

State of the Nation

2024 Volume 2


 GlobalData.

 Gift Card
& Voucher
Association

Full Report
Nov 2024

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About

The Gift Card & Voucher Association (GCVA) is the official trade body and membership organisation for gift cards and vouchers. GCVA represents the key players in the industry and promotes best practice for the benefit of gift card issuers, services and consumers. The GCVA's role is to protect and promote the gift card sector: keeping members up to date with trends, issues, challenges and opportunities; advocating on key legislation and regulation; facilitating business opportunities; commissioning vital research; collaborating with stakeholders; delivering in-person and digital networking & events; and promoting businesses within the sector that adhere to best practice and drive the industry forward.

Glossary

Consumer segments:

- Generation Z refers to shoppers aged 16-24
- Millennials refers to shoppers aged 25-44
- Generation X refers to shoppers aged 45-54
- Baby Boomers refers to shoppers aged 55+

Gift card types:

- A retail gift card is a card for a specific high street/e-commerce retailer or a store branded gift card
- A multi-store gift card is a single gift card which can be spent in multiple retailers, brands, outlets or businesses
- An Experience gift card is used for activities such as a hot air balloon ride, helicopter ride, hotel stay, theatre tickets etc.
- A leisure gift card is used for activities such as such as travel (e.g. airline, train etc.) and dining
- A gaming gift card is primarily used for online gaming credit and in app purchases
- A music gift card is primarily used for downloads or subscription

Primary research

This project included three strands of primary research:

- A monthly consumer research programme, across a nationally representative sample of 2,000 UK consumers over May 2020-October 2024.
- Additional targeted consumer questions, over January 2023-January 2024 and February 2023-February 2024, and October 2024. All phases were across a nationally representative sample of 2,000 UK consumers.
- A specific short survey of the GCVA membership, over October 2024, which was completed by 47 members.

Introduction

I am delighted to share the State of the Nation 2024 Volume 2 with you all. I hope you find this research as compelling as I do, painting a picture of the wider gift card ecosystem, from consumers to our own GCVA members. Every year we work closely with Global Data to understand the state of our sector, which helps us understand what the next 12 months might look like for gift cards and vouchers. I hope you find this report useful, engaging, and insightful. We at GCVA look forward to continuing to bring you cutting edge research and insight through our research programme.

With best wishes



Hannah Shimko
Managing Director GCVA

Top 10 Takeaways...

01

39.7% of buyers purchasing gift cards for self-use stated they were doing so to save money.

02

Employers have increasingly seen gift cards as a good medium through which to funnel additional support and incentives. Among employees purchasing gift cards over H1 2024, a monthly average of 19.2% purchased a physical gift card through an employee benefits programme (H1 2023: 18.6%), and 12.2% purchased a digital equivalent (H1 2023: 10.6%).

03

Digital continues to grow in importance; among consumers who purchased at least one gift card over H1 2024, 31.1% had gone digital – a 3.0ppts increase versus H1 2023 and up 6.3ppts against H1 2022.

04

Of those planning to purchase gift cards over Christmas 2024, 27.5% say they will buy around the same amount of gift cards vs last year, and 14.8% intend to purchase more than last year.

05

Expiry dates were cited by 20% of UK consumers as a barrier to purchase, despite 99% of consumers typically redeeming within a year of receipt, 65% within three months, and 75% within six months.

06

When exploring the key barriers to gift card purchases, the most prominent is that 'gift cards don't feel thoughtful enough', cited as a barrier by 28% of all UK consumers, and 33.1% of Baby Boomers.

07

An average of a fifth of shoppers who bought gift cards for themselves over H1 2024 said that they did so because they wanted to support local businesses and their local high street.

08

Of those that have received a gift card over the past 12 months, 63% had been introduced to a new brand via gift cards (74.6% of Millennials), with 22% subsequently becoming regular customers (34% of Gen Zs).

09

When spending or redeeming a gift card over the last 12 months, 61% of shoppers claim to have spent more than the value of the gift card when using it, with a high proportion of shoppers saying they are spending £10 (43%) to £20 (32%) above and beyond a £30 gift card.

10

55.3% of GCVA members have highlighted personalised products being an important trend for the industry in the next 1-3 years.

The gift card landscape over H1 2024...

The upcoming golden quarter is anticipated to see an uptick in performance.

GlobalData forecasts the UK non-food retail market to end 2024 up 1.5%, primarily driven by inflation of 1.2%. The retail sector is expected to return to volume growth after two consecutive years of decline, though this will be subdued at 0.3%, as consumers continue to shop conservatively in reaction to the challenging market conditions.

After several challenging years, H1 2024 was far from the rebound many hoped it would be for the UK retail sector. While inflation subsided from the high single-digits reached during 2023, overall CPI rates remained above the Bank of England's target of 2% over the first half of the year, largely thanks to inflation in services. Despite wage growth outstripping inflation and two cuts to National Insurance over H1, consumer confidence has remained weak,

leading many to continue restricting spending on non-essential categories; evidenced by the performance of non-food categories.

Nevertheless, the upcoming golden quarter is anticipated to see an uptick in performance and provide some optimism to retailers and consumers alike. After numerous years of dampened festive spirit, with the pandemic and

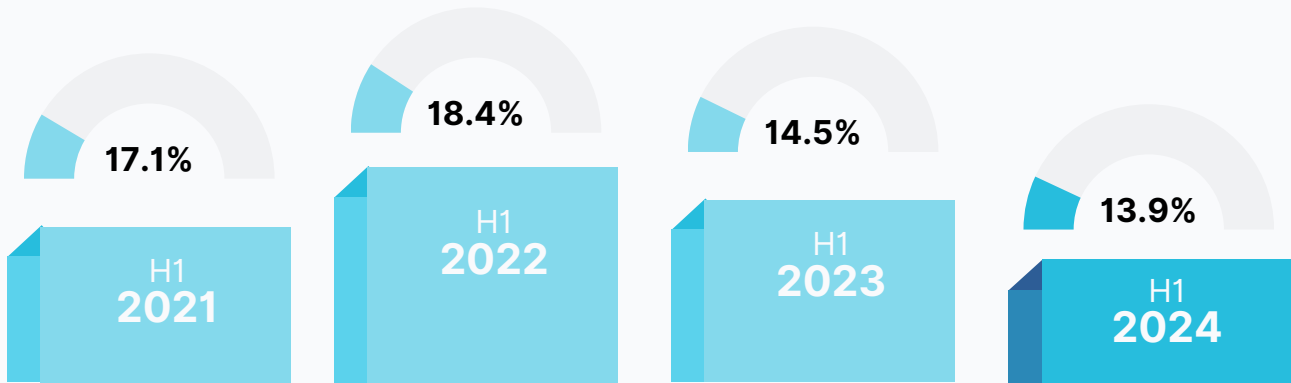
The retail sector is expected to return to volume growth after two consecutive years of decline

cost-of-living crisis causing consumers to spend less, many shoppers will seize the opportunity to trade up and treat their loved ones with gifts, food and experiences.

Wider retail pressures are reflected in slower growth for the gifting market.

Q. Did you purchase any of the following?

- A gift card for someone else



Average monthly proportion of UK Consumers (January-June)

The gifting market was not immune to these challenging external conditions over the first half of the year. The monthly average percentage of consumers who purchased a gift card for someone else fell from 14.5% in H1 2023 to 13.9% over H1 2024. While this is a comparatively small decline, it shows the market remains on a downwards trajectory from the intra-pandemic highs of 17.1% and 18.4% in H1 2021 and H1 2022, respectively.

This muted performance extends across the wider gifting category, with the percentage of consumers purchasing physical gifts for someone else falling more significantly, from a monthly average of 18.3% in H1 2023, to 14.6% in H1 2024.

Amid continued tight household finances, 2024 has seen consumers prioritise seasonal events spending. For example, according to GlobalData estimates, Father's Day and Valentine's Day experienced weaker performance for overall gifting, when compared to Mother's Day.

This performance across the board indicates that consumers not only spent less on gifting over H1 2024, but a growing number chose to not purchase any gifts at all. At present, there is no indication that this will be a persisting trend in years to come and is likely justified by consumers continuing to feel a strain on their personal finances amid cost-of-living pressures. Moreover, despite this year-on-year decline in gift purchasing, the actual

Amid continued tight household finances, 2024 has seen consumers prioritise seasonal events spending.

value performance of the Gifting market (including physical gifts and gift cards) has continued to be partially boosted by inflation, which has offset some of the volume decline.

Self-use and employee benefits...

Purchasing of gift cards for self-use plateaus amid relative improvement in finances.

Q. And why did you purchase a gift card for yourself?

Motivations for self-use gift card purchases:

- **39.7%** - To help with saving money
- **30%** - To make it easier to shop online
- **21%** - There was a promotion on the gift card/cards that I purchased
- **20.9%** - I want to support local businesses and/ or my local high street
- **17%** - It was the only way to purchase the products I wanted

Only asked to those that purchased for themselves. Average monthly proportion of UK Consumers (January-June, 2024)



Despite previously seeing a surge in popularity coinciding with the start of the cost-of-living crisis, the average monthly percentage of consumers purchasing gift cards for self-use moderated in H1 2024, remaining flat on H1 2023 at 7.1%. Among the consumers who purchased for self-use during H1 2024, 39.7% were motivated by the ability for gift cards to help them save money.

Many consumers who purchase gift cards for themselves require a clear motivation to do it, and they react especially well to incentives. One of the key motivations with the biggest uplift over H1 2024 was that the gift card came with a promotion; for example access to discounts or

additional cash value added to the card, with this reason increasing 7.0ppts to 21.0% of self-use gift card customers versus two years ago.

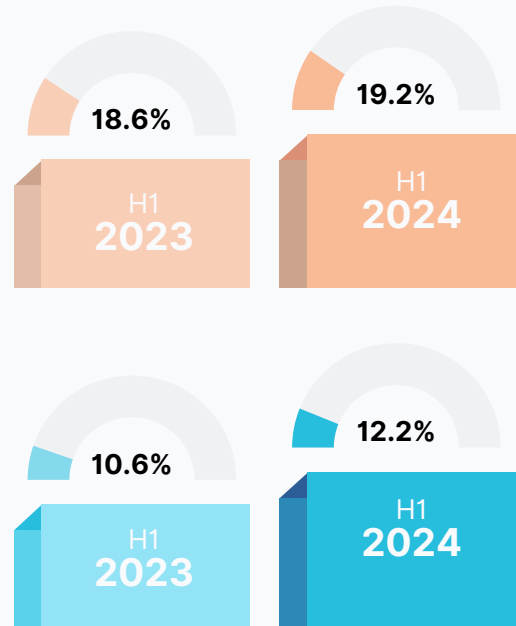
Among the consumers who purchased for self-use during, 39.7% were motivated by the ability for gift cards to help them save money.

Gift cards seen as a good medium through which to funnel additional support and incentives.

Linked to the growing influence of self-use has been a parallel rise in prominence of employee benefit/reward programmes. Among those purchasing gift cards over H1 2024, a monthly average of 19.2% purchased a physical gift card through an employee benefits programme (H1 2023: 18.6%), and 12.2% purchased a digital equivalent (H1 2023: 10.6%). In addition to rewards/incentives, gift cards have represented a good medium through which employers can provide additional financial support during the cost-of-living crises. B2B will also continue to be driven by loyalty programs, such as sign-up incentives for utility companies.

Q. Did you purchase any of the following?

- A physical gift card through an employee benefits programme
- A digital gift card through an employee benefits programme



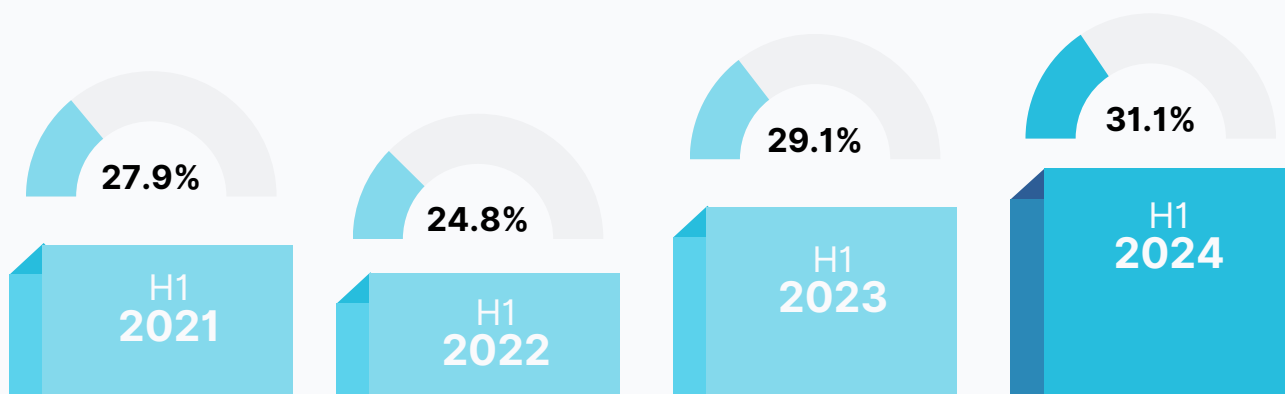
**Average monthly proportion of UK Consumers (January-June)*

Gift card formats and themes...

Digital gift cards continue to flourish.

Q. Did you purchase any of the following?

- A digital gift card from a retailer/gift card issuer online



Average monthly proportion of gift card buyers (January-June)

Following strong growth in usage over 2023, demand for digital gift cards has remained robust, with an increasing proportion of consumers making the switch away from traditional physical cards. Among consumers who purchased at least one gift card over H1 2024, 31.1% had gone digital, which represents the third year of purchasing growth for digital. This outperformance of digital is hardly surprising, given the growth of self-use purchase, the greater convenience that these cards provide, and rising shopper expectations that gift cards work 'cross-channel' for both purchase and redemption.

The benefits of digital cards are plentiful, and they align with the lives of modern shoppers. Consumers find them one of the easiest and most convenient ways of gifting, especially among those looking for a last-minute backup option or if they live too far away from a particular store. The ease of purchase of digital options means that they are well suited for occasions when multiple recipients are being purchased for, such as Christmas.

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Ease of spending could be enhanced by mobile wallet storage and app integration.

The average proportion of UK consumers agreeing with the statement 'I expect all gift cards to be cross-channel' was 40.4% during H1 2024, compared to 31.1% during H1 2021. Mobile apps and social media platforms are now a key part of daily life for many consumers, and with phone technology having evolved, it is vital for gift cards to be integrated into these technologies to not miss out on participation on certain demographics

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entuned with these. This would reduce the lack of flexibility on spending/redeeming gift cards being a barrier to purchase, with this currently the case for a fifth of millennial consumers.

The digital trend is one that the industry has displayed adeptness as driving, with the focus on driving even greater digital adoption. Almost all GCVA members surveyed (98%) stated that gift card storage and usage within mobile wallets

is important for the future of the industry. This would be the natural next step in the evolution of the digitisation of gift cards, offering shoppers convenience and accessibility.

The growth in digital is impacting the convenience advantages of online physical purchases.

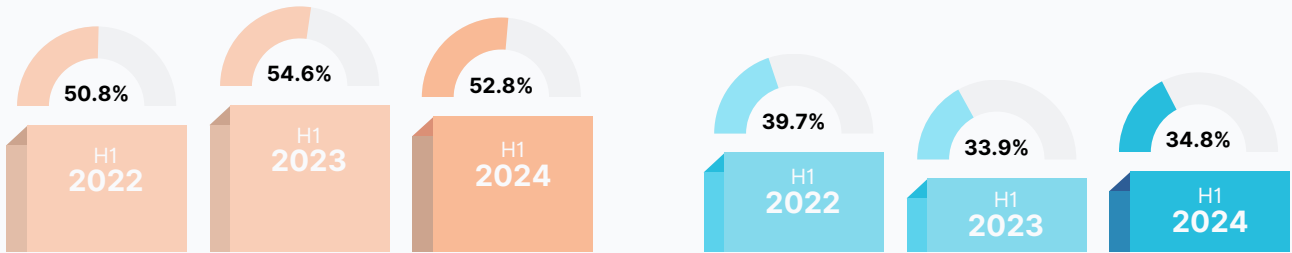
The recent boom in digital gift cards does not mean all cards bought online are performing well. The average proportion of monthly gift card consumers who purchased a physical gift card online fell from 33.4% in H1 2023 to 30.2% in H1 2024. While purchasing physical gift cards online represents a convenient alternative to purchasing gift cards via

physical stores, shoppers often find this method cumbersome, when compared to purchasing digital gift cards. Indeed, one key motivations for purchasing a gift card in the first place is that it is an easier to purchase option compared to buying a physical gift; cited by an average proportion of 19.7% during H1 2024, compared to 18.9% over H1 2023.

Multi-store gift cards are slowly regaining lost ground.

Q. Did you purchase any of the following?

- A retail/single brand gift card
- A multi-store gift card



Average monthly proportion of gift card buyers (January-June)

Single brand, retailer gift cards (a card for a specific high street/e-commerce retailer or a store branded gift card) continue to represent the most popular option, with many consumers being drawn to these cards to show that their gift is considerate and tailored to the recipient’s preferences. However, after a significant number of consumers shifted away from multi-store gift cards between H1 2022 and H1 2023, the first half of 2024 saw a stronger performance, with the average monthly percentage of gift card consumers who purchased a multi-store card rising to 34.8% (vs. 33.9% during H1 2023). While this is far from a full rebound, it shows that multi-store gift cards are not on a definitive downward trajectory, and just over a third of gift card consumers continue to purchase them.

19% of shoppers consider that a major barrier to gift card purchase is less flexibility when it comes to how you spend/redeem gift cards, compared to other payment methods; this is where multi-store

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options have the potential to be leveraged as a key industry weapon. The challenge for these gift card types continues to be balancing the factors of not being too generic that it is considered unthoughtful of the gift-giver, with granting the recipient the freedom of spend within a range of retailers.

Gift cards as a thoughtful, considered gifting option...

The industry is yet to fully realise the potential for physical cards to overcome the 'thoughtful gap'.

Q. Which of following would you say are barriers to you buying gift cards?



(UK consumers, September 2024)

When exploring the key barriers to gift card purchases, the two most prominent are that 'gift cards don't feel thoughtful enough', and 'sometimes I'd rather just gift a physical item than buy a gift card', both cited by 28% of UK consumers. While gift cards provide clear

functional benefits, such as convenience and flexibility of purchase for the buyer, and flexibility of redemption for the recipient, perceptions around thoughtful remain a barrier for the industry. This persistent perception of gift cards not being thoughtful enough is

particularly felt among older generations, with 33.1% of Baby Boomers citing this as a barrier.

This persistent perception of gift cards not being thoughtful enough is particularly felt among older generations

Enhanced personalisation across the user journey could elevate the consumer experience.

Personalisation continues to grow across the retail market, with the same true for the UK gift card market, with several different applications available. In fact, 55.3% of GCVA members have highlighted personalised products being an important trend for the industry in the next 1-3 years.

10% of consumers stated that they would be influenced to purchase a gift card they were able to specify the image on the face of the card, which highlights the appetite for personalised options as well as event specific designs, such as for Christmas. With technological advancements in artificial intelligence and augmented reality, there are bountiful opportunities for innovation in this space, to boost a new perception of the gift card industry and excite consumers.

55.3% of GCVA members have highlighted personalised products being an important trend for the industry

Personalisation throughout the purchasing process is also an opportunity, and something that is favoured by consumers. Gen Z and Millennials would appreciate personalised offers from retailers/brands more so than other generations, with one in five likely to use a retailer/brand more if

they offered this. Cashback/special offers/points would also influence consumers to make a purchase, again relevant with one in four Gen Z and Millennial consumers.


Categories such as experience and leisure have the potential to represent a thoughtful alternative to physical gifts.

The array of gifting solutions that can be offered through gift cards spans a wide range of industries and categories which embraces a more diverse range of consumer spending. Over H1 2024, a monthly average of 17.3% gift card buyers bought experience cards (such as a hot air balloon ride, helicopter ride, theatre tickets, spa,), while 14.9% purchased leisure cards (covering activities such as travel (e.g. airline, train etc.) and dining). These categories have increasingly been viewed as bigger ticket, more thoughtful options, and become popular over key occasions, such as Birthdays, Mother's Day and Father's Day.

Gaming and entertainment gift cards well-placed to fill the gap left by physical alternatives.

Over H1 2024, 10.6% of gift card buyers opted for Gaming gift cards such as online gaming credit and in-app purchases, and 4.3% Music e.g. downloads or subscription. While the former saw a slight decline compared to H1 2023, both have generally been on an upwards trajectory over recent years. Moreover, the boost that gaming cards received over September 2024, following the release of the EA FC 25 football video game, highlights the long-term potential for entertainment gift cards to gradually replace physical entertainment (such as games, music and video) as gifting options during seasonal and everyday occasions.

Entertainment gift cards are also helping to drive self-use purchase; a key driver of self-use purchase is the use of these gift cards to more easily make and control other purchases, particularly via digital channels. 17.0% of self-use shoppers over H1 said that these gift cards represented the only way to purchase the products that they wanted; for example making in-game purchases, subscription to on-demand services etc.

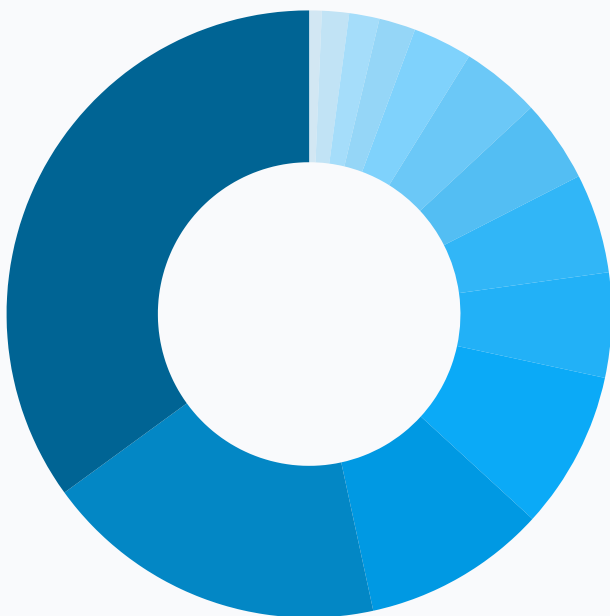


The boost that gaming cards received over September 2024, following the release of the EA FC 25 football video game, highlights the long-term potential for entertainment gift cards to gradually replace physical entertainment

The role of gift cards across occasions...

Birthdays are the largest occasion market for gift cards.

Q. Which of these gift card occasions have you personally purchased cards for in the last 12 months?



- 62.8% Birthday
- 33% Christmas
- 17.6% Just to Say (e.g. Thank You, Congratulations, Thinking of You etc.)
- 15.1% Life event (e.g. New Baby, Anniversary, Get Well Soon etc.)
- 10% Mother's Day
- 9.5% Blank
- 7.9% Father's Day
- 7.6% Valentine's Day
- 5.7% Easter
- 3.5% St Patrick's Day
- 2.9% Thank you Teacher
- 2.6% Religious (e.g. Diwali, Hannukah, Eid)
- 1.2% Other seasonal (e.g. Starting School, Graduation, New Year)

(UK gift card buyers, September 2024)

When purchasing gift cards for an occasion, birthdays are the key consumer event wherein gift cards play a pivotal role. 62.8% of gift card buyers purchased a gift card in the last 12 months for a birthday, with this being

Gift cards are a suitable choice for a birthday gift, linked to the versatility and ability to personalise the theme type to the recipient

significantly higher than for Christmas, which is the second most popular occasion, where 33.0% of consumers purchased a gift card. Gift cards are a suitable choice for a birthday gift, linked to the versatility and ability to personalise the theme type to the recipient. Consumers also continue to purchase gift cards for Life Events (New Baby/Pregnancy, Retirement, Exams etc) and Just to Say (Congratulations, Thank You etc).

Christmas remains a key opportunity in the calendar year.

The wider expectations for consumer spending over Christmas 2024 are generally positive, with improved consumer finances relative to 2023 expected, meaning consumers will be willing to spend more this year. This would imply growth for the gift card market, with people more likely to be purchasing gifts for others, potentially expanding the gifting pool from only immediate family to wider family, friends and neighbours.

While the proportion of those purchasing gift cards for the occasion was slightly down in December 2023 vs 2022, there remains optimism for Christmas 2024. Of those planning to purchase, 27.5% say they will buy around

the same amount of gift cards vs last year, and 14.8% intend to purchase more than last year, which demonstrates that even amid changing retail conditions, gift cards still are a key gifting option.

The wider expectations for consumer spending over Christmas 2024 are generally positive, with improved consumer finances relative to 2023 expected

Q. When it comes to your anticipated gift card purchasing behaviour over Christmas 2024, compared to Christmas 2023, which of the following do you agree with?



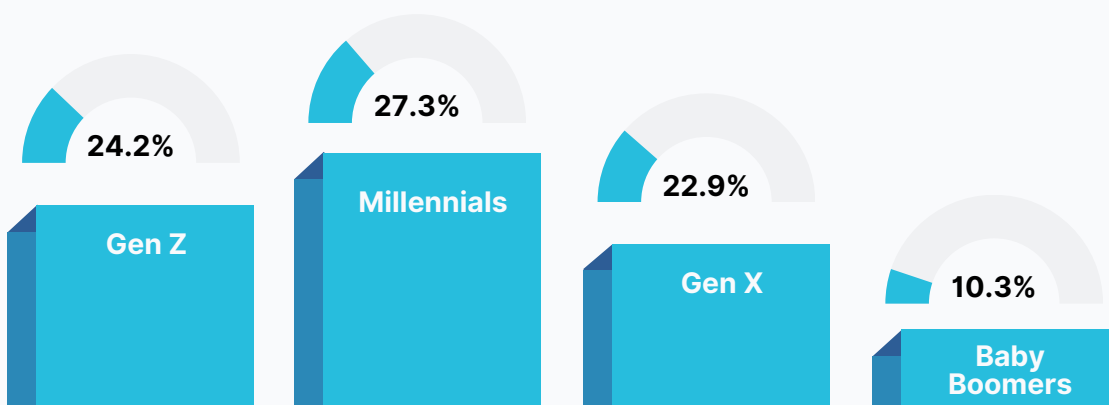
(UK consumers, September 2024)

Gift card usage across generations...

Gen Z and Millennials are more aligned to digital gift cards adoption.

Q. Please state how far you agree with the below statements

■ I have converted to digital gift cards



(UK gift card buyers, September 2024)

Gift cards are increasingly being received through a digital method (text/social networking/messaging platform/email/app) than physically. Gen Z/Millennial consumers are more agreeable to the conversion towards digital gift cards (26.3% agreeing they have converted), while the other generations are lagging behind in either their adoption to digital or

simply are more interested in the physical gift cards (with only 13.8% of consumers overall agreeing they have converted).

When it comes to gift card redemption, physical locations (such as a retail store, restaurant, leisure operator) remain the most popular option, with 52% of consumers having done this over the past 12 months, including 56% of Gen

X and Baby Boomers. This is followed by online via a retailer website (37%) and online via a retailer app (25%), with the latter being significantly more favoured by Gen Zs and Millennials compared to the average.

When it comes to gift card redemption, physical locations (such as a retail store, restaurant, leisure operator) remain the most popular option

Digital gift cards are synonymous with the gaming category for these generations.

Linked to their generally stronger digital adoption, Gen Z and Millennials are the most likely to purchase gift cards from the gaming category (12.7% vs 6.3% average for the other generations), with this primarily being in the form of online gaming credit/instore app purchases. Gaming gift cards could offer the opportunity for a convenient way to access exclusive content, upgrades or credits in these environments, and enhancing the immersive, interactive experiences that these generations prioritise.

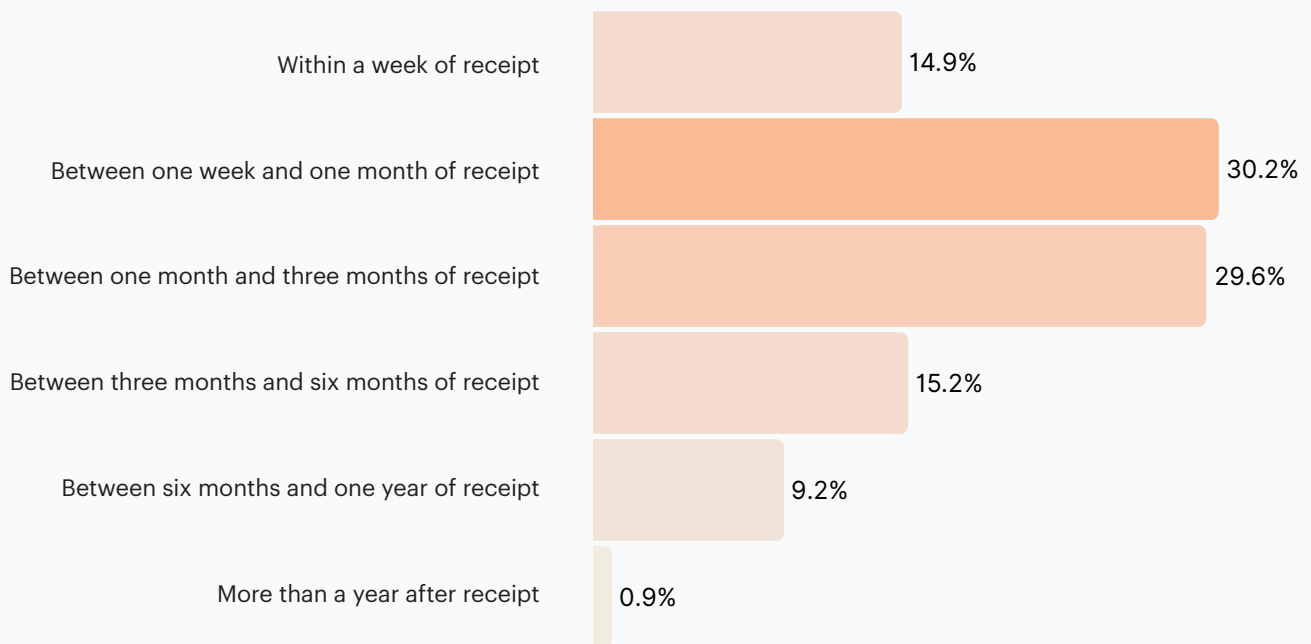
Gen Z and Millennials are more likely to receive gift cards outside of personal gifting

Gen Z and Millennials are also more likely to receive a gift card as an incentive from a company (15.3% vs 3.2% average for other generations) or through a customer loyalty programme than the other generations (11.2% vs 2.1% average for other generations), with this likely linked to the digital nature of these programmes and companies they interact with, i.e. digital banks, leaving reviews online etc. This is also the case with gift cards being received through their employee benefits programmes (9.6% vs 1.3% average for the other generations) – this will automatically be increasing their adoption to this digital method, with a willingness to spend the ‘free’ voucher they have received in the most convenient way for them. Consumers prefer bonus/reward of up to £500 in the form of gift cards rather than cash, linked to its tax-free nature (55% of consumers).

Industry challenges and opportunities...

Expiration dates continue to be a key purchase consideration.

Q. When are you typically most likely to spend your gift card?



(UK gift card buyers, September 2024)

Another cited key influencing factor when it comes to gift card features is “extending expiration dates”. This was cited by 20% of UK consumers, which highlights that expiration remains a barrier for some. While expiry dates are typically set for a year or two from purchase, the main challenge for the industry is one of

communication and education. In particular, it is important to highlight that 99% of consumers typically redeem within a year of receipt, 65% within three months, and 75% within six months, and well within typical expiration periods.

Shoppers want to support retailers and brands they like in difficult times.

An average of a fifth of shoppers who bought gift cards for themselves over H1 2024 said that they did so because they wanted to support local businesses and their local high street.

Gen Z and Millennials are more intentional in their spending, choosing to support certain local businesses or companies that align with their ethical viewpoints.

In addition to considerations around trust, familiarity and altruism, some of this behaviour has been driven by local businesses themselves. Indeed, shoppers say that they have noticed more local businesses have started to sell gift cards over the period: 24.5% in H1 2024 compared to 21.4% in H1 2023. With gift cards

for all occasions, more local businesses should recognise the benefits of selling gift cards, which includes prompting more sustainable community-based commerce, and making room for them in their stores.

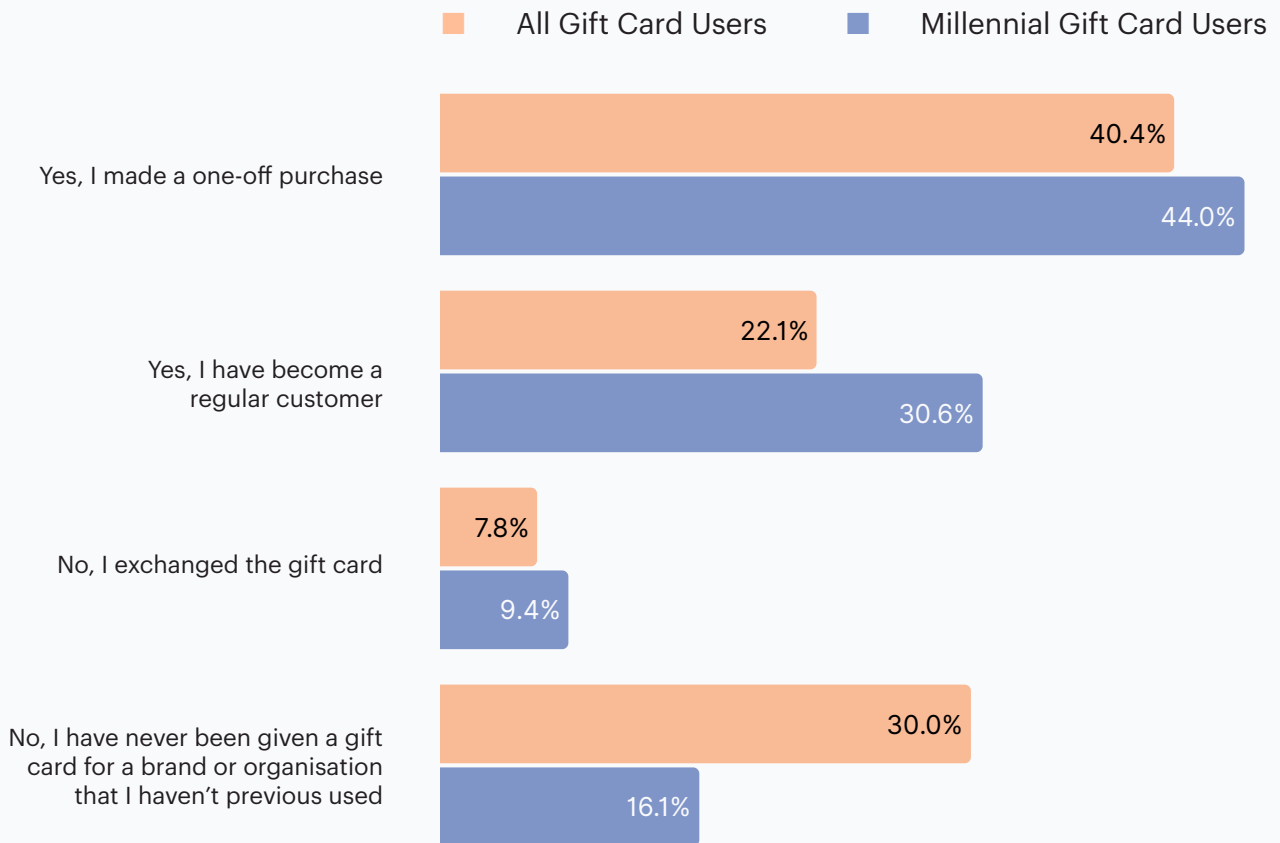
In line with wider consumer spending habits, Gen Z and Millennials are more intentional in their spending, choosing to support certain local businesses or companies that align with their ethical viewpoints. This is also the case for the gift card market, with those Gen Z and Millennial consumers having purchased gift cards with the intent of supporting companies that they like rising to 39% and wanting to support local businesses to 29.5% in September 2024.

Consumers continue to typically spend more than the value of the card.

In addition to the direct spending on purchasing gift cards, consumers typically spend more in store upon redemption of gift cards. When spending or redeeming a gift card over the last 12 months, 61% of shoppers claim to have spent more than the value of the gift card when using it, with a high proportion of shoppers saying they are spending £10 (43%) to £20 (32%) above and beyond a £30 gift card, which is a boost to overall spend.

Role of gift cards in driving brand awareness/usage.

Q. Have you ever been introduced to a new brand or organisation after being given a gift card?



(UK gift card buyers, September 2024)

While the value of the gift card industry can most easily be quantified by the expenditure on purchasing and redemption of gift cards, and supplementary spending upon redemption, gift cards are also playing an increasingly important role when it comes to driving consumer awareness and acquisition. Of those that have received a gift card over the past 12 months,

63% had been introduced to a new brand via the medium (74.6% of Millennials), with 22% subsequently becoming regular customers (34% of Gen Zs).

The future of the gift card industry...

The proportion of members experiencing strong growth has slowed down this year, but optimism remains for the next 12 months.

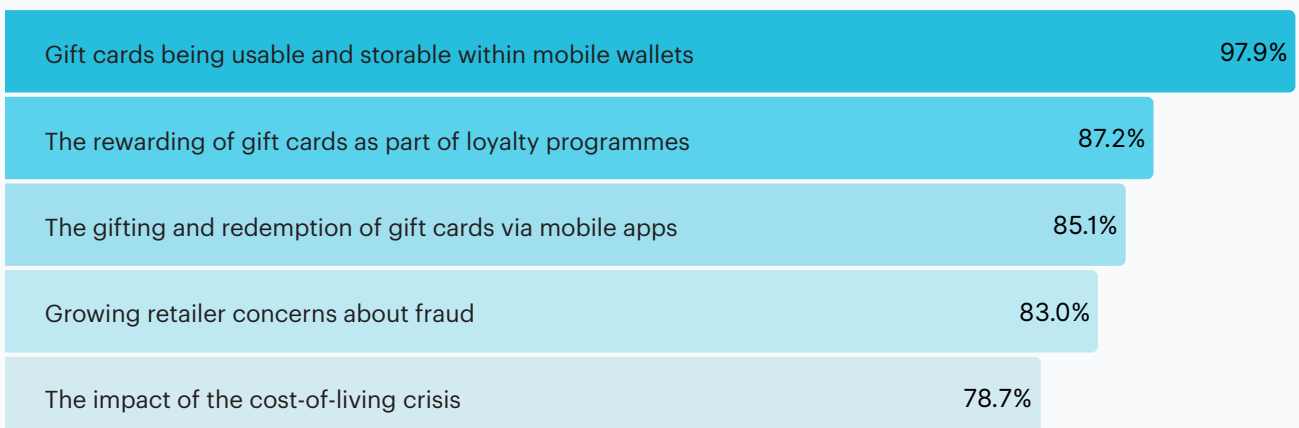
78.7% of GCVA members still believe the cost-of-living crisis to be an important factor which could impact the industry over the next 1-3 years, with lasting impacts of cautious consumer spending and consumers refraining from non-essential gifting. However, there remains optimism among

Gen Z and Millennials are more intentional in their spending, choosing to support certain local businesses or companies that align with their ethical viewpoints.

the membership regarding the potential for the next 12 months, with 49.0% expecting strong sales growth, and 38.3% expecting some sales.

Fraud is top of mind for many GCVA members

Q. When it comes to gift card industry trends, how important do you believe the following will be over the coming 1-3 years? (Important, top 5)



(UK gift card buyers, September 2024)

Identified as one of the key factors that is important to the future of the gift card market by GCVA members; concern about fraud from both the retailer (83%) and consumer (63.8%) point of view is paramount.

As digital gift cards expand in the ways that consumers can purchase, receive and redeem them, the risk of fraudulent activity increases for the consumer. Fraudsters are becoming increasingly complex and sophisticated in their methods. This is particularly an issue for older generations, who are less aware of what to look out for, to avoid being scammed. This remains a barrier for consumers, with the worry of this potentially limiting sales.

Similarly for retailers, this is a concern, with a risk of scammers both instore and online. Tighter regulations around purchasing, and redemption of gift cards are possible in the

There will be a balance needed to ensure that restrictions put in place do not inhibit the shopper experience, in which it could subsequently have a negative effect on the industry

future, including the potential requirement for identity verification. There will be a balance needed to ensure that restrictions put in place do not inhibit the shopper experience, in which it could subsequently have a negative effect on the industry. However, 72.3% of GCVA members surveyed agree that increased industry legislation is important for the future of the industry, and should such legislation be brought in, those members will likely be advocates for it.

Members must find a balance between sustainability credentials and enhancing the user experience.

Sustainability is ever pressing in importance across the retail and consumer sphere, with this also true amongst the gift card industry. 77.4% of GCVA members have either already developed sustainable gift card products or are looking to include them in their offer in the near future. Physical store cards are increasingly being made with recycled and/or easily recyclable materials such as cardboard, moving away from a plastic product. Sustainability-focused consumers will likely pay attention to the movements made by gift card issuers and will be seeking to make conscious choices in their purchases.

On the other hand, a quarter of members stated enhanced packaging is an important feature in the coming years. There is value in this addition to the physical gift cards, with improved presentation methods and attention

to detail being used to attract shoppers. 43% of consumers state good quality products would make them more likely to use a retailer or brand more, with enhanced packaging being the

77.4% of GCVA members have either already developed sustainable gift card products or are looking to include them in their offer in the near future

most likely way to display this. However, this must be balanced with the view that additional packaging could be wasteful and detrimental to the sustainability credentials, so any propositions must be considered carefully.

The role of the gift card function...

In this section, we have explored the evolving role of the gift card function among GCVA retailers and issuers.

GCVA members widely utilise GCVA resources to compliment internal data.

The majority of participants (60.0%) believe they have evidence and data to present a good business case for investment, however this has dropped since last year (82.9%). Out of the various sources of data to present for such cases, most use internal gift card customer behaviour data and sales data, as they provide

the most accurate representation of the internal gift card market. Following in close second, is the use of insight and data from the GCVA (87.3%), making this the most widely used source outside of organisation's internal data and highlighting the importance of up-to date information to aid further investment.

Marketing of gift cards remains cross-channel.

The marketing of the gift card propositions is largely done digitally, through websites (95%) and social media (77%), however physical presence remains important for GCVA members, with 82% promoting their proposition in store via specific displays or surveys.

77.4% of GCVA members have either already developed sustainable gift card products or are looking to include them in their offer in the near future

This highlights the importance of cross channel exposure to maximise potential purchases. The omnichannel approach is also highlighted by 41% of members stating that their gift cards are currently promoted throughout the entire customer experience. In addition, three quarters of members surveyed declared that they were investing in the marketing of the gift card programme, by working with the organisation's marketing team, which emphasises the internal importance of the programmes and the companies' views towards them.

Partnering with third parties is a priority for growth.

Members are also increasingly developing partnerships with other companies, with this being highlighted as a key method to grow the programmes by three quarters of members surveyed. This includes selling gift cards through price comparison businesses, energy companies and media companies. Some members are also partnering with specialist third parties in gift cards/loyalty, allowing them to enrich the gift card function, combining best practices, shared knowledge, and consumer pools between the companies.

This is linked to B2B being identified as the largest growth channel by GCVA members (64%) with the large majority of members offering both B2B and B2C programmes, but B2B being a way to look for new tools and methods to grow their consumer base. 80% of GCVA members see this a key trend for the next 1-3 years, with value found in combining gift card and loyalty programmes and the rewarding of gift cards as part of loyalty programmes.



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🌐 Gift Card Voucher Association (GCVA)

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