

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 50th wave of monthly research, since GlobalData began tracking back in May 2020, with the initial research covering the period from the beginning of the lockdown (March 2020) to the end of May 2020.

The June fieldwork went out to field on July 1st, 2024, and was designed to explore habits over June 2024. A UK nationally representative sample of 2,000 shoppers was surveyed. For time-period comparisons, this wave covers the June 2024 calendar month, with comparisons made between June 2024 and June 2023. Where relevant, comparisons have also been made to the wider tracking period.

### Retail spending growth to slow to 2.1% in 2024 as inflation recedes

Following growth of 4.5% to £388.1bn in 2023, retail spending growth is forecast to slow to 2.1% in 2024. In Global Data's latest projection (June 2024), inflation will drop sharply from 9.4% to 2.0% as the cost pressures that have pushed it higher, particularly energy price hikes, fall out of the calculation. Volumes are forecast to rise marginally in 2024, following two years of significant declines (around 5%), reflecting how shoppers are remaining cautious coming out of the cost-of-living crisis. Despite this, real earnings growth, combined with the further cut to National Insurance will create a more supportive context for discretionary spending and we expect spend growth to improve throughout the year. 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.

Growth in the food sector and prioritisation of essentials will continue to be the driving force of total retail spend in 2024 with non-food sectors continuing to lag behind, forecast to rise 0.9% and health & beauty set to be the only non-food area to experience notable growth, of 5.4%.

The online channel will see improved growth of 2.8% in 2024 following a rise of just 0.6% in 2023 and a decline of 9.9% in 2022, after the heights of the pandemic when online penetration reached over 27%. Online penetration will rise marginally in 2024 to 22.9% and slowly rise out to 2028 with more rapid growth coming from the online food market as retailers' proposition improvements entice shoppers.

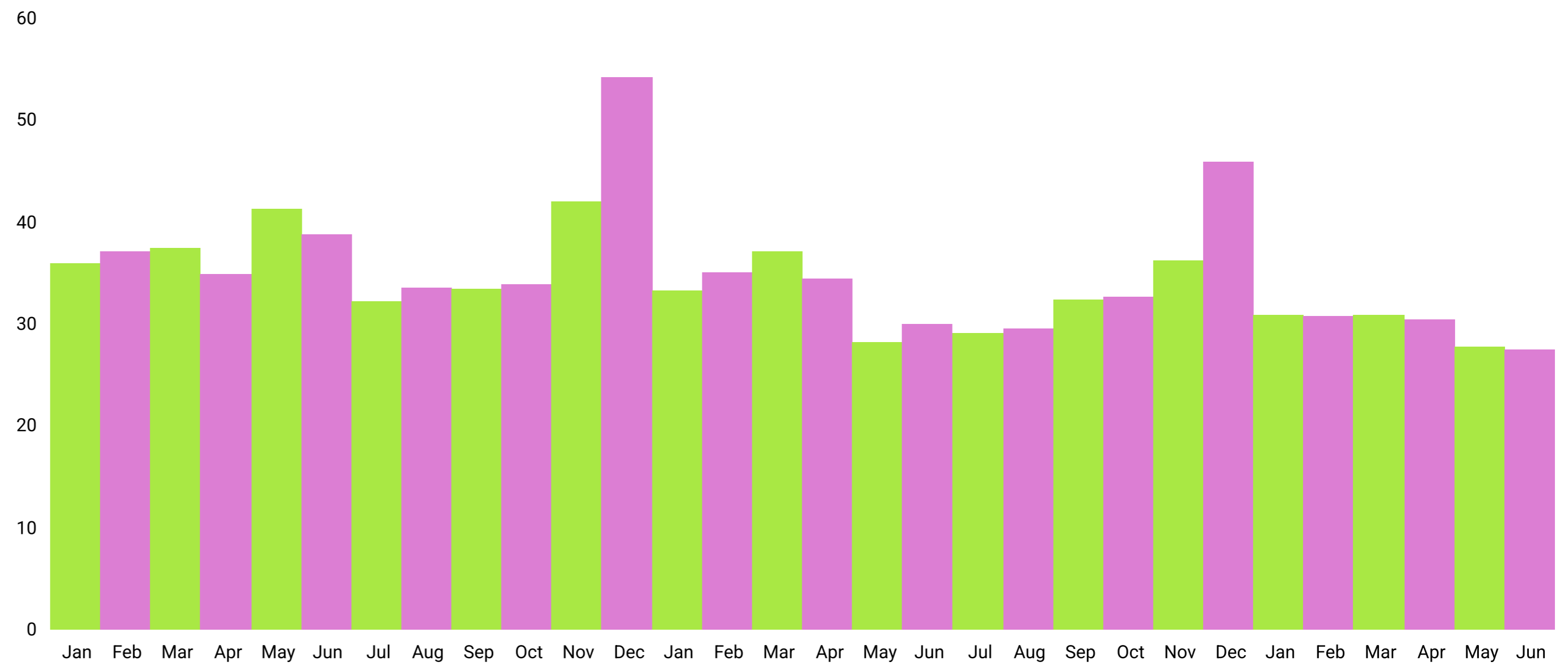
### Despite Father's Day, gifting demand remained weak over June

Despite Father's Day falling in the month, just 27.5% of UK consumers bought physical gifts, gift cards or made self-use gift card purchases. This was lower than both May 2024 (27.8%), and June 2023 (30.0%). Indeed, it was the lowest rate of monthly gift purchasing since June 2020. Amid continued tight household finances, 2024 has seen consumers prioritise seasonal events spending, with Father's Day and Valentine's Day experiencing weak demand, in favour of Mother's Day and Easter.

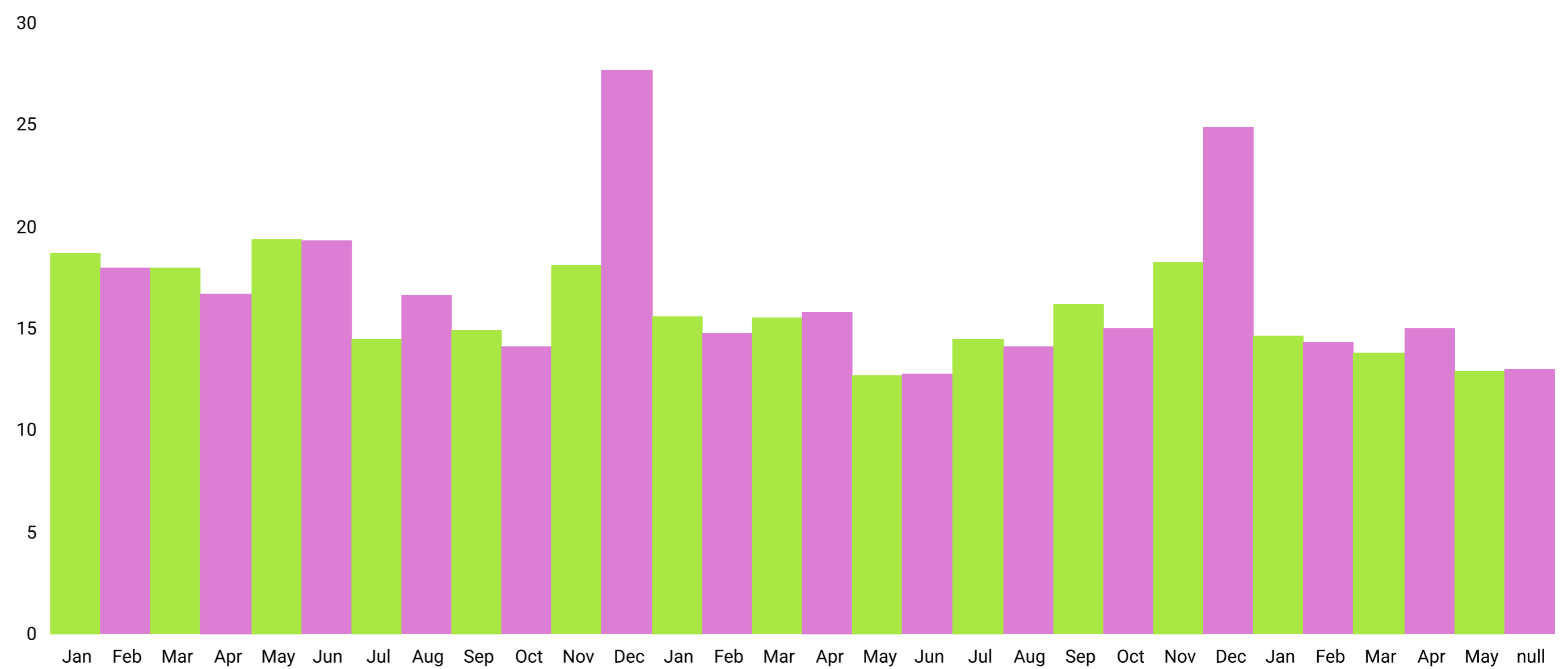
This year-on-year June decline was driven by physical gifts (13.7% vs. 16.2%). In contrast, gift cards experienced a positive performance, with 13.0% purchasing, compared to 12.8% in June 2023.

Despite this year-on-year decline in gift purchasing, the actual value performance of the gifting market has continued to be partially boosted by inflation, which has offset some of the volume decline.

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**



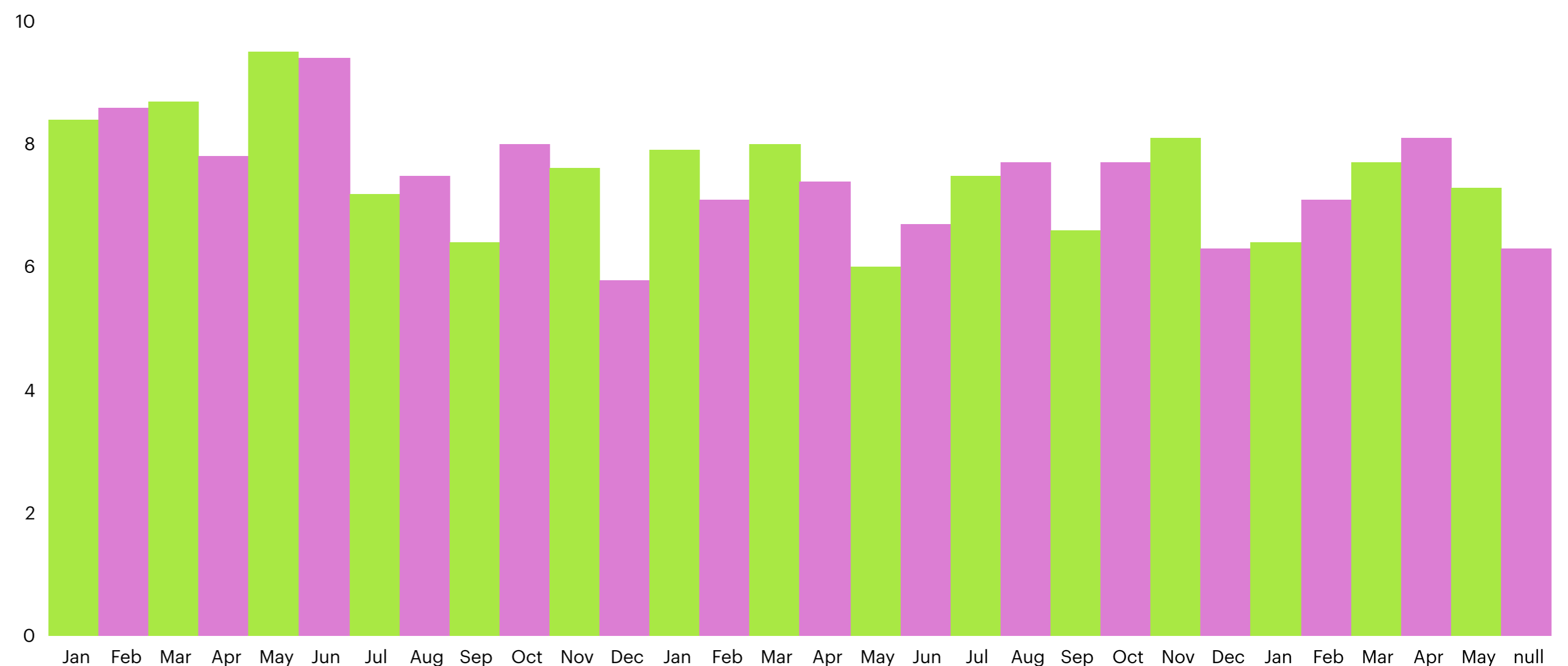
Did you purchase any of the following?  
**A gift card for somebody else**



Self-use is playing a key role in saving and budgeting in 2024

While self-use purchasing saw a slight year-on-year dip over June 2024 (6.3% vs. 6.7%), we expect it to continue to play an important role over the remainder of 2024 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 42.9% over April 2024.

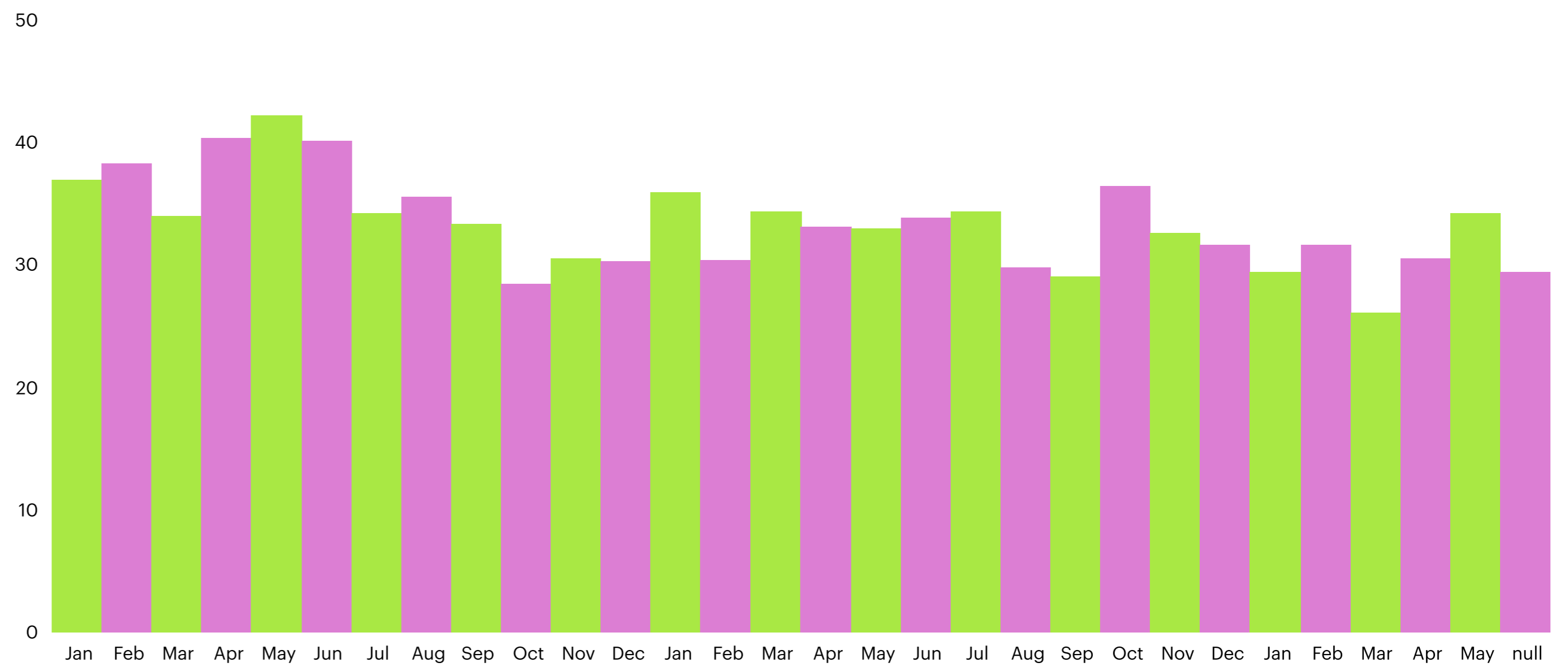
Did you purchase any of the following?  
**A gift card for yourself**



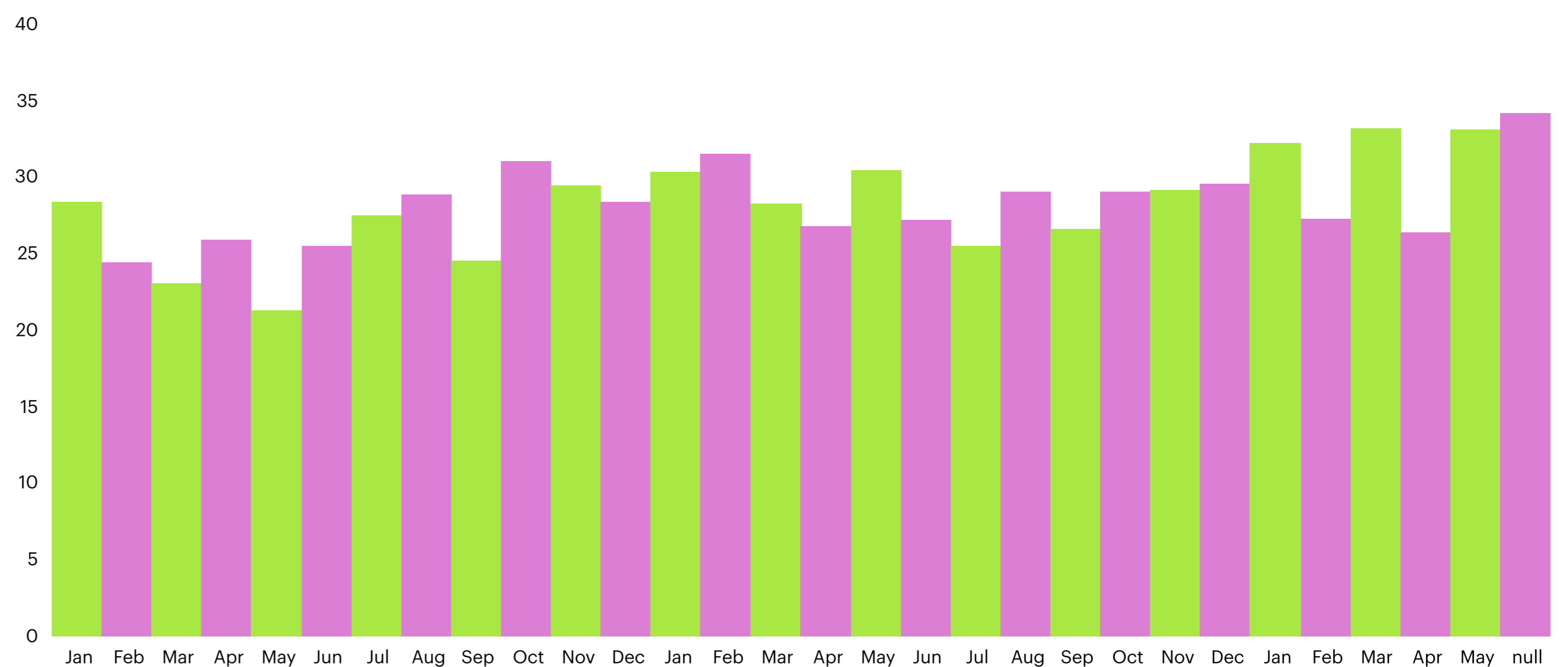
Digital gift cards see highest rate of purchasing since GlobalData began tracking

34.2% of gift card buyers purchased digital gift cards over June 2024, which was markedly higher than June 2023 (27.2%). The rate of digital purchasing was the highest since GlobalData began tracking, back in May 2020. This is hardly surprising, given the growth of self-use purchase, the greater convenience that these cards provide, and rising shopper expectations are cross-channel purchase and redemption. Indeed, 41.7% of respondents agreed with the statement “I expect all gift cards to be cross-channel”.

Which type of gift cards did you purchase?  
**A physical gift card from a retailer/gift card issuer online**



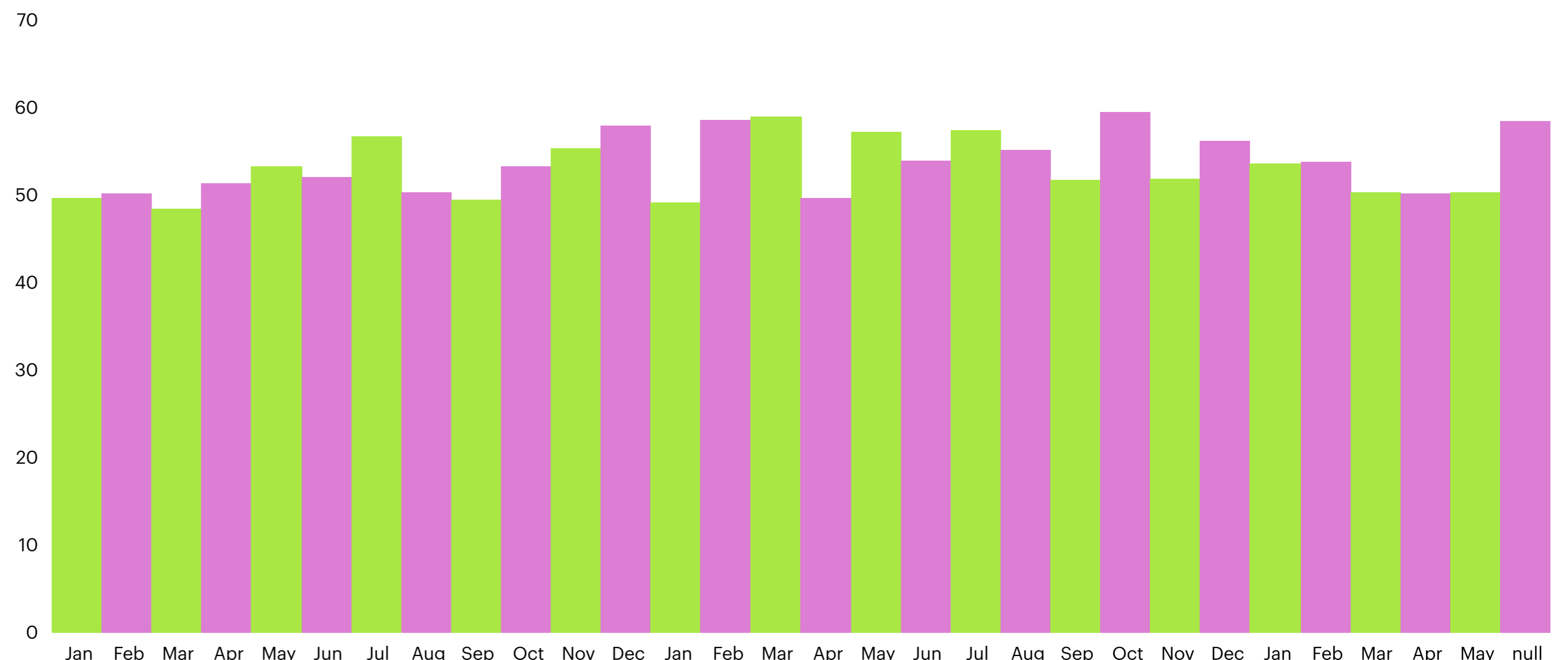
Which type of gift cards did you purchase?  
**A digital gift card from a retailer/gift card issuer online**



Retail gift cards outperformed over June

Single-store, Retail gift cards outperformed over June 2024, with 58.5% of gift card buyers purchasing this card type, compared to 54.0% in June 2023, and 50.4% in May 2024. Conversely, at 29.9% purchasing, multi-store gift cards saw a dip compared to both June 2023 (32.5%) and May 2024 (37.5%). This outperformance of single brand cards was driven by the Father’s Day occasion, with shoppers targeting more thoughtful options.

Which type of gift cards did you purchase?  
**A multi-store gift card- a single gift card which can be spend in multiple retailers, brands, outlets or businesses**

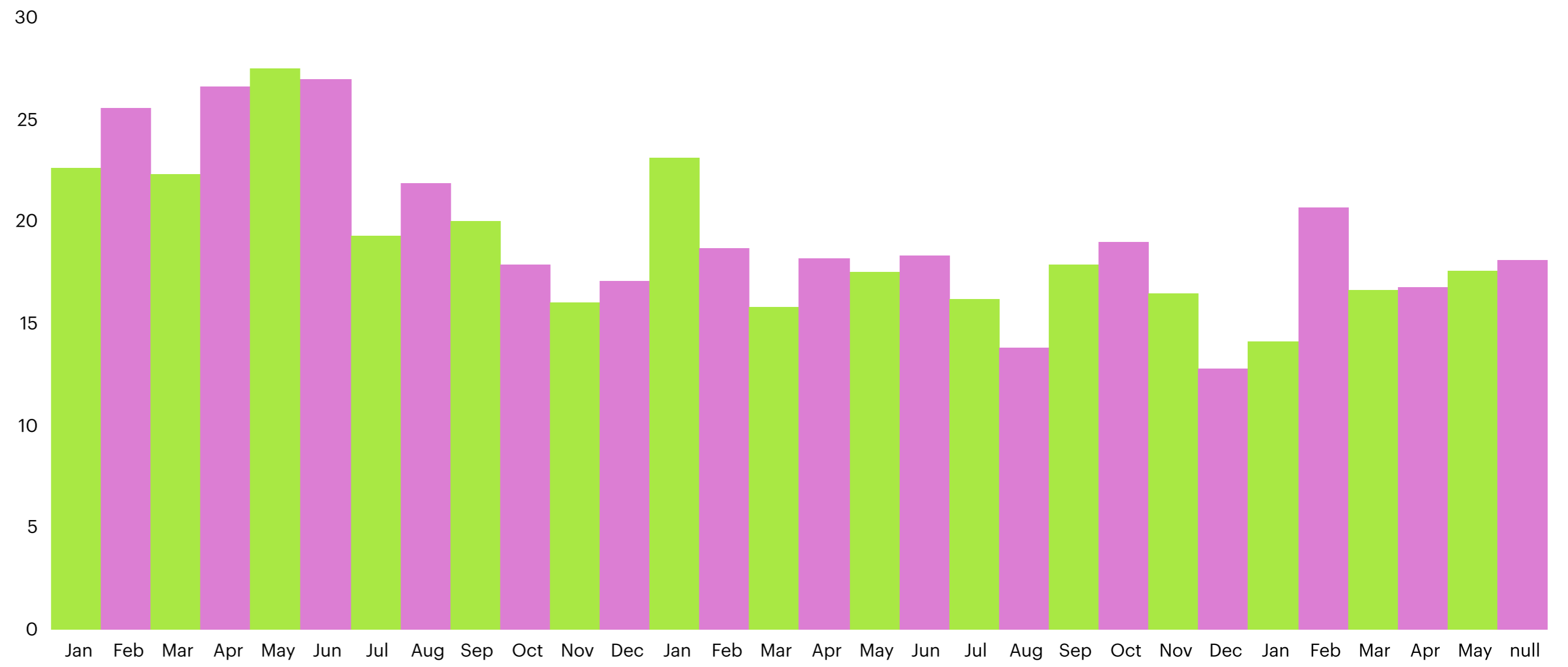


Experience and Leisure gift cards hold their own vs. 2023

The rate of purchasing among gift card buyers of both experience and leisure gift cards was at a similar level to 2023. Purchasing for activities such as hotel stays and spa breaks are higher around this time of the year, with consumers beginning to plan for holidays and breaks for the rest of the year.

Which type of gift cards did you purchase?

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



**Leisure e.g. Travel, theatre tickets, spa, dining**

