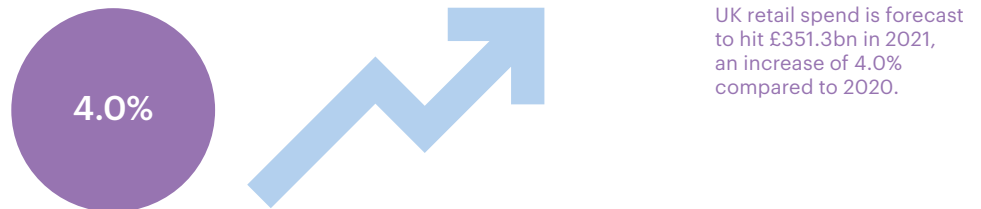


The GCVA is partnering with GlobalData to deliver a monthly snapshot of consumer behaviour and attitudes when it comes to gift cards. This is the 16th wave of monthly research, since GlobalData began tracking, back in May 2020, with the initial research covering the period from the beginning of lockdown (in March 2020), to the end of May 2020.

The August fieldwork went to field on September 1st, 2021 and was designed to explore habits over August 2021. A UK nationally representative sample of 2,000 shoppers was surveyed. On the time-period comparisons, this wave covers the August 2021 calendar month, with comparisons made between August 2021 and July 2021. Where relevant, comparisons have also been made to the 16-month period.

Non-food retail  
demand remained  
muted over H1 2021



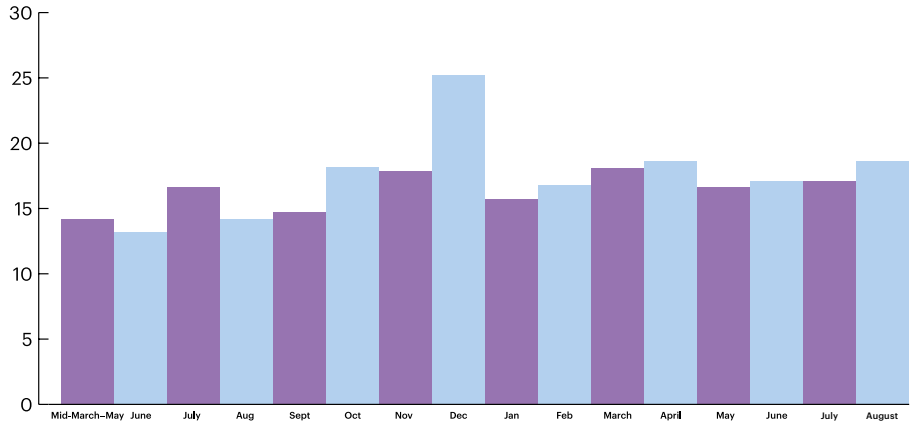
UK retail spend is forecast to hit £351.3bn in 2021, an increase of 4.0% compared to 2020. While restrictions remained in place for most of H1 2021, H2 signals the start of the opportunity for retail to begin its recovery after the pandemic. Since the lifting of all restrictions in England on 19 July consumers have begun to spend more on non-essential items such as beauty and clothing, as they visit restaurants, bars and clubs once again. With just over 80% of the UK adult population having had both vaccinations, and the UK beginning preparations to offer booster jabs to the elderly and clinically vulnerable, the hope is that the recovery for the retail sector will be able to carry on without the disruption brought about by COVID-19 driven restrictions.

After a buoyant 2020, the food & grocery market is forecast to decline in 2021, with expenditure expected to decrease by 0.9% to £168.5bn. While demand for this sector remained resilient in the first half of 2021, as non-essential stores and hospitality venues opened, consumers have returned, in part, to the foodservice industry spending more on dining out and other social activities. Despite this weaker performance overall, online food & grocery is forecast to continue to thrive, with online revenue set to grow by 23.3% against a strong comparative year. The clothing and footwear market continued to be heavily impacted by the pandemic during the first half of 2021, as non-essential stores were forced to close amid the national lockdown and consumers remained reluctant to make discretionary purchases. The fast roll-out of the vaccine and the subsequential easing of restrictions has allowed the sector to experience stronger recovery in H2, as the recommencement of social events caused a rapid surge in demand for apparel products. However, this will not be enough to salvage the spend lost towards the beginning of the year, with the market forecast to stay 14.0% lower than 2019 levels in 2021.

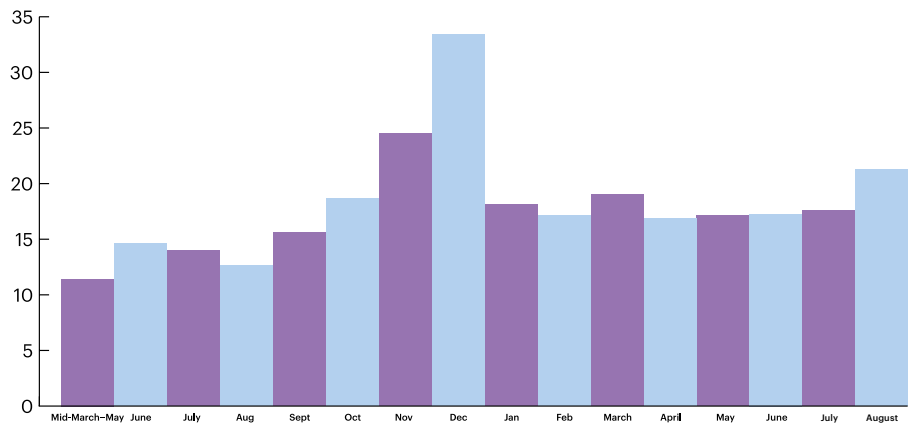
The Home market is set to outperform overall retail for 2021, due to a strong performance during the first half of the year; this is as a result of the strong housing market and increased shopper confidence when buying home products online. The sectors are also set to benefit again from shoppers transferring money which had previously been earmarked for foreign holidays into the home. However, growth during the second half of the year is set to moderate as the reopening of leisure activities encourages spend within other categories such as clothing, and supply chain disruptions causes stock issues for Home retailers.

There was an increase in gift purchasing over August

Did you purchase any of the following:  
A gift card for somebody else



Did you purchase any of the following:  
A physical gift for somebody else



August saw further easing of COVID restrictions, with self-isolation guidelines removed for double-jabbed close contacts. This significantly reduced the impact of the ‘pingdemic’ which had previously impacted the ability of consumers being able to freely visit retail, leisure and foodservice operators, and also the ability for these companies to maintain staffing levels. This change also coincided with the summer holiday period, which increased the opportunity for many consumers to engage in the types of social engagements that are traditionally favourable to gifting demand.

The positive impact of this further reduction of restrictions was reflected in consumer gifting behaviour. 38.3% of respondents purchased gifts either in the form of physical gifts or gift cards for other people, or self-use gift card purchases, compared to 34.1% in July. With the exception of the run-up to Christmas 2020 – over November and December 2020 – this represented the highest level of gift purchasing since GlobalData began tracking, back in May 2020.

Gift cards saw further gains over August



Purchasing a gift card for someone else increased to 18.6% in August, vs. 17.0% in July.

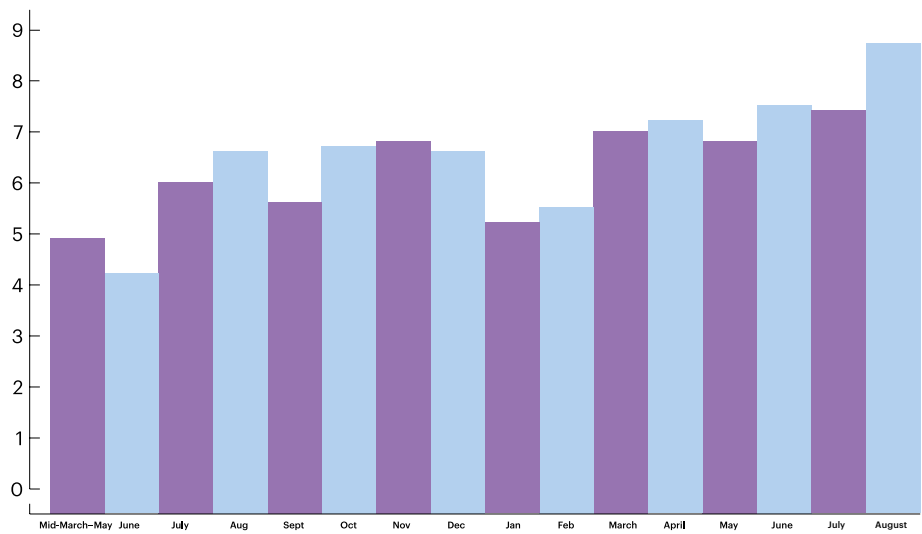
The proportion of consumers purchasing a gift card for someone else increased to 18.6% in August, vs. 17.0% in July. With the exception of November and December 2020, this rate of purchase was, again, the highest GlobalData began tracking. It was also comfortably higher than August 2020, when 14.7% of UK consumers purchased gift cards for someone else. With most restrictions lifted across retail, leisure and foodservice operators, gift cards have been an ideal option to facilitate the types of pre-pandemic social activities that have been restricted for large parts of the last 17 months.

Self-use purchasing increased again over August

The proportion of respondents purchasing gift cards for self-use increased to 9.3% over August vs. 7.9% in July. This represented the highest rate of purchasing since GlobalData began tracking, back in May 2020. Self-use purchasing is being driven by a number of factors, including making it easier to shop online (mentioned by 41.3% of self-purchasers), and the potential of gift cards to support with saving money (mentioned by 42.7%).

The rise of self-use represents a more general indication of the growing relevance of gift cards, particularly through the pandemic. This is reflected by the 39.6% of self-purchasers that agreed that they now “regularly purchase gift cards for myself”, the highest level since GlobalData began tracking, back in May 2020.

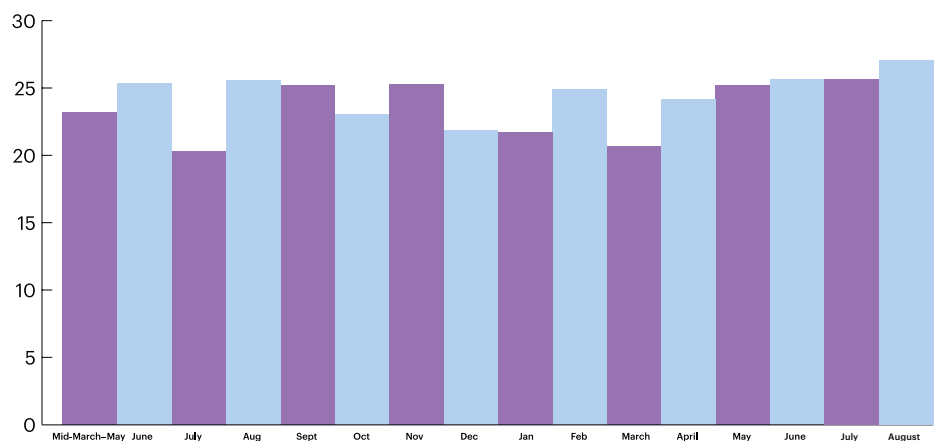
Did you purchase any of the following:  
A gift card for yourself



Purchasing through work incentive programmes has grown in importance through the pandemic

Partially linked to, and a driver of, the rise in gift card self-use has been the increase in purchasing through work reward programmes. Over August 2021, the proportion of gift card purchasers buying physical gift cards through this channel was 27.2%. This represented the highest level since GlobalData started tracking and reflects a greater proportion of workers returning to the office, albeit as part of increasingly hybrid working patterns.

Which type of gift cards did you purchase?  
A physical gift card through an employee benefits programme

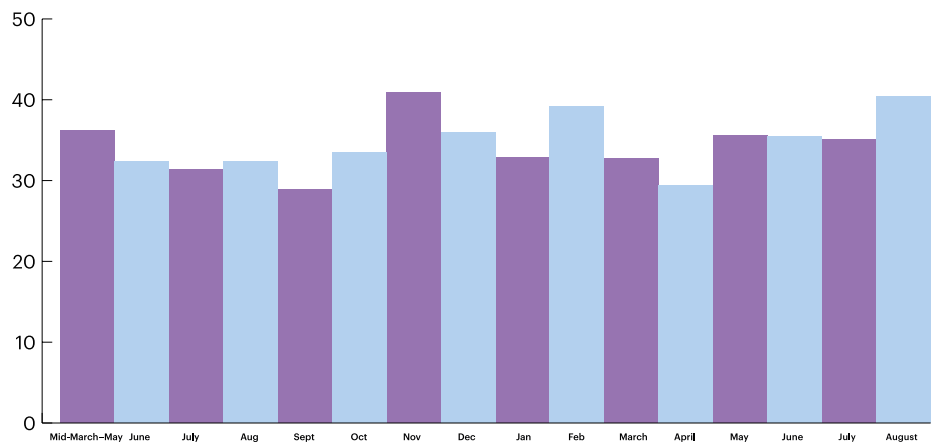


Online gift cards purchasing bounced back over August

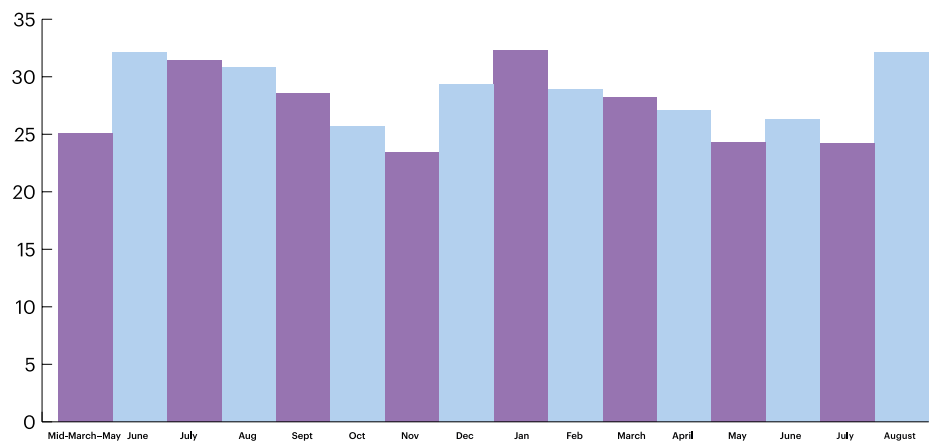
Following two months of slight decline, the proportion of gift card buyers purchasing physical cards online increased to 40.4% over August, one of the highest levels since GlobalData began tracking. There was also a boost in the proportion buying digital gift cards, at 32.1% in August vs. 24.2% in July. At the same time, the proportion of gift card buyers purchasing physical gift cards from physical stores declined slightly, to 48.0% in August vs. 50.6% in July.

The pandemic has permanently cemented the greater influence of digital purchasing and redemption. 36.4% agree that they “expect all gift cards to be cross-channel”, with 33.6% of gift card shoppers claim to have converted to digital gift cards – both measures at their highest level of agreement since GlobalData began tracking.

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



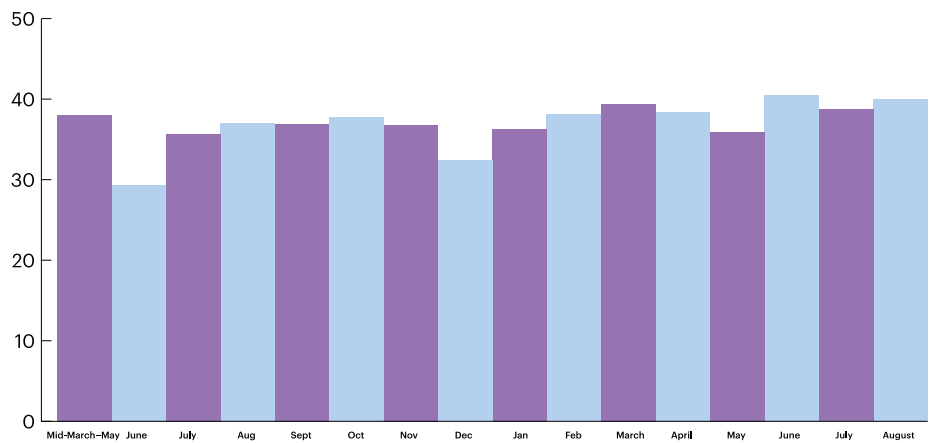
Both retail and multi-store gift card types saw growing penetration over August

The proportion of gift card buyers purchasing single store gift cards increased to 50.4% over August vs. 45.3% over July. At the same time, the proportion purchasing multistore gift cards increased again, to 40.4% over August vs. 35.1% in July.

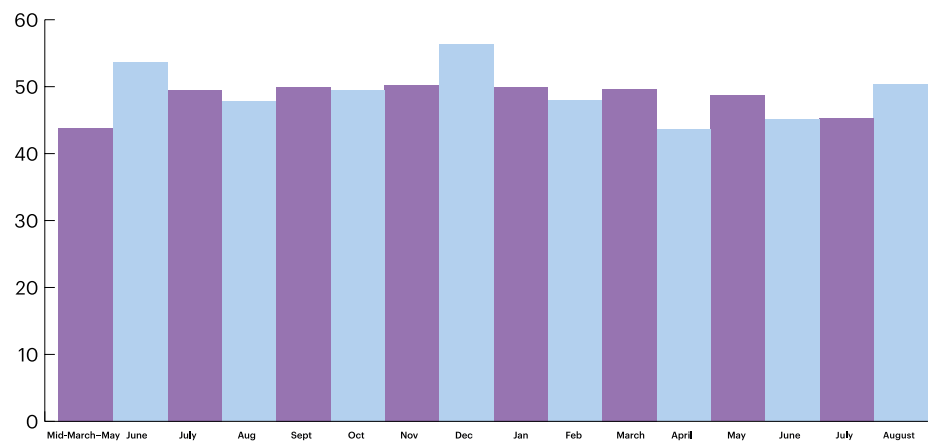
The increasing penetration of both types of retail gift cards reflects a number of drivers. Firstly, gift cards themselves have found strong resonance and growing relevance during the pandemic, with 41.8% of gift card buyers claiming that they now regularly purchase gift cards as gifts, easily the highest level since GlobalData began tracking. Secondly, growing demand for retail gift cards reflects the gradual opening up of non-essential retail, and increased inclination for shoppers to undertake the same types of physical social, shopping trips that they were pre-pandemic. Thirdly, it also points to the growing propensity for older demographics to return to physical retail; 29.1% of Baby Boomer gift cards buyers purchased a multi-store retail gift card over August vs. 25.9% over July.

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



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

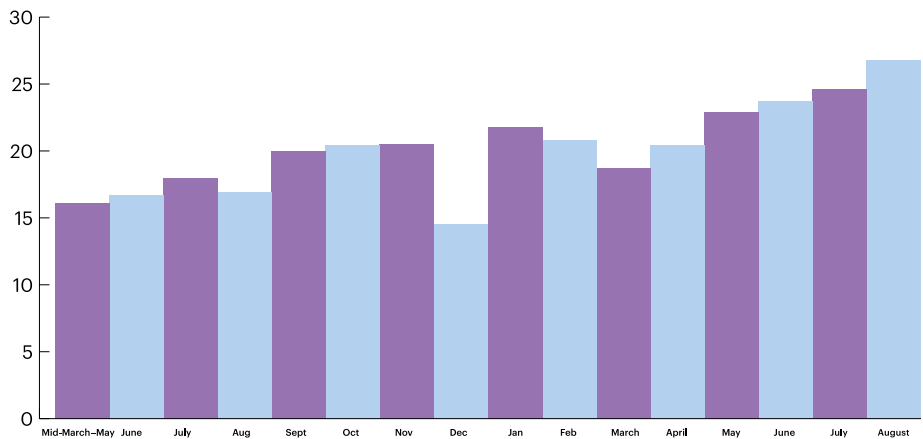


Staycations drive greater spending on experience gift cards

While double-vaccinated UK consumers are finally seeing a relative relaxation around the rules of holidaying abroad, Summer 2021 has again been one for staycations. This is particularly given that it has coincided with the loosening of many of the remaining restrictions for leisure, experience and hospitality businesses. With August overlapping with the summer holidays for many UK families, this inevitably led to a further boost in demand for experience and leisure. The proportion of gift card buyers purchasing experience gift cards (for pursuits such as hot air balloon rides, helicopter rides, and hotel stays) increased to 26.8% over August vs. 24.6% in July. At the same time, the proportion purchasing leisure gift cards increased to 18.4% over August vs. 14.5% in July. Both of these gift card types saw their highest rate of purchasing since GlobalData began tracking.

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



Gift cards have an important role in supporting local businesses

Gift cards have proved an increasingly important medium through which shoppers have been able to funnel financial support to local retail and leisure businesses, while these businesses have been heavily restricted in their ability to trade. 34.3% of consumers purchasing a card for self-use cited “I want to support local businesses and/ or my local high street’ as a key driver of purchase over August 2021 – the highest level since GlobalData began tracking.

Moreover, almost a third (31.5%) agreed that they are/will continue to purchase gift cards “with the intent of supporting companies I like”, and 37.5% agreed that “I have noticed that more local businesses have started to sell gift cards”.

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? Please select all that apply

An experience e.g. hot air balloon ride, helicopter ride, hotel stay

