



Press release

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Digital Gift Cards Overtake Physical Cards for the First Time in the UK: GCVA 2024 H1 Report Unveils Key Industry Milestone and Sustained Market Growth

The Gift Card & Voucher Association (GCVA) has released its 2024 H1 report, revealing a pivotal shift in the UK gift card market. For the first time, digital gift cards have surpassed physical gift cards in market share, now constituting over 50% of total sales (up from a market share of 30% as recently as 2019).

This milestone underscores the growing importance of digital solutions in the gift card sector, driven by their convenience, flexibility, and adaptability to modern business needs. In particular, it has been the adoption by companies increasingly integrating digital gift cards into reward programmes and customer loyalty strategies, that has seen their popularity surge.

Physical gift cards continue to hold their place, despite this recent rise in digital products. In both consumer and business settings, physical cards provide a tangible, personal touch, especially valued during traditional gifting occasions. GCVA's H2 data will show whether physical cards continue to hold this position in the key festive sales period.

The GCVA 2024 H1 report provides a comprehensive analysis of the market's performance, showcasing its remarkable resilience and adaptability amidst a challenging economic backdrop. The report highlights a notable 9.5% like-for-like sales growth compared to H1 2023 and an 8.3% increase on a rolling year basis, reflecting a strong recovery and robust demand across the sector.

Key Findings from the Report:

- **Digital Gift Cards Take the Lead:** Digital gift cards now command 52% of the market share, with sales surging by 17.1% in H1 2024. This significant shift reflects the growing preference for digital options, which offer benefits such as instant delivery, customisation, and insightful data analytics, making them ideal for employee rewards, customer retention, and promotional campaigns.



- **Leisure Sector Outpaces Retail:** The Leisure sector, encompassing experiences, hospitality, travel, and entertainment, continues its impressive growth trajectory with a 15.5% increase in like-for-like sales and a 24.6% rise over the rolling year. This marks the sixth consecutive period that Leisure has outperformed the Retail sector, highlighting a sustained consumer appetite for experiences.
- **Strong Performance in the B2B Market:** The B2B segment remains a dominant force, particularly in Employee Benefits, which witnessed a 16.9% growth in sales. This underscores the critical role of gift cards in corporate strategies aimed at enhancing employee satisfaction and engagement through innovative reward and incentive programmes.
- **Retail Sector Shows Promising Growth, Led by Grocers:** Within the Retail sector, Grocers emerged as the standout performers, recording a 23.2% increase in like-for-like sales.
- **Optimistic Economic Outlook for H2 2024:** Despite the broader economic challenges, the gift card market has demonstrated significant resilience, outstripping overall retail sales growth. With the festive season approaching, industry stakeholders are keenly watching to see if digital gift cards will continue to dominate or if physical cards will experience a resurgence as consumers prepare for holiday gifting.

Hannah Shimko, Managing Director of the GCVA, commented:

"The rise of digital gift cards is a landmark moment for our industry, highlighting the shifting preferences of both consumers and businesses. This trend underscores the innovation and flexibility inherent in the gift card market, which continues to adapt and grow despite economic headwinds. As we approach the crucial Christmas period, it will be intriguing to see how these trends evolve and shape the future of the market."

Don Williams, Retail Partner at KPMG UK, added:

"The UK gift card and voucher market remains a bright spot in a challenging retail landscape. Despite the summer of sport and some easing of pressure on household finances, consumer spending and confidence remain subdued, with BRC data showing flatlining retail sales at 0.2% in June 2024 and the GFK consumer confidence index for August sitting at -13%.



"However, the gift card sector defied this trend with 9.4% like-for-like growth. Growth was highest (16.9%) in B2B, where employee benefit schemes are proving particularly valuable for businesses seeking to support their staff. Grocery gift cards saw a 23.2% like-for-like sales increase, perhaps reflecting a focus on essential spending.

"Digital gift cards achieved a majority (52%) market share for the first time, perhaps a watershed moment for the industry. Continued investment in digital offerings remains essential to ensure the customer journey is as smooth and convenient as possible on both purchase and redemption. Looking ahead, gift card providers should focus on a seamless customer experience whether in or between digital or physical channels and provide the flexibility consumers demand."

For further information and to download the full GCVA 2024 H1 report, visit [GCVA's website](#).

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Notes to Editors

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About the GCVA

The Gift Card & Voucher Association (www.gcva.co.uk) was established as a trade body to represent the key players in what is today a £7 billion gift card and stored value solutions market. With more than 90 members representing key retailers, issuers, and suppliers the GCVA provides an information and reference point for the Gift Card & Voucher industry and is at the forefront of the issues affecting the industry.

Its main objective is to provide a platform and infrastructure for the industry and to raise the profile and use of gift cards and vouchers within the UK, promoting the industry to consumers, businesses, government, and other interested parties.



The GCVA is the key industry organisation to share new ideas, innovate and promote best practice with the UK gift card and voucher industry. It runs a programme of events, meetings, research projects and updates throughout the year, including its flagship Conference.