

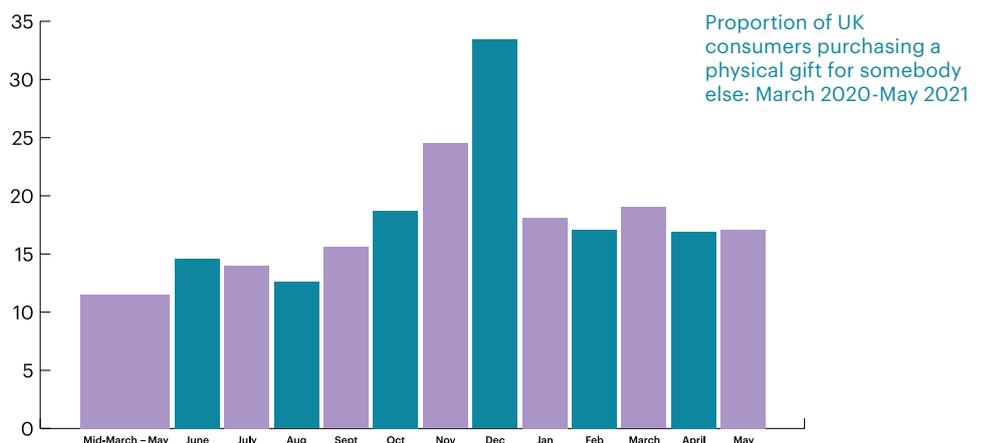
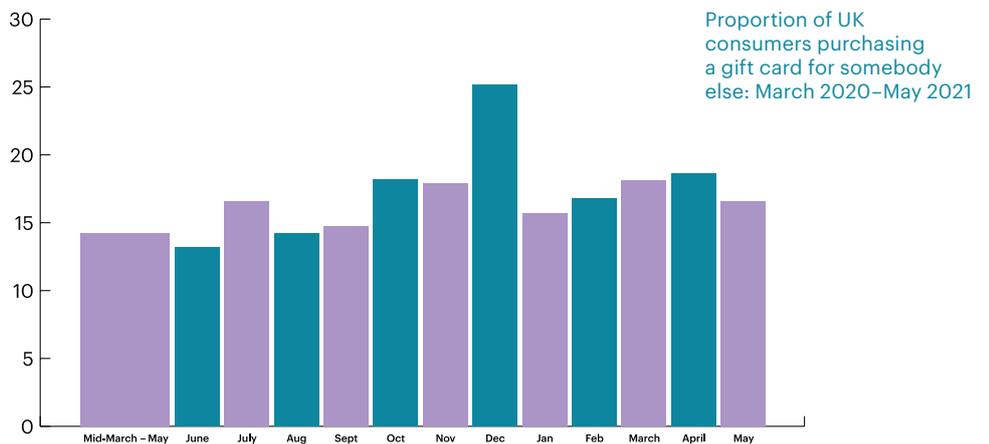
The GCVA is partnering with GlobalData to deliver a monthly snapshot of consumer behaviour and attitudes when it comes to gift cards. This is the 13th wave of monthly research, since GlobalData began tracking, back in May 2020, with the initial research covering the period from the beginning of lockdown (in March 2020), to the end of May 2020. The May fieldwork went to field on June 1st, 2021 and was designed to explore habits over May 2021. A UK nationally representative sample of 2,000 shoppers was surveyed. On the time-period comparisons, this wave covers the May 2021 calendar month, with comparisons made between May 2021 and April 2021. Where relevant, comparisons have also been made to the 13-month period.

UK Retail spending to remain subdued in 2021

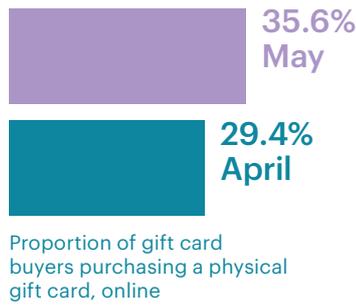
2020 brought a 3.6% fall in retail spend, the biggest year-on-year decline in more than fifty years. However, beyond this headline statistic are a wide variety of different experiences. Most marked was the contrast between physical and online performance, with online retail growing 32.4% vs. an -11.1% decline in offline sales. With fresh restrictions coming into place at the start of 2021, non-food retail demand has remained muted through Q1, and consumer hesitation to visit physical retail stores will remain in Q2, even following the re-opening of physical non-essential retail. Clothing & footwear will continue to be the two retail sectors worst hit in 2021, amid restricted retailer trading and lack of occasion-driven demand.

May saw a further drop in gift purchasing

Following a month-on-month decline in April, there was a further drop in gift purchasing over May, with 33.9% purchasing gifts either in the form of physical gifts or gift cards for other people, or self-use gift card purchases, compared to 36.2% in April. This decline was primarily driven by gift cards, with 16.6% purchasing a gift card for someone else in May vs 18.6% in April. Perhaps inevitably, given the continued relaxation of restrictions, physical gift purchasing edged upwards, at 17.1% vs. 16.9%.



Physical gift cards see boost over May



Among those that purchased gift cards, there was a significant increase in the proportion purchasing physical gift cards online, with 35.6% doing so over May, compared to 29.4% in April. Moreover, despite seeing a slight month-on-month dip (47.9% vs. 49.6%), physical gifts cards purchased from physical stores remains the main outlet for gift card purchasing. With lockdown restrictions easing, this strong demand for physical gift cards is reflective both of greater ease in physical purchasing, and of physical gifting. Indeed, indoor socialising and dining returned to England on May 17th.

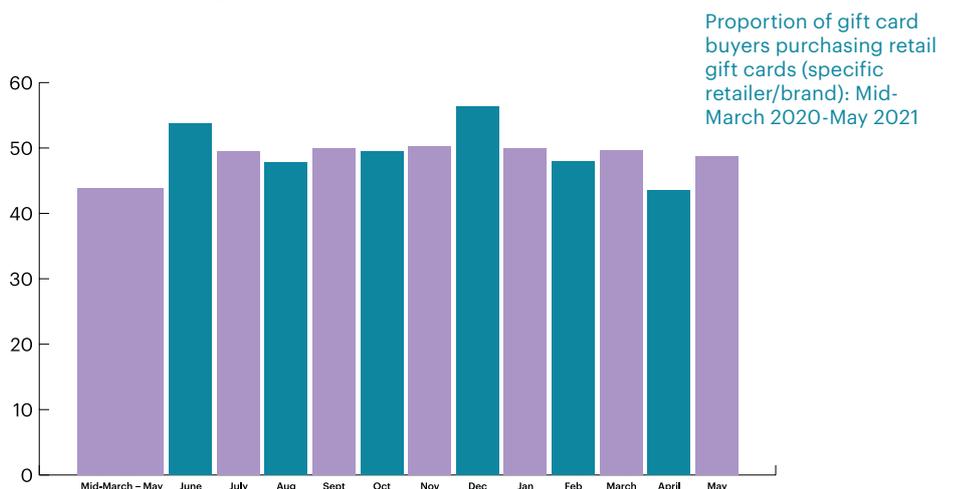
Shoppers now expect gift cards to be cross-channel



Despite the rising prominence of physical gift card purchasing among gift card buyers, the pandemic has permanently cemented the greater influence of digital purchasing and redemption. 33.8% agree that they 'expect all gift cards to be cross-channel', the highest level of agreement since GlobalData began tracking, back in May 2020. At the same time, 27.5% agree that they have converted to digital gift cards; with the exception of April 2021, this is also the highest level of agreement since GlobalData began tracking.

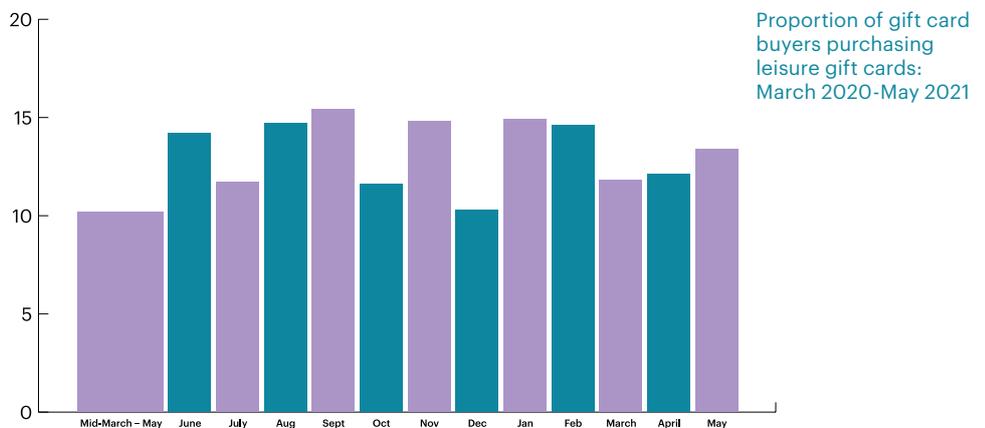
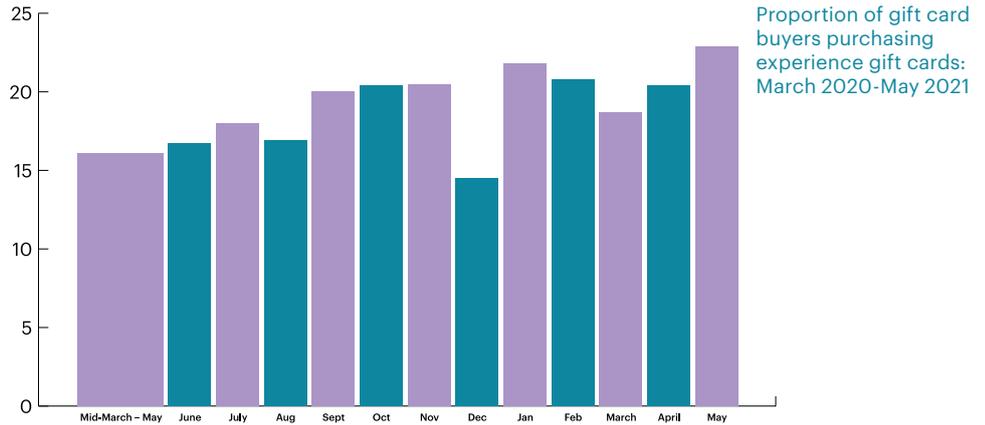
Retail gift cards see increased purchasing

Purchasing of retail gift cards (specific retailer/brand) increased to 48.7% over May vs. 43.6% in April. This reflects the gradual opening up of non-essential retail, and increased inclination for shoppers to undertake the same types of physical shopping trips that they were pre-pandemic.

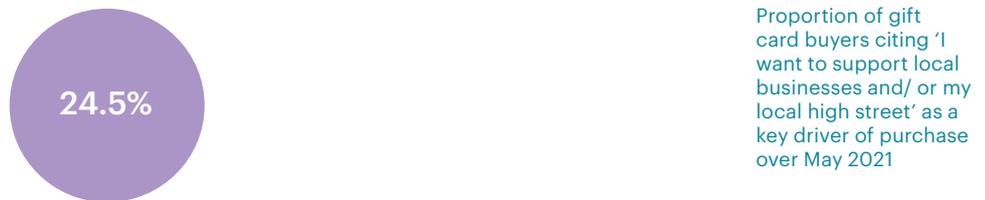


Experience and leisure gift cards see boost

With May 17th seeing the return of indoor hospitality, as well as businesses such as cinemas, there were clear signs that UK consumers were drawn towards gift cards which would facilitate usage of leisure and experience businesses. Purchasing of experience gift cards among gift card buyers increased to 22.9% in May (vs. 20.4% in April), the highest level since GlobalData began tracking, back in May 2020. Leisure gift cards also saw a purchasing increase to 13.4% in May vs. 12.1% in April. This strong demand is likely to remain through Summer 2021, with UK consumers taking advantage of domestic leisure and tourism options, amid continued restrictions on foreign travel/holidays.



Gift cards have an important role in supporting local businesses



Gift cards have proved an increasingly important medium through which shoppers have been able to funnel financial support to local retail and leisure businesses, while these businesses have been heavily restricted in their ability to trade. 24.5% of consumers purchasing a gift card for someone else, cited 'I want to support local businesses and/ or my local high street' as a key driver of purchase over May 2021. Moreover, almost a quarter (24.9%) agreed that they are/will continue to purchase gift cards "with the intent of supporting companies I like".