



February 2025

GCVA
Consumer Report

Vol.
55



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

The January fieldwork went to field on February 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 2.8% in 2025, boosted by inflation but also by positive volumes
- Stronger start to 2025 for gifting
- Self-use purchasing displays its strong relevance over January
- UK consumers see gift cards as a medium for supporting local businesses
- Physical gift cards were most favoured over January
- Multistore gift cards bounce back strongly
- Experience, Leisure, and Gaming gift cards all performed strongly over January

Retail spending growth set to improve to 2.8% in 2025, boosted by inflation but also by positive volumes



Following 1.7% growth to £451.4bn in 2024, retail spending growth is forecast to ramp up to 2.8% in 2025. We expect inflation to remain at a similar level to 2025 - 2.1% - as retailers, particularly grocers, increase their prices to cope with higher wage costs. Volumes are expected to increase by 0.7% in 2025, marking the first positive growth since 2021. This rise is driven by stronger wage growth in 2024 and more stable inflation compared to recent peaks, making shoppers feel more confident. However, not all households will experience this benefit equally. For those needing to re-mortgage and facing much higher monthly payments, household spending will be squeezed.

Online Channels

The online channel is expected to grow by 4.0% in 2025, up from 2.8% in 2024 and 2.0% in 2023, following the surge seen during the pandemic when online penetration surpassed 30%. In 2025, online penetration will increase to 27.5% and continue to rise gradually through 2029, driven by faster growth in the online food market as retailers enhance their offerings to attract more shoppers.

Grocery outlook

The food & grocery market is expected to grow by 3.6% to £201.6bn in 2025, with food inflation rising to 3.2% for the full year, an acceleration on 2024. For the first time in three years, volumes are expected to be positive for the full year, 0.6ppts higher than 2024 at 0.4%. 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 and footwear market is expected to return to growth in 2025 after two years of significant declines, with spending projected to rise by 1.0% to £60.4 billion. This recovery will be supported by a gradual easing of macroeconomic challenges, leading to a slight improvement in consumer confidence. However, the growth will remain modest, driven primarily by inflation, which is forecast at around 1.2%. As a result, volumes are expected to decline for the third consecutive year, falling by 0.2%.

Stronger start to 2025 for gifting



The 32.3% of consumers that bought physical gifts, gift cards or made self-use gift card purchases over January 2025 was slightly higher than January 2024 (45.9%). With a lack of seasonal gifting events over the month, this uptick reflects a broader recovering in consumer finances, which has subdued the typical post-festive lull in demand. This year-on-year increase in gifting demand benefitted both physical gifts and gift cards, which both saw higher purchase penetration.

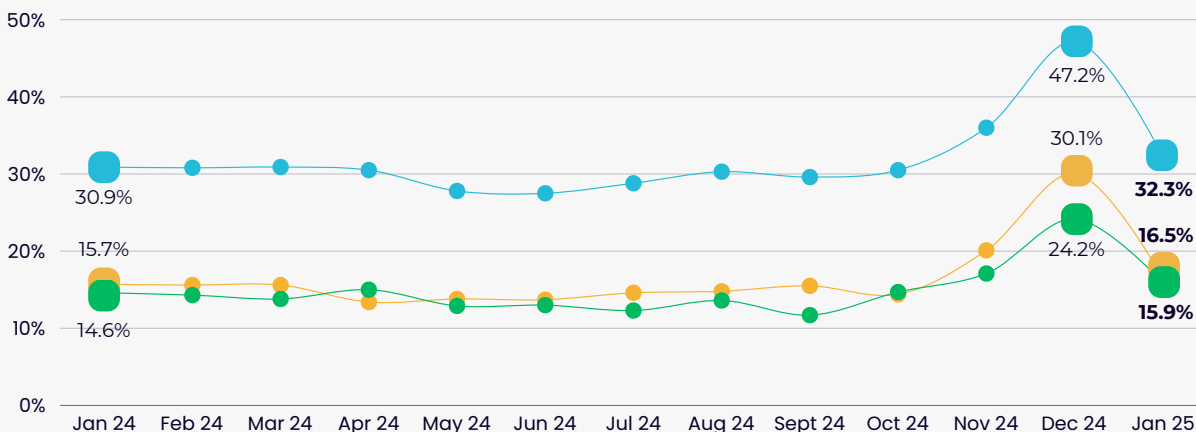
However, it is important to note that this improvement is not being felt evenly across UK households. Of those that didn't purchase gifts cards over January, over a fifth (21.2%) said they didn't because they have cut back significantly on my non-essential spending, which was markedly higher than those citing this same reason in January 2024 (11.1%).

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Figure 1:

Did you purchase any of the following:

- Gifts, either in the form of physical gifts or gift cards for other people, or self-use gift card purchases
- A physical gift for somebody else
- A gift card for somebody else



Self-use purchasing displays its strong relevance over January



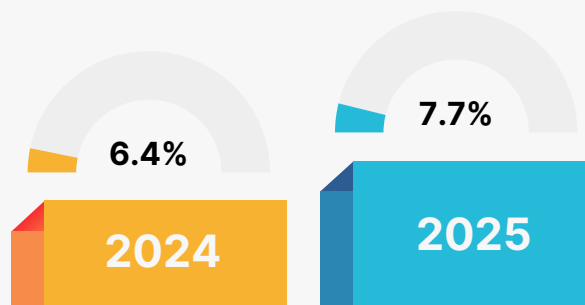
In January 2025, 7.7% of UK consumers reported purchasing gift cards for self-use, up from 6.4% in January 2024. This trend reflects greater financial flexibility among UK shoppers as household finances continue to improve. Gift cards are increasingly seen as a tool to support consumers during or after periods of higher spending, while also helping with saving and budgeting. Notably, 43.8% of those buying self-use gift cards cited “to help with saving money” as their primary reason.

The rise in self-use gift cards also coincided with consumers looking to regain financial stability after the festive season. This demand was further supported by employers increasingly using gift cards as a means of providing incentives and additional support to employees. As a result, January 2025 also saw a parallel increase in the purchase of physical gift cards through workplace reward programs.

Figure 2:

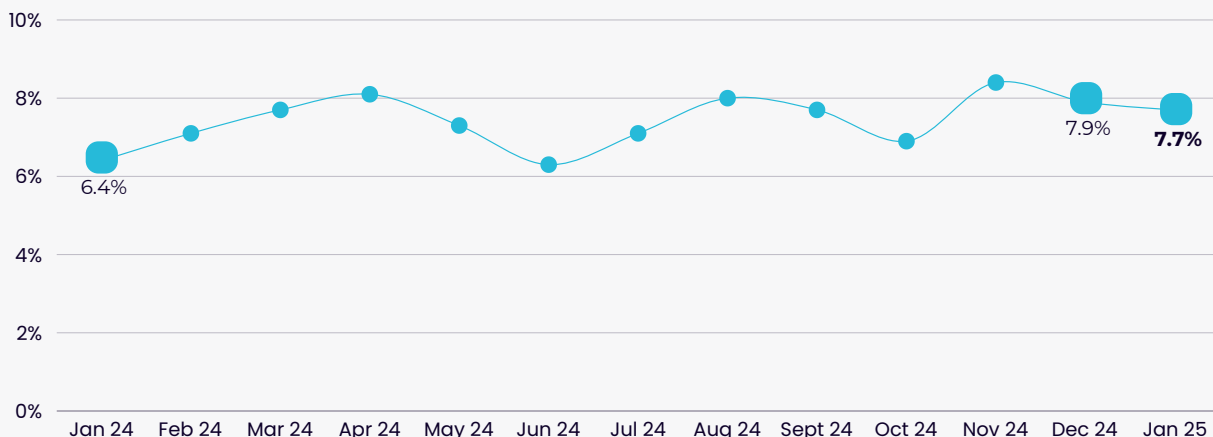
Purchasing a gift card for yourself - January 2024 vs January 2025:

- January 2024
- January 2025



Did you purchase any of the following:

- A gift card for yourself



Physical gift cards were most favoured over January



Physical gift cards purchased instore and purchased online both outperformed over January, with a year-on-year increase in gift card buyers purchasing these options. As demonstrated in the respective performance of gift card formats over peak 2024, physical gift cards continue to be viewed as more thoughtful gifting options. Moreover, physical formats have benefitted from greater choice within physical stores, and the rise of gift card categories such as entertainment, leisure, and gaming, which have represented strong modern-day alternatives to declining gifting categories such as physical media.

Physical formats have benefitted from greater choice within physical stores

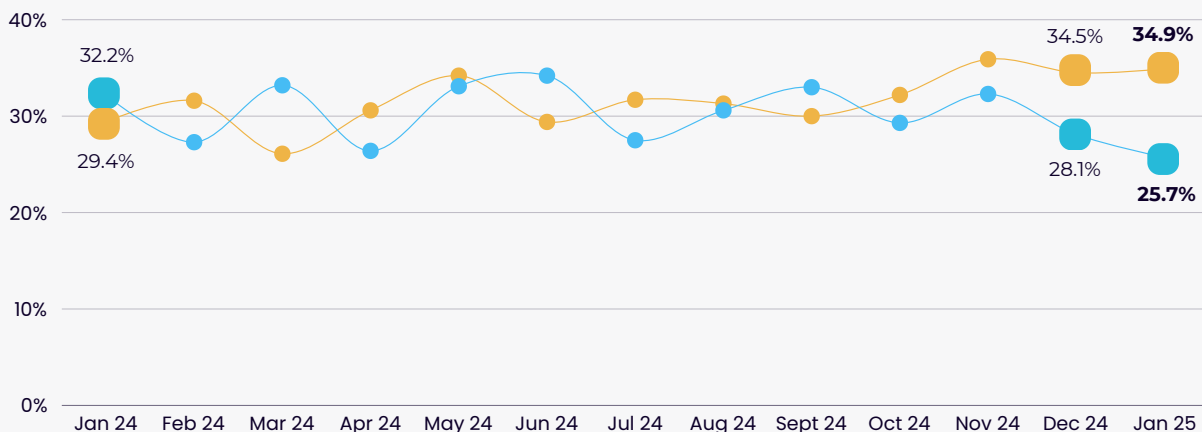
In contrast, there was a marked year-on-year decline in the proportion of gift card buyers purchasing digital options. However, while digital was less influential over the month, shopper expectations continue to rise when

it comes to cross-channel purchasing and redemption. In January 2025, 52.2% of respondents agreed with the statement “I expect all gift cards to be usable across all of the retailer’s sales channels”, compared to 39.4% who expressed the same sentiment in January 2024.

Figure 3:

Which type of gift cards did you purchase?

- A physical gift card from a retailer/gift card issuer online
- A digital gift card from a retailer/gift card issuer online



Multistore gift cards bounce back strongly



Reflective of a lack of major seasonal gifting occasions, single-brand retail gift cards underperformed over January, with 49.2% of gift card buyers purchasing compared to 57.6% in December 2024, and 53.6% in January 2024.

In contrast, following a weaker December, the proportion of gift card shoppers purchasing multi-store gift cards (40.9%), increased both vs. December 2024 (34.3%) and January 2024 (35.2%).

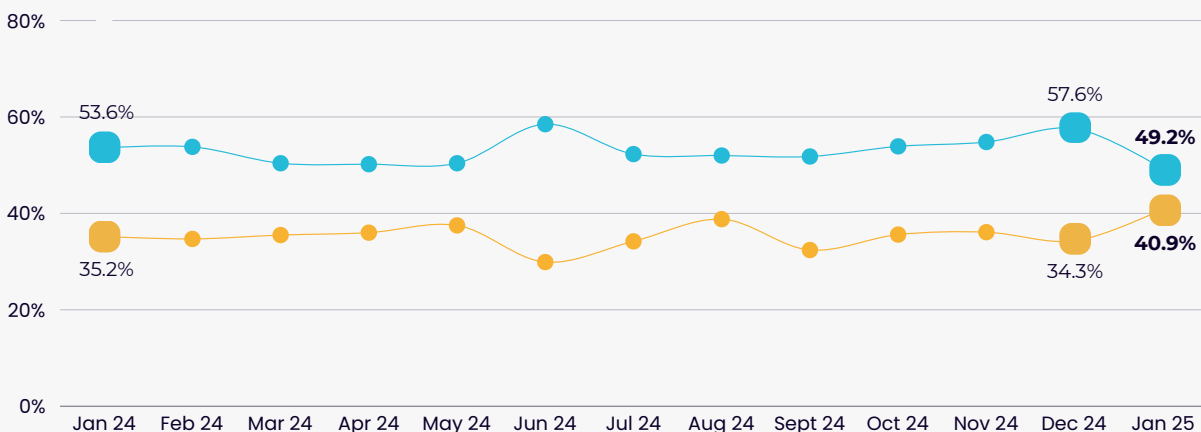
Multi-store cards have the potential to overcome lingering consumers concerns around the lack of flexibility that gift cards provide compared to other payment options.

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, Leisure, and Gaming gift cards all performed strongly over January



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 January 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. Demand was also boosted by an increase in supply, with many national, regional,

and local leisure and experience businesses introducing options.

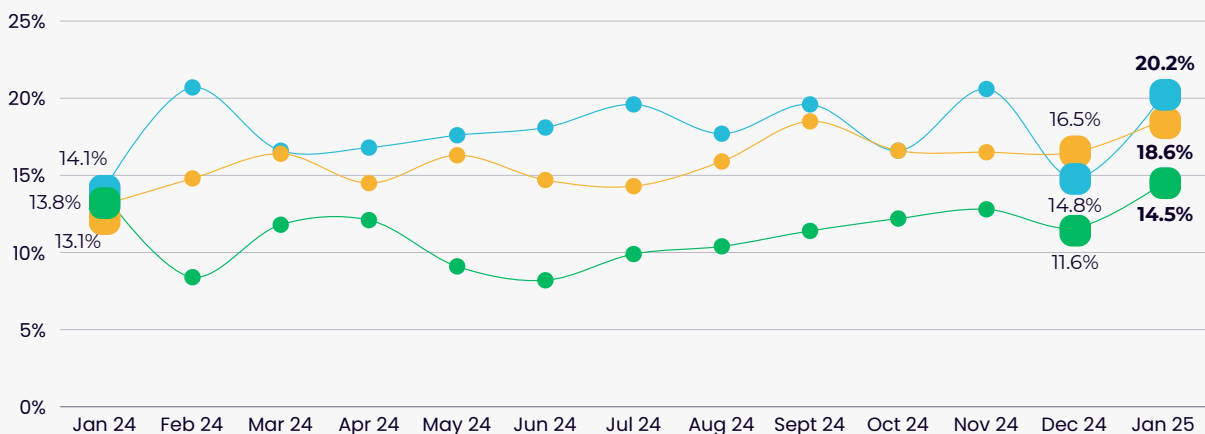
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Gaming cards also performed strongly and will have benefitted directly from Christmas-related games hardware and software gifting. This is particularly considering the popular of video games such as EA FC 25, which encourage additional in-game purchases.

Figure 5:

Experience, Leisure, and Gaming gift cards all performed strongly over January

- An experience e.g. hot air balloon ride, helicopter ride, hotel stay
- Leisure e.g. Travel, theatre tickets, spa, dining
- Gaming e.g. online gaming credit and in app purchases

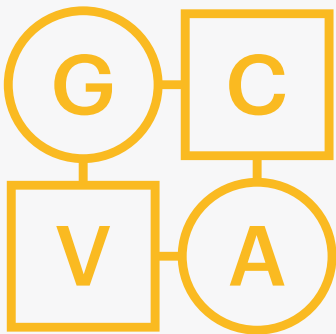


UK consumers see gift cards as a medium for supporting local businesses



There continues to be evidence that many are being proactive in purchasing gift cards to funnel support to local companies. Over January 2025, 29.3% of UK consumers agreed with the statement “I have/will purchase gift cards with the intent of supporting companies that I like”. This is almost triple the 13.7% who expressed this sentiment in January 2024.

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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.

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

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