

News release

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Gift cards increasingly popular incentive among businesses

The volume of businesses using gift cards as part of their reward, incentive and loyalty schemes has seen a significant uplift year-on-year, according to the latest research published by the UK Gift Card & Voucher Association (UKGCVA).

The State of the Nation report, compiled by GlobalData and sponsored by First Data, found that the B2B gift card market has seen an impressive 20.5% growth year-on-year.

Interestingly, more than a third (35.9%) of gift card managers also anticipate the B2B gift card market as having the greatest future growth potential, compared with 2.6% of those who say the same for B2C.

Employee incentive schemes are a particularly key avenue for this growth, with over a fifth (21.1%) of Brits receiving gift cards through these programmes. This figure rises to 29.9% for millennial and Generation Z workers – those aged between 16 and 34 – suggesting that gift cards are a popular method for engaging with the younger generation, and likely to rise in popularity in future.

Encouragingly, this has also been recognised by organisations offering gift cards, with more than six in 10 gift card managers (61.5%) looking to develop direct relationships with businesses wanting to reward their staff. A further 43.6% are also developing partnerships with the likes of price comparison businesses, energy providers and media companies, demonstrating the increasingly prominent role gift cards can play in businesses' incentive and loyalty programmes.

The in-depth research, which surveyed more than 2,000 UK shoppers, C-suite executives and gift card managers on their perceptions, attitudes and habits towards gift cards, demonstrates that gift cards could be leveraged as a key tool for businesses to engage their staff, as well as customers. However, more needs to be done to secure senior buy-in if this market growth is to continue.

While more than four in five (85%) gift card managers believe gift cards to be an important area of growth for their business, this figure drops to just under two thirds (65%) of professionals at C-suite level. This is likely due to the fact that almost half of senior-level employees (45%) reported having minimal visibility of the results driven by gift cards, and more than a third (35%) reported little to no awareness of the opportunities they can present.

Gail Cohen, director general of the UKGCVA, commented: “The right reward scheme can have a hugely positive influence on employee (and customer) loyalty, particularly when used as part of an ongoing incentive and reward programme.

“However, if retailers are to capitalise on the opportunities presented by the growing B2B gift card market, it is imperative that gift card managers and the C-suite are on the same page, requiring greater education and clearer lines of reporting throughout the business around the positive effects gift card programmes can have.”

For more information, please visit: <http://www.ukgcva.co.uk/downloads/State-of-the-Nation-non-members.pdf>

*Please note that gift cards refers to digital, voucher and physical products.

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About UKGCVA

The UK Gift Card & Voucher Association (www.ukgcva.co.uk) was established as a trade body in 1991 to represent the key players in what is today a c£6 billion gift card and stored value solutions market. With 90 members representing key retailers, issuers and suppliers the UKGCVA provides an information and reference point for the Gift Card industry and is at the forefront of the issues affecting the sector.

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

The UKGCVA's annual conference is a key date in the industry calendar. Bringing together all stakeholders in the sector to learn, debate, promote and network, it is a day for members, non-members and organisations keen to know more about the industry. It is a platform to share new ideas, innovate and promote best practice with the UK gift card industry.

About First Data

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