



Press release

July 2022

Gift card use on the rise as present buying hit by cost of living crisis

As the cost of living continues to rise, new research from the [Gift Card and Voucher Association](#) (GCVA) has revealed how people are cutting the cost of gift buying to help make ends meet.

Over a quarter of UK adults (28%) said that they were looking to reduce their overall spending on presents in the immediate future.

Nieces, nephews, aunts and uncles are most likely to lose out when their next birthday comes around, with 38% of gifts for extended family members being downgraded or stopped entirely. There will also be less generous spending on work colleagues (48% reduced or stopped) and close friends (38%).

In order to still keep up with birthdays and gifting occasions despite the financial squeeze, many people are switching from physical gifts to gift cards. Of the 1,043 UK adults surveyed, 23% are planning to increase spending on gift cards to make the present buying process more affordable and avoid waste.

Commenting on the survey findings, **Gail Cohen, director general of the [GCVA](#)**, said: "Our panel of consumers are adopting a number of tactics to economise when it comes to gift buying. For example, people said that they intend to save fuel by travelling less to family gatherings and so face-to-face giving was less important.

"People are also trying to avoid price inflation on popular presents, using gift cards to set a strict budget for each occasion rather than have overall spending creep up. There was also increased concern about wasting money. People were less keen to take a chance on a surprise gift if there was a chance it would be unwanted, and the present go unused."

One group that was bucking this trend were teachers, with 34% of people intending to increase their spending on end of term gifts. Suggesting how important a gifting occasion this has become and the residual goodwill for teachers after lockdown.



0161 871 9145
hello@pragencyone.co.uk
pragencyone.co.uk



Gift cards sales were also predicted to increase for self-use. 24% of people surveyed said that they were more likely to buy a gift card since the cost of living increase. Gift cards are often used as a way to cap spending (e.g. on home entertainment or gaming spending). They can also be used to access to rewards and discounts.

The research also found that rising costs are increasing the power of incentive schemes, to promote loyalty and repeat custom. Meaning that the use of gift cards by businesses is likely to increase as they look for ways to reward and support customers or employees who may be struggling financially.

The biggest increase in impact was seen when rewards or incentives were offered alongside supermarket shopping. Of those surveyed, 66% said that they were likely to be more positively influenced by a reward or incentive for supermarket shopping.

Gail Cohen, director general of the [GCVA](#), comments: “We’re seeing enormous shifts in consumer behaviour as the impact of price inflation hits home. The gifting sector is not immune from its impacts and some reduced spending is likely. However, it’s clear that people are increasingly relying on gift cards as living costs rise. They offer an adaptable solution to a multitude of issues.

“Whilst accessing deals and discounts is a strong driving factor behind increased usage, we can see that gift cards are also enabling people to carry on gifting, rewarding and saying thank you throughout this crisis.”

ENDS

Notes to Editors

For additional details, please contact:

Gemma Eccleston, Steve Leigh and Asha Hipperson at PR Agency One T: 0161 871 9140

E: gcva@pragencyone.co.uk

About the GCVA



0161 871 9145
hello@pragencyone.co.uk
pragencyone.co.uk



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 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. The industry event of the year, the GCVA Conference returned in person, in a brand new venue, in London, on 2-3 March 2022.

The GCVA conference is the highlight of the industry calendar and provides the platform to bring all major players across the UK and international gift card community, together.

For two action-packed days, delegates will be immersed in the gift card eco-system, comprising: A UK & global retail space; industry innovation; consumer needs, evolving marketing strategies; hot topics; market trends, inspirational speakers, exhibition hall and the very best networking opportunities.