based) we have also recorded a notable first: sales of Digital Gift Cards represented more than 50% of the market, finally overtaking Physical Gift Cards. Digital Gift Cards sales grew 17.1% in 2024 H1 and by 16.3% across the rolling year. While this could be viewed as a landmark moment, nevertheless it remains to be seen whether digital sales will maintain this majority share into 2024 H2 when higher consumer purchases of gift cards and vouchers are likely to push physical format volumes up.

9.5%
Like-for-like period growth

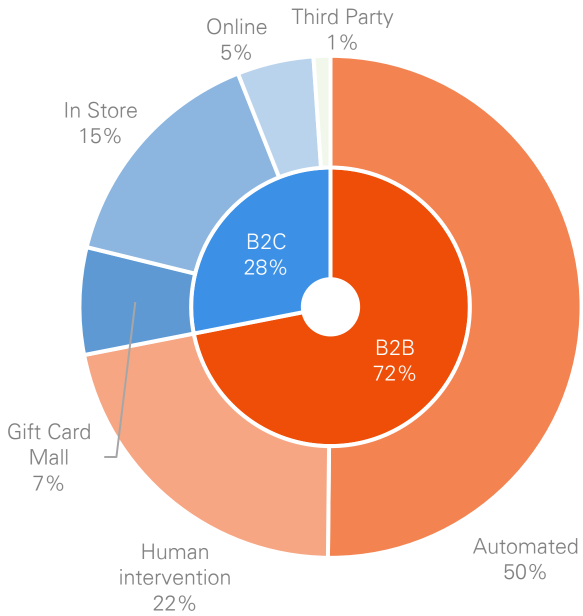
8.3%
Rolling year growth

27
Contributors

£1.42bn
Total 2024 H1 sales

75%
Period growth driven by Grocers

Market share by sales channel (2024 H1)



TOP TAKEAWAYS

01

Overall rise of 9.5% in like-for-like sales for H1 - across all sectors and market channels

02

Leisure (experiences, hospitality, travel, and entertainment) rises 15.5% like-for-like

03

Most Retail submitters experienced a healthy uplift, with an median growth of 6.0%

04

B2C sales have increased across every channel - with In-Store maintaining top position at 54.0% of sales

TOP TAKEAWAYS

05

B2B increases its share of the H1 market, up to 71.9% - to a three-year high

06

Digital Gift Cards grow 17.1% pushing them into the top spot for product type in H1 for the first time

07

Open Loop sales see modest 4.8% like-for-like growth but still down -1.7% across the rolling year

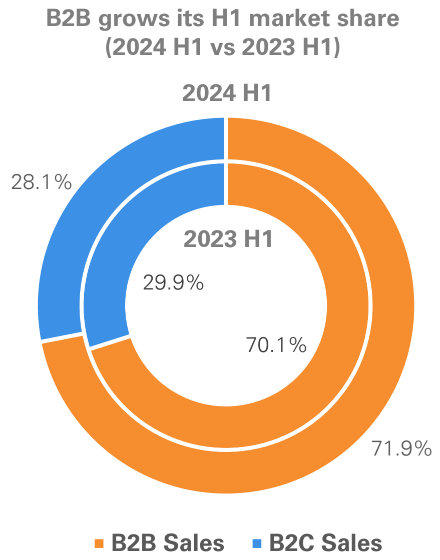
08

Within B2B, Employee Benefits sub-market has seen significant growth of 16.9% as employers continue push to support their staff

Overview

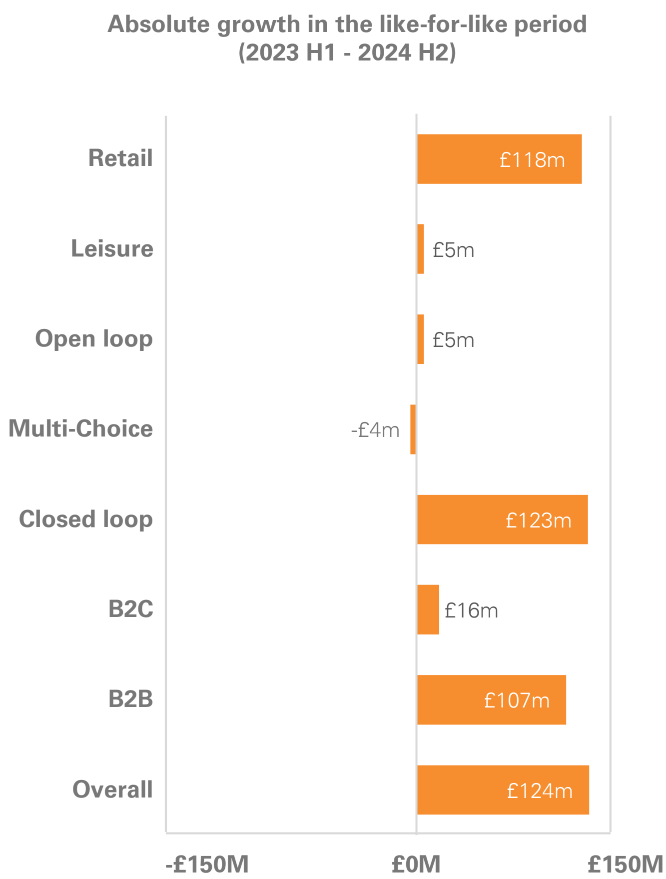
With the UK economy recovering from a technical recession in 2023 H2, but still very challenged and stuck in low-growth mode, the performance of the gift card and voucher market in 2024 H1 provides a welcome boost. All indicators in the period are positive, with sales up on both a like-for-like and rolling year basis in Retail and Leisure sectors alike, underpinned by strong rises in the B2B market as well as solid B2C sales.

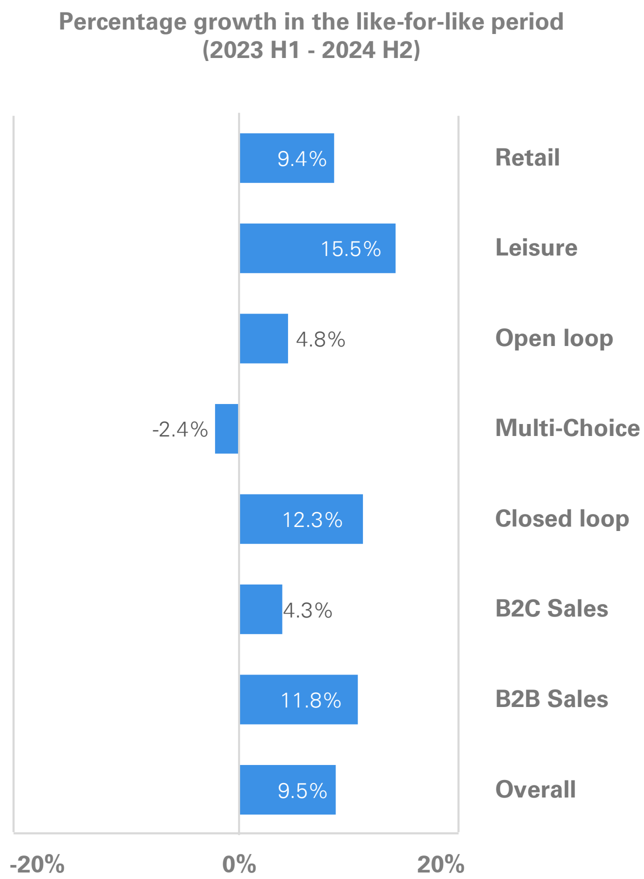
Conditions in the wider retail market have remained hard-going during the first six months of the year - so the performance in gift cards and vouchers is all the more encouraging, with like-for-like Retail sales growth not far off double digits. Meanwhile, fears that growth in Leisure gift card sales may stall once the post-pandemic honeymoon period ended have proven unfounded. Once again, the sector has led the way in terms of headline increases, out-performing Retail for six periods (three years) in a row in relative terms.



Sales of Digital gift cards have been jostling to overtake Physical for some time now - and this has finally occurred during the period. Levels of digital penetration have been led by B2B sales in the Employee Benefits sub-market - and it will be interesting to see whether this is maintained in future periods, or whether changes in inflation and incomes will change behaviour in light of recent changes in the cost of living. How much will physical sales rise in 2024 H2, or will consumers continue the shift to digital formats? It will be a fascinating area to watch in our next update in early 2025.

Across all the sectors, markets, channels, and redemption types, it was only Multi-Choice that saw a decline, of -2.4%. With anecdotes in the gift card community speaking to growth in this area more broadly, this result may instead be reflective of the relative maturity of those already included in this analysis.



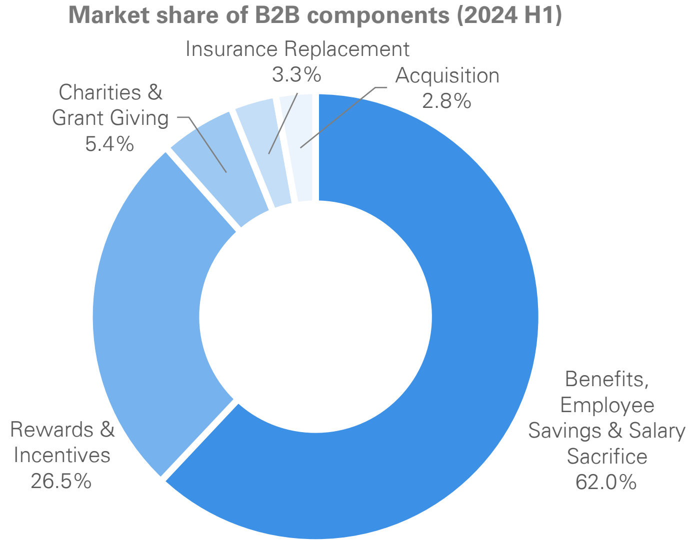


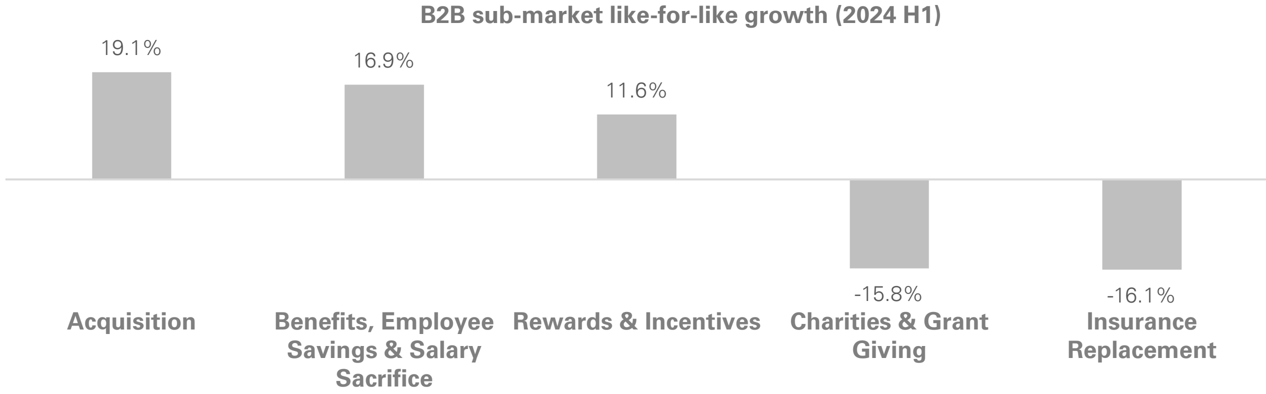
B2B Overview

The B2B gift card market continues to evolve, with significant shifts in growth across different segments.

Benefits, Employee Savings & Salary Sacrifice maintained its dominance the B2B gift card market, capturing 62% of all sales. The segment's impressive 16.9% growth, highlights its position as a key strategy to address rising living costs and employee well-being. Customer Acquisition surprisingly witnessed a surge of 19.1%, indicating a renewed focus on attracting new customers through gift card incentives. Rewards & Incentives also experienced a positive growth of 11.6%, suggesting that this segment remains relevant despite facing challenges. However, Charities and gift giving faced a decline of -15.8%, while Insurance Replacement saw a drop of -16.1%. These declines suggest a shift in priorities away from these areas.

This dynamic landscape highlights the evolving role of gift cards in the B2B space, with companies adapting their strategies to address changing market conditions and customer needs.



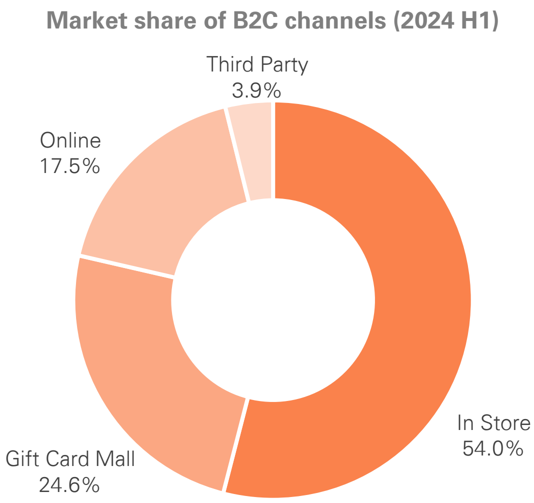


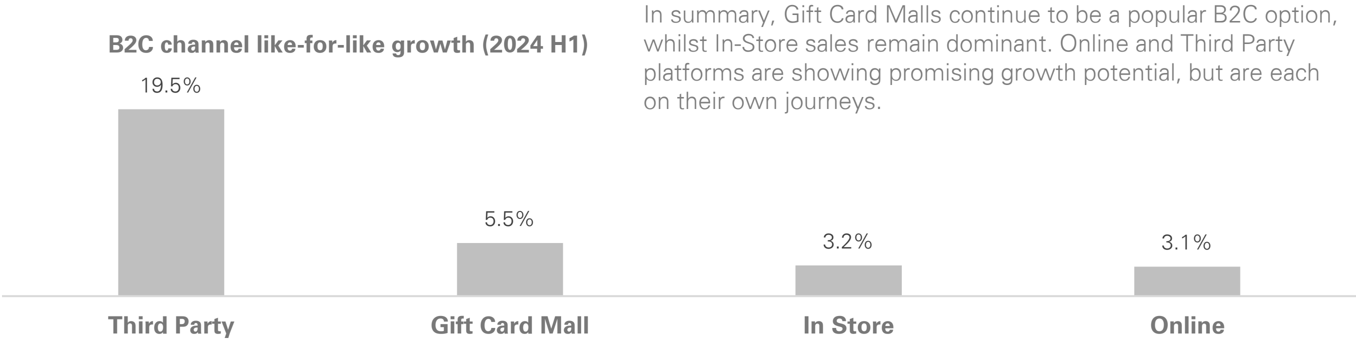
B2C Overview

In the B2C market in-store sales remain the dominant channel, capturing 54.0% of the market share. This highlights the continued importance of brick-and-mortar stores for gift card purchases.

Gift Card Malls have emerged as a popular option, offering consumers the convenience of physically browsing a wide selection of gift cards. This channel saw a growth of 5.5%, indicating a strong preference for this format. Online sales, on the other hand, experienced modest growth of 3.1%, but still represent a relatively small portion of the market with an 17.5% share. This suggests that online channels have yet to fully capitalize on the potential of the gift card market. Third-party platforms are showing promising growth potential, with the highest like-for-like growth of 19.5%. However, this channel remains the smallest segment with a 3.9% market share. This indicates that third-party platforms are gaining traction, but still have significant room for expansion.

In summary, Gift Card Malls continue to be a popular B2C option, whilst In-Store sales remain dominant. Online and Third Party platforms are showing promising growth potential, but are each on their own journeys.





Sector Focus

Retail

The Retail sector enjoyed a solid period in 2024 H1, with sales up 9.4% on a like-for-like basis - but the headline result masks quite differing fortunes below the surface. It was Grocers who were the big winners, showing both strong percentage and pound growth. Nevertheless, all sub-sectors of Retail managed some growth and, given the difficult prevailing economic conditions, this must be seen as an achievement. It also creates the foundation for what retailers will be hoping is a more robust and buoyant H2 in the run-up to Christmas.

Retail Sub-Sectors

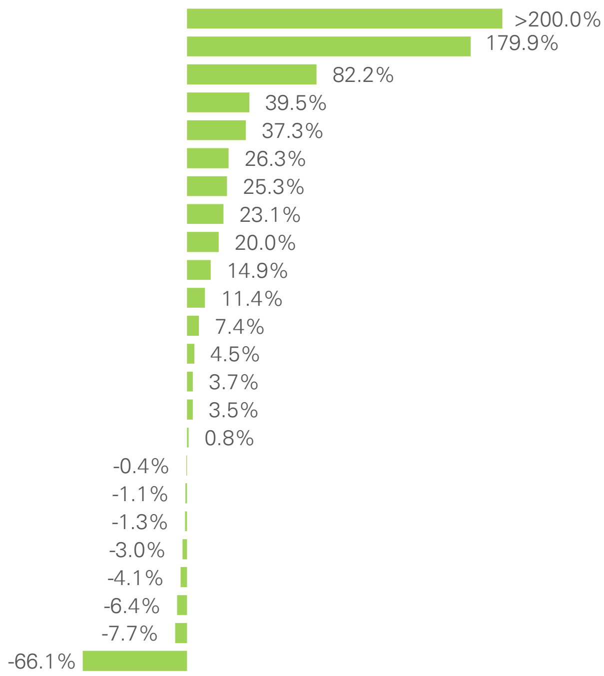
Looking at the Retail market in more detail across the three categories of General, Fashion and Grocers, we see a number of interesting divergences and trends.

Retail General - With consumers still very cautious over their spending, general retailers had to fight for growth. In gift cards and vouchers, they booked 2.3% like-for-like growth in 2024 H1, with this being driven by an increase in B2B spending (2.9% growth), while B2C growth was only fractional at 0.7%. As an indicator of the difficulty of the market, a minority of data submitting members in this sub-sector saw actual sales declines.

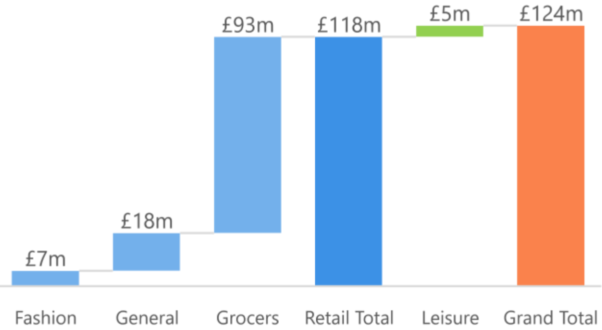
Retail Fashion - This sub-sector performed better than might have been expected given tough trading conditions and generally disappointing weather - recording 9.8% like-for-like growth. This was heavily influenced by a strong rise on the B2B side (38.2% growth) while B2C sales managed only very modest growth of 1.9%. All Fashion members saw more growth in their B2B sales than B2C.

Retail Grocers - Food was the engine of growth once again in Retail, with Grocers' like-for-like gift card and voucher sales rising 23.2%. This was predominantly driven by the B2B market, up 25.9%, that makes up over 83% of Grocer gift card sales. It wasn't only a tale of B2B sales, however, with B2C volumes also recording double digit growth of 11.3% - a much higher consumer sales rise than was recorded in the other two Retail sub-sectors.

Retail Membership: Percentage like-for-like growth for period (2023 H1 - 2024 H1) [See footnote 1]

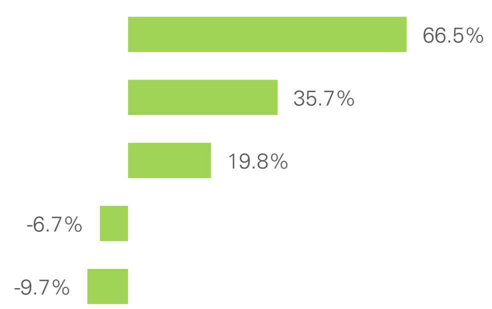


Absolute growth by sub sector (2024 H1)



Leisure

Leisure Membership: Percentage like-for-like growth for period (2023 H1 - 2024 H1) [See footnote 1]

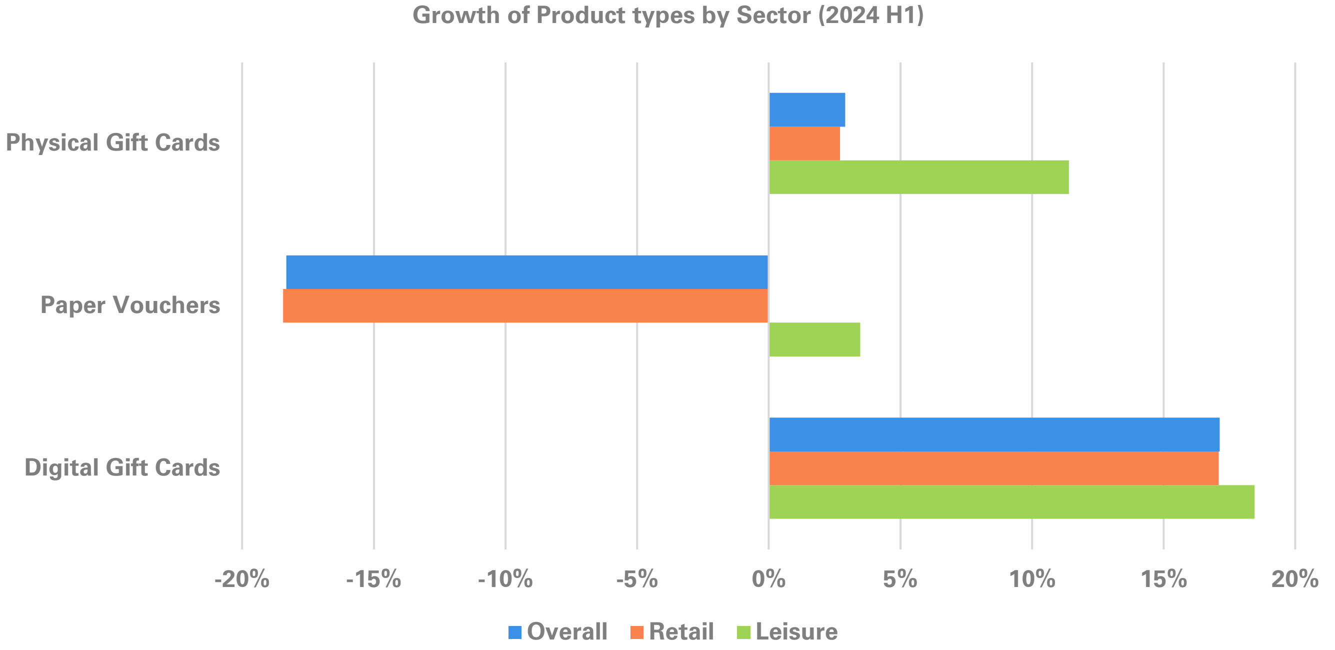


Leisure operators and businesses are likely to be highly encouraged by sales results in 2024 H1, with like-for-like growth of 15.5% and a rolling year rise of 24.6%. Once again, Leisure has outgrown Retail even if the real terms amounts are much smaller.

These increases are impressive - but it was in fact a mixed picture at individual member level, with variable performance. In contrast to Retail, Leisure's growth was through B2C - up 20.8% on a like-for-like basis. B2B sales were in fact flat in 2024 H1, which may be a concern given the importance of the corporate market. This was accompanied by a shift during the period from B2B sales through the human intervention channel (i.e. speaking directly to a gift card provider to arrange the purchase of gift cards for staff) towards more automated sales.

Footnote 1 – as these charts are like-for-like for each submitting member, they reflect the relative size and maturity of each member with respect to gift cards

Product and Redemption Type Focus



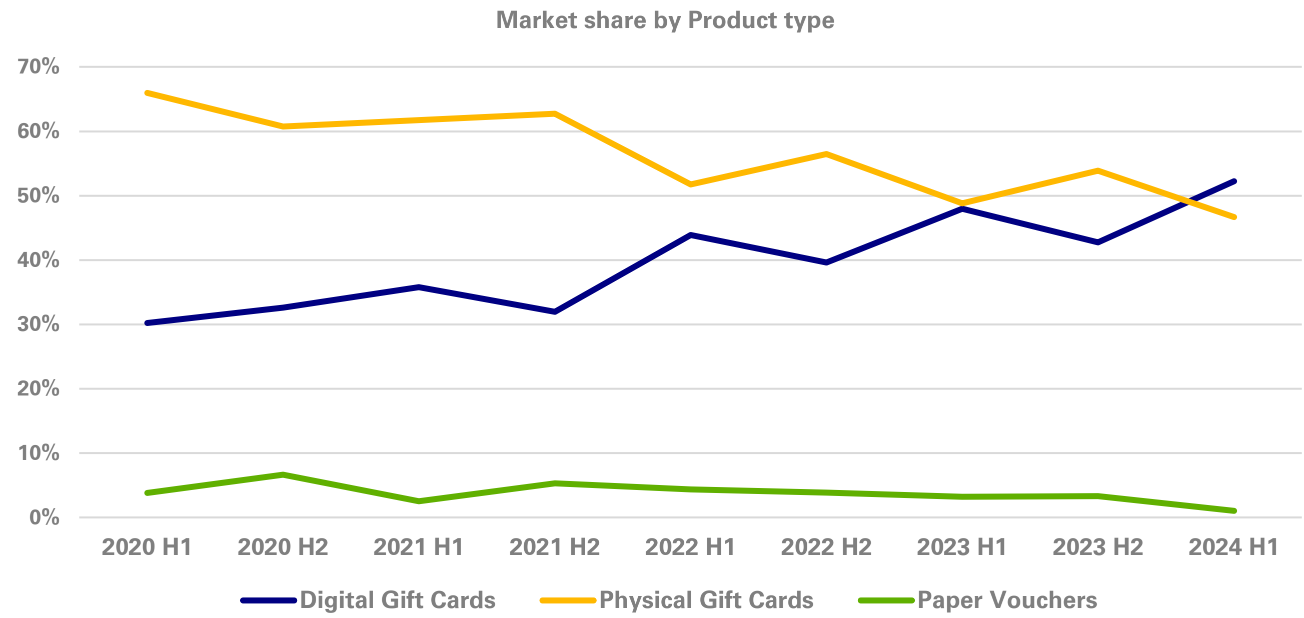
We have already noted the standout feature of this period in terms of Product types, with sales of Digital Gift Cards crossing the 50% market share threshold for the first time. To appreciate how far things have come, we only need to look back a few years: in the first half of 2019, digital sales represented about 30% of the total.

The question now is: how strong will digital sales be in the crucial second half of the year? In many ways, that is the real litmus test. The second half of the year leans more to the B2C side of the market, where physical formats are more popular. While Digital Gift Cards have been growing their H2 share in both periods over the past few years, this has mostly been driven by the increasing market share of B2B, rather than a shift to digital formats within B2C.

In terms of redemption types, the growth area in this period was Closed Loop, up 12.3% on a like-for-like basis in H1 2024 and 10.6% across the rolling year.

Multi-Choice, meanwhile, fell by -2.4% in H1, although its growth in 2023 H2 puts it at 2.7% on the rolling year. This is the second H1 in a row to see a decline, after stellar growth in 2022. This poses an open question as to whether further growth in this type can be expected, and it may be that wider innovation in this area helps to reinvigorate this area.

Open Loop recorded modest like-for-like growth (up 4.8%) but has still fallen across the rolling year (down -1.7%). 2022 had seen a significant decline in this type, and the more recent experience has done little to reverse that.



ECONOMIC AND RETAIL OVERVIEW

Despite facing economic challenges, the UK retail and leisure market showed signs of resilience with the gift card and voucher sector experiencing positive growth

The UK fell into a brief technical recession in the second half of 2023 - and while the economy picked up during 2024 H1, conditions have remained sluggish and challenging. Having peaked in double digits last year, inflation has at least fallen back to target levels of around 2%, but any feelgood factor feeding through into household spending has been on a long time delay. There is little doubt that consumers still feel squeezed. Prices remain high and the cost of living is a continuing, and real, concern.

Against this backdrop, it is little surprise that the retail and leisure market has continued to face headwinds. The Christmas period was largely disappointing and the early months of 2024 offered little immediate relief. There was a brief uplift from an early Easter in March - but the BRC/KPMG Retail Sales Monitor found that the boost was short-lived, with wet and chilly April weather contributing to a -4% year-on-year fall in sales that month.

Performance has not improved much since then, again not helped by stubbornly mixed weather. Only in July did the sun really start to come out. As Linda Ellett, Head of Consumer, Retail and Leisure at KPMG, observed in the June Retail Sales Monitor: "Consumers remain incredibly reluctant to take the brakes off their spending."

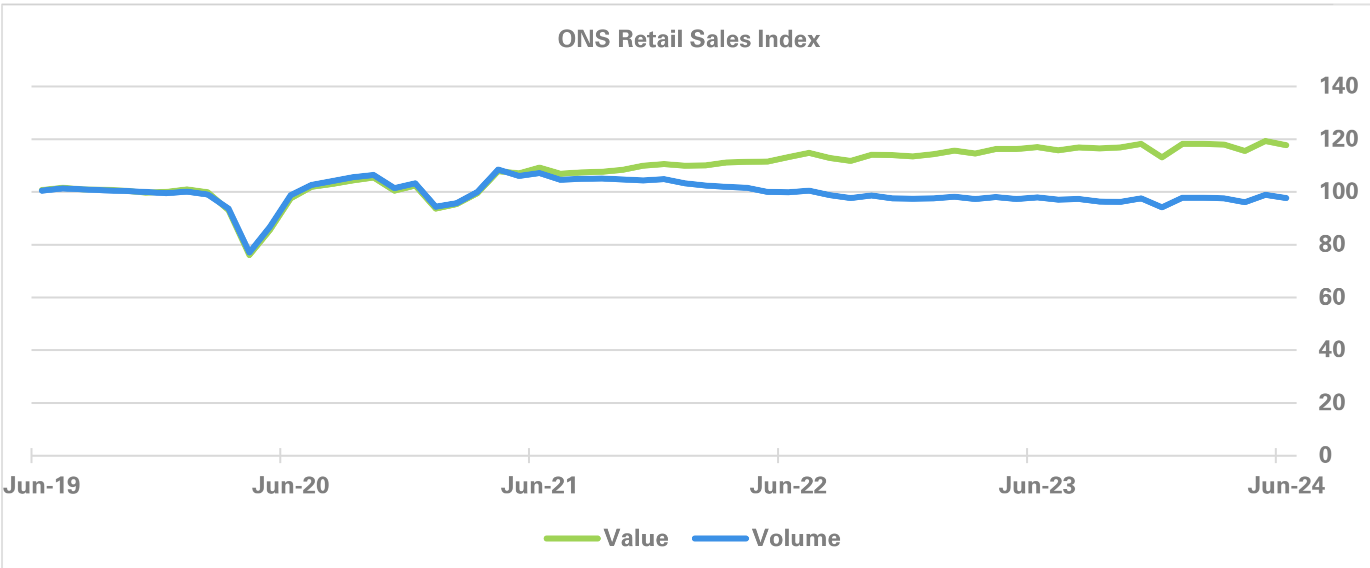
Meanwhile, official data from the Office for National Statistics (ONS) also paints a downbeat picture - with retail sales falling -0.1% in Q2 2024 compared to Q1 and by -0.2% compared with Q2 2023.

The hope must be that better times are around the corner. A 'great summer of sport' in the form of Euro 2024 in June/July and the Olympic Games in July/August may prove to have boosted spending at leisure and food & beverage outlets, and perhaps contributed to better general retail spend.

If this is the case, it will also have been helped further by the eventual reduction in interest rates by the Bank of England's Monetary Policy Committee (MPC) who decided on a -0.25% drop in the base rate at the end of July 2024.

Going into 2024, the KPMG/RetailNext Retail Think Tank (RTT) predicted that the first half of the year would be the toughest, followed by an improvement in H2. Retailers and leisure businesses will certainly be hoping that that is the case.

Certainly, in the gift card and voucher sphere, operators can be encouraged by the resilience of their performance. The rolling year growth of 8.25% reported this time compares to just 1.5% for retail sales as a whole according to Retail Sales Monitor figures. With interest rates now on a downward trend and the Christmas period not far away, hopes will be rising that conditions are settling for a more sustained period of sales growth.



1. https://kpmg.com/uk/en/home/industries/consumer-retail-leisure/retail-sales-monitor.html
2. https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/june2024
3. https://kpmg.com/uk/en/home/insights/2023/12/retail-think-tank-december-2023.html

Economy in 2024

As has become the 'new normal' in recent years, the economic outlook is dependent on a number of unpredictable, complex and interlocking factors.

The first of these is the geopolitical landscape, which remains fraught with tension and uncertainty. The war in Ukraine continues, while the violence in Gaza could yet develop into a wider regional conflict. Supply chains could come under renewed pressure.

Then there are electoral outcomes. In the UK, we now have a new government and, although fiscal room for manoeuvre looks limited, there is an opportunity to reset agendas and look for routes to growth. Meanwhile, the US election looms large, with the outcome hard to call. Whoever emerges triumphant, the significance of the US cannot be overestimated for its impact on global markets and confidence.

Closer to home, the first reduction in interest rates for over four years may prove to have been a key turning point, with the hope of further falls in the coming months. Allied to the drop in inflation back to target levels, a more benign environment could help consumer confidence and unlock greater spend. However, there won't be an overnight revolution - and many consumers are likely to continue to feel squeezed for some time to come.

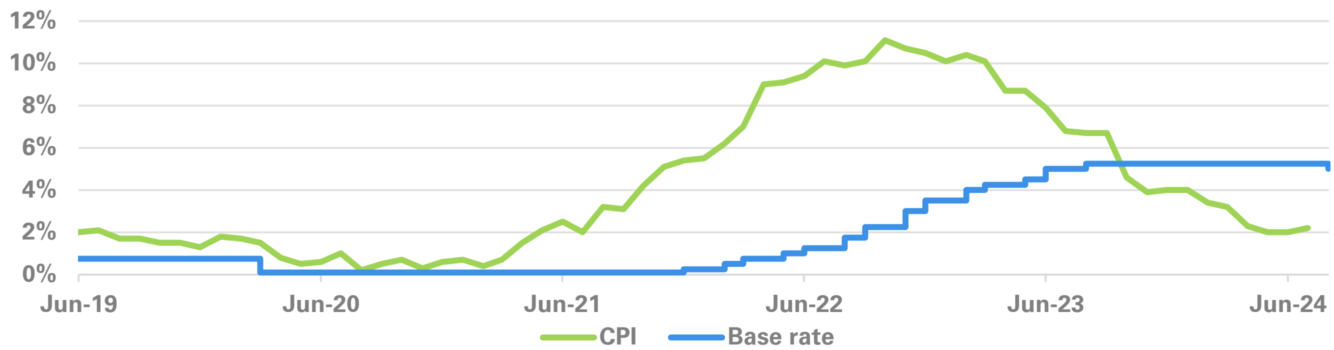
Certainly, we see an improvement in economists' expectations for the UK economy. In its July comparison of economic forecasts for the UK, HM Treasury found that the average expectation is of GDP growth of 1.0% for the year. Back in January, the average expectation was growth of just 0.4%.

These expectations are slightly more bullish than those seen in the latest KPMG Economic Outlook which predicts UK GDP growth of 0.5% for 2024. KPMG predicts this to rise to 0.9% in 2025.The firm also predicts further gradual reductions in interest rates, anticipating that the base rate will fall towards 3% by the second half of 2025. In summary, KPMG asserts that "the UK economy is turning a corner" with "modest positive growth" over the remainder of 2024 and 2025.

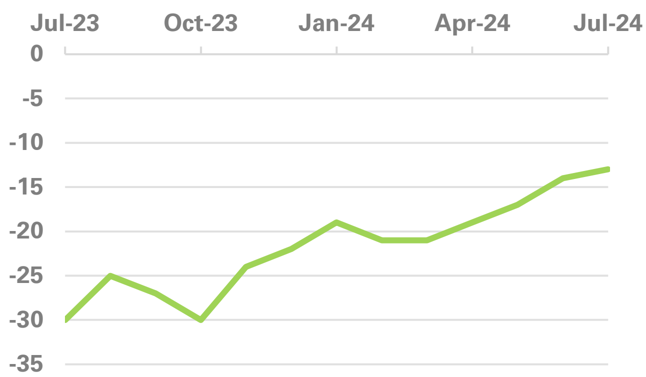
Turning to business indicators, there are some positive recent signs. The S&P Global UK Manufacturing PMI published at the beginning of August 2024 finds that a UK manufacturing recovery is strengthening as output, new orders and employment all rise. Meanwhile, the equivalent bulletin for UK Services reveals that activity growth accelerated in July, with demand for services rising at the fastest pace since May 2023 and business confidence at a five-month high.

Crucially for retail and leisure businesses, confidence is also on an upward trend amongst consumers. Having fallen to -30 in October 2023, the GfK Consumer Confidence Index has generally tracked upwards since then and in July 2024 reached -13. Whilst still in negative territory, the recovery has been notable and steady. Nevertheless, with only two of the five measures that GfK monitors improving in July, Joe Staton, Client Strategy Director at GfK, warned against complacency when he said: "July's poll suggests a note of caution as people wait to see exactly how the UK's new government will affect the wider economy and their personal finances."

ONS CPI annual rate and BoE base rate



GfK Consumer Confidence Index Score



What does this mean for retail?

Although downside risks are still at large, retail and leisure businesses can perhaps be forgiven for hoping for smoother sailing in the second half of the year amidst more benign economic conditions and a consumer more willing to spend. Nevertheless, the environment is likely to remain challenging in a highly competitive market as brands battle to win share of wallet.

It will also be key to maintain high staff engagement, given the operational costs of attrition and recruitment, and the importance of motivated staff providing excellent service to customers across both retail and leisure.

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4. https://assets.publishing.service.gov.uk/media/66969d95fc8e12ac3edafde9/Forecasts_for_the_UK_Economy_-_July_Cover.pdf
5. https://kpmg.com/uk/en/home/media/press-releases/2024/07/uk-economy-is-turning-a-corner-amid-softer-global-growth.html
6. https://www.pmi.spglobal.com/Public/Home/PressRelease/cd7e14ebc7af48d1a3bcb081011a5e4f
7. https://www.pmi.spglobal.com/Public/Home/PressRelease/cc2a3feec6234e689ea2c4a4d82cffef
8. https://www.gfk.com/press/uk-consumer-confidence-up-one-point-in-july

SECTOR OUTLOOK

US businesses are increasing their spending on incentives, with gift cards remaining a top reward, particularly brand-specific cards offering enjoyable purchases

Trends in incentives from the US

In this context, it is instructive to look further afield and examine trends in other major markets such as the US. There, the IRF 2024 Trends Report [9] from the Incentive Research Foundation throws some interesting light both on incentives for staff and on gifting more generally. The IRF reports that US businesses spend $176 billion annually on award points, gift cards, trips and travel, merchandise, and experiential rewards to reward sales staff, employees, channel partners and customers - with a net increase of 37% in budgets for merchandise, gift cards and event gifting in North America in 2024. However, the report also notes that much of these budget increases are eaten up by inflation and rising costs, adding: "Budgets are often increased to maintain a programme, and do not indicate incentive programme growth."

Then there is the changing make-up of the workforce. In the US, Gen Z and Millennials (roughly aged 16-44 now) are expected to account for 60% of the workforce by 2025. The IRF observes that incentive programmes are an important tool in retaining these younger staff who tend to 'job hop' more frequently. Incentive and recognition programmes that utilise points, gift cards and 'spiffs' (short-term sales incentives or bonuses) tick the boxes here, giving the frequent feedback and rewards that the younger generations tend to find motivational. Delivery through technology platforms further increases the speed of feedback and keeps young workers engaged. Merchandise and experiences tend to be favoured rewards.

The IRF also observes that gift cards remain a top reward. "The utilisation of gift cards is on the rise, both in terms of volume and the variety of options available," the report states, anticipating a net increase in 2024 spending of 42% in North America and 37% in Europe. The IRF asserts that gift cards both for enjoyable purchases and everyday necessities like groceries remain valued by employees - and that a survey of 939 North American workers found that gift cards were even more preferred than cash rewards.

Further, the IRF states that brand-specific (closed loop) gift cards showed the most growth in 2023, outpacing open loop gift cards such as Visa and Mastercard. Programme designers are focusing on gift cards oriented towards enjoyable purchases that "provide trophy value and feel like a true reward".

The IRF 2024 Trends [9]

Increasing Importance of Incentives to Motivate Today's Workforce

Inflation Continues, and Budgets are Hit Hard

The Workforce is Getting Younger and Priorities are Shifting

Tension Between Planners and Suppliers

Increased Desire for New Incentive Travel Destinations and Unique Experiences

Gift Cards Remain a Top Reward

Shifts in Use of Merchandise Rewards

Artificial Intelligence is Increasing Efficiency and Impact

9. https://theirf.org/research_post/irf-2024-trends-report/

SECTOR OUTLOOK

Embedding and leveraging AI

The IRF report also looks at the hot topic of AI. In our last report (2023 H2), we discussed the key role that AI can play in customer experience excellence, particularly around personalisation and reducing time & effort for the customer. Much of the IRF's observations mirror this, with their report outlining how AI can be used to enable greater personalisation in rewards and shift towards true individualisation, tailoring rewards to specific employees. Employee performance can be monitored and analysed in real-time, enabling the frequent feedback and rewards critical to motivating younger workers. AI can be used to mine data pools to identify patterns and trends, enabling organisations to make informed decisions on reward programmes and policies. Clearly, these analyses can be applied to customer behaviours, motivators and preferences too.

With generative AI having become the focus of many organisations' attention, a new report from KPMG provides timely advice and guidance to businesses. Three Ways to Make AI Work[10] sets out the three dominant models for AI usage and the journey that we are likely to see unfold in the coming years. These are:

- Agent Augmentation - the broad deployment of AI as a productivity tool across large user and employee populations
- Enterprise Augmentation - the deep insertion of AI-led multi-technology applications to solve specific operational and functional problems (e.g. automating risk processes or customer interactions)
- Cognitive Agents - the next generation development of AI native to the data of a discrete real-world process (e.g. a whole function such as Procurement that is effectively run by AI)

Most businesses are at the agent augmentation and/or enterprise augmentation stage. Agent augmentation may typically be a case of enabling staff to use generative AI to help produce content (marketing materials, campaign assets, articles etc) or extract/summarise information or data from other sources. A widespread example of enterprise augmentation is smart chatbots, supporting frontline customer service teams by handling many routine customer enquiries, responding to queries and even taking payments or checking refund statuses.

As KPMG's report underlines, wherever an organisation sits on the AI journey, key success criteria are:

- A clearly defined AI strategy that sets out agreed aims and outcomes
- A governance framework complete with policies and risk processes appropriate to the type of AI change you will focus on
- Clarity on the infrastructure, data and technology partners that will be needed, based on your strategy and goals
- Preparedness to deploy a broader transformation of other areas such as some key processes or aspects of the workforce model to support the technology changes and truly unlock the benefits.

In a tight market where retailers and leisure businesses need to continually find ways to increase revenues, enhance customer loyalty, and reduce operating costs, AI has the potential to be a key lever for success - including in the gift card arena.

A digital, crypto future?

Finally, if discussion of AI summons up visions of an almost science fiction future, another topic that we may see increasingly explored moving forward is the notion of digital money and cryptocurrencies. With gift cards themselves becoming increasingly digital and embedded in virtual wallets, could they themselves be considered a form of digital currency?

A recent KPMG report [11] explores the digital assets ecosystem and how it may evolve in the coming years. Taking in different formats including central bank digital currencies (CBDCs), tokenised deposits and stablecoins, the report reflects the fact that crypto transactions are already growing fast. For example, JP Morgan's stablecoin JPM Coin already has daily transactions exceeding £1 billion.

Across all the complexities of how these forms of digital money may develop, the financial market infrastructure implications, and how asset forms will be regulated and the potential risks managed, one of the key conclusions of the report is the need for cross-industry discussion and engagement. The gift card industry could have important perspectives to bring to this - and it's an area that we at the GCVA will be continuing to explore and discuss with members as we move forward into an ever more technology-driven future.

10. https://assets.kpmg.com/content/dam/kpmg/uk/pdf/2024/06/three-ways-to-make-ai-work.pdf
11. https://kpmg.com/uk/en/blogs/home/posts/2024/05/digital-money-market-perspectives-from-across-the-digital-assets-ecosystem.html

METHODOLOGY

GCVA Data Analysis

KPMG collect on GCVA's behalf, gift card sales data from data submitting members of the GCVA. The sales data is analysed across various dimensions, including market (business-to-consumer or business-to-business), sector (leisure or retail), by product (physical card, paper voucher, digital or e-voucher), by channel (direct, online, gift card malls or via third party), and also by method of redemption (closed loop, multi-choice or open loop).

The data relates to sales made in H1 – January to June; or H2 – July to December. Like-for-like growth compares sales for the half-year to the same half-year of the prior calendar year.

The data submitting members are retailers/issuers, and the data reflects the sales of their own gift cards. These members may be reflective of different stages of maturity in relation to gift card sales, from some members being at a start-up level to other members being well established in the industry. This may have an impact on member-level analysis, for instance, if a member has recently established a gift card programme.

When data submitting members begin or cease submitting to this analysis, historical data for their prior periods is collected or removed respectively. Like-for-like growth is therefore in relation to the same set of data submitting members, within the context of a given report.

The submissions are subject to a quality assurance process that includes commentary on significant movements by the data submitting members. However the data has not been subject to any formal assurance procedures, and accordingly no assurance can be provided by this report and related commentary on the accuracy of the data.

GLOSSARY

Statistics	**Like-for-like growth**	Growth of this period vs the same period 12 months ago i.e. 2024 H1 vs. 2023 H1
	Rolling Year Growth	Growth of the most recent 12 months vs the previous 12 months i.e. 2024 H1 + 2023 H2 vs. 2023 H1 + 2022 H2.
Markets	**B2B**	Business-to-business. Sales made to other businesses or organisations.
	B2C	Business to consumer. Consumer vouchers and cards sold to consumers or individuals for personal use or gifting.
Sectors	**Retail**	Products sold that allow consumers to primarily redeem against retail products, e.g. clothing or electrical goods.
	Leisure	Products sold that allow consumers to primarily redeem against leisure services, e.g. experiences, hospitality, travel, and entertainment.
Redemption Types	**Closed Loop**	Gift cards that are issued and redeemed by the same company. Closed loop cards are usually facilitated using the issuers till systems and do not require the use of a network such as a Visa or MasterCard. This redemption type does not include category cards such as Book Tokens.
	Multi-Choice	Gift cards that are accepted at a select range of retailers. Usually requires the use of a network such as Visa or MasterCard or a link between participating members' systems. This redemption type includes category cards such as Book Tokens and Restaurant Choice cards.
	Open Loop	Gift cards that require the use of a network such as Visa or MasterCard and are accepted at any outlet displaying the network logo.
Products	**Paper Vouchers**	Traditional paper gift vouchers transacted via a bar code or serial number.
	Physical Gift Cards	Card vouchers transacted via a bar code or serial number.
	Digital Gift Cards	Virtual or digital vouchers used for online purchases and redemptions only. There is no physical card or voucher given to a customer as the e-voucher is sent via an email. This excludes all promotional codes.
B2C Channels	**Direct Sales**	Sales made direct to a consumer from within a store or over the counter.
	Online	Sales made via the member's own online purchasing facility or through an online affiliate.
	Gift Card Mall	Sales made via another retailer's gift card mall. All sales via gift card malls should be recorded as consumer sales. This is your gift card sales only, if you host a gift card mall do not include the sales of other gift cards, these will be reported by the issuer of the gift card.
	Third Party	Sales made via any other retailer or channel direct to the consumer. These are physical sales and not online sales. E.g. if you have an agreement with another retailer.
B2B Channels	**Human Intervention**	Sales made to B2B Customers that require human intervention to place the order e.g. via a call centre or account manager.
	Automated	Sales made to B2B Customers that did not require human intervention to place the order e.g. via a web portal or API.

GLOSSARY

B2B Sub Markets	**Benefits, Employee Savings & Salary Sacrifice**	Sales made to B2B Customers for the purposes of providing that business's employees with benefits, savings or salary sacrifice benefits.
	Rewards & Incentives	Sales to B2B Customers for the purposes of providing that business's stakeholders (suppliers, customers, vendors) with rewards and incentives for doing business with them.
	Acquisition	Sales to B2B Customers for the purposes of that business acquiring new customers.
	Insurance Replacement	Sales to B2B Customers for the purposes of that business providing insurance replacements to their customers.
	Charities & Grant Giving	Sales to B2B Customers for the purposes of charitable donations or grant giving to volunteers.
Redemption	**In store**	Gift-card/vouchers redeemed via a physical point of sale in-store. (This excludes 'Click and Collect' & 'Online Food Ordering' where redemption is via an online channel).
	Online	Gift-card/vouchers redeemed via an online channel. This includes 'Click and Collect' & 'Online Food Ordering' where redemption is via an online channel, though the physical collection/consumption of the good may happen in-store.
Mobile Wallets	**Provisioning**	Digital gift-cards/vouchers issued then subsequently provisioned into either a digital wallet (e.g. Apple Pay, Google Pay), generic voucher App, or brand specific Apps that allows credit to be added - e.g. like the Starbucks App. (For completeness, this excludes emails/SMS containing e-codes/barcodes/QR codes, etc).

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Gift Card & Voucher Association

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