Gift Card & Voucher Association

July 2025

GCVA
Consumer Report

Vol. *60*

The GCVA is partnering with GlobalData to deliver a monthly snapshot of consumer behaviour and attitudes across the gift card sector. This report covers the 60th reportage of monthly research, since GlobalData began tracking this 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 commenced on July 1st and was designed to explore habits during the previous month, across a UK nationally representative sample of 2,000 shoppers.

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Gift Card Voucher Association (GCVA)

Topline Takeaways

- **Retail spending growth set to improve to 2.7% in 2025, boosted by inflation but also by positive volumes**
- **June gifting benefits from Father's Day-driven boost**
- **Self-use purchasing at the highest level since May 2020**
- **Physical gift cards outperformed over June**
- **Multistore gift cards continue strong performance**
- **Experience and Leisure saw a particularly strong performance over June**
- **UK consumers see gift cards as a medium for supporting local businesses**

Retail spending growth set to improve to 2.7% in 2025, boosted by inflation but also by positive volumes

Following growth of 1.5% to £453.2bn in 2024, retail spending growth is forecast to accelerate to 2.7% in 2025. We expect inflation to come through higher in 2025, at 2.3%, as retailers, particularly grocers, increase their prices to cope with higher wage costs. Volumes are forecast to rise by just 0.4% in 2025, though this will be the first positive volume growth since 2021 as shoppers feel more comfortable given strong wage growth in 2024 and inflation being more stable in comparison to the peaks we've seen in recent years. Recovery is uneven though – while some low-income households feel the benefit of increased minimum wages, many on benefits will be squeezed and in the middle-income brackets, average real wages are increasing but many mortgage owners are being dragged into higher interest rates upon expiry of fixed deals made when rates were much lower.

Online Channels

The online channel will see improved growth of 4.0% in 2025 following a rise of 2.7% in 2024 and 2.0% in 2023, after the heights of the pandemic when online penetration reached over 30%. Online penetration will rise marginally in 2025 to 27.7% and slowly rise until 2029 with more rapid growth coming from the online food market as retailers' proposition improvements entice shoppers.

Grocery Outlook

The food & grocery market is expected to grow by 3.9% to £202.0bn in 2025. Food inflation is expected to peak in the second half of the year, dampening volume growth. Despite rising inflation and weak volume growth of 0.1% for the year, we expect minimal trading down to discounters compared to 2024, as the mainline grocers have done a good job of offering a wide price architecture and the ability for shoppers to trade up and down whilst also providing compelling loyalty schemes.

Clothing & Footwear Outlook

The clothing & footwear market has had a rocky start to 2025, with sales falling in all months so far, except March, when it was bolstered by unseasonably good weather. While the market's performance is expected to improve slightly as the year progresses, as consumer confidence and finances improve, it will remain in decline, forecast to drop 0.9% in H2 versus 2.8% in H1. As a result, 2025 overall is anticipated to fall 1.8% to £62.5bn, with volumes also dropping for the third consecutive year, by 2.3%, as consumers prioritise spending on other areas, such as leisure.

The online channel is expected to continue outperforming, rising 0.4% to £25.9bn, with online penetration growing 0.9ppts to 41.4%, as its convenience, wide product offering and price comparison abilities continue to appeal to shoppers.

June gifting benefits from Father's Day-driven boost

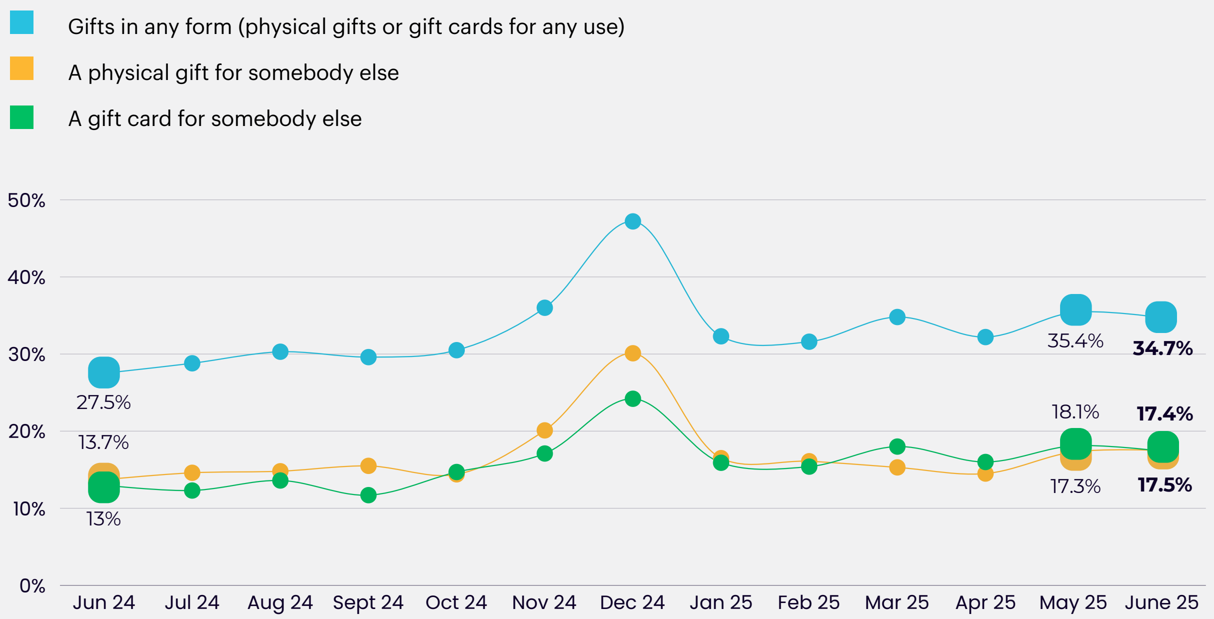
The 34.7% of consumers that bought physical gifts, gift cards or made self-use gift card purchases over June 2025 was notably higher than June 2024 (27.5%). Both gift cards and physical gifts experienced higher purchasing penetration over June; 17.4% of UK consumers purchased gift cards for somebody else, compared to 13.0% during June 2024.

This uptick is reflective of a broader recovery in household finances, which is finally leading to a tangible parallel improvement in consumer sentiment. Moreover, this improved consumer backdrop also coincided with Father's Day occurring during the month. The occasion saw a significant increase in both participation and spending, compared to 2024, amid improving household finances, good weather, and lack of football distraction (Father's Day 2024 coincided with an England Euro 2024 match).

However, it is important to note that this improvement is not being felt evenly across UK households. Of those that didn't purchase gift cards over June, 15.9% said they didn't because they have cut back significantly on non-essential spending, which was markedly higher than those citing this same reason in June 2024 (9.2%).

Figure 1:

Did you purchase any of the following:



Self-use purchasing at the highest level since GlobalData started tracking

9.8% of UK consumers said that they purchased gift cards for self-use over June 2025, which in addition to representing a significant increase vs. June 2024 (6.3%), was the highest level of self-use purchasing since GlobalData started tracking, back in May 2020. This points to a greater degree of financial flexibility among UK consumers, amid improving household finances. Gift cards have both the potential to support consumers during or after periods of higher outgoings and, increasingly, 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 46.2% over June 2025.

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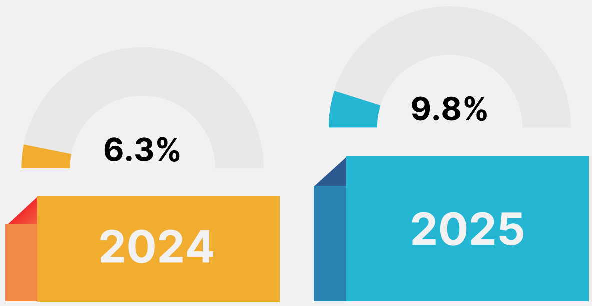
Figure 2:

Purchasing a gift card for yourself - June 2024 vs June 2025:

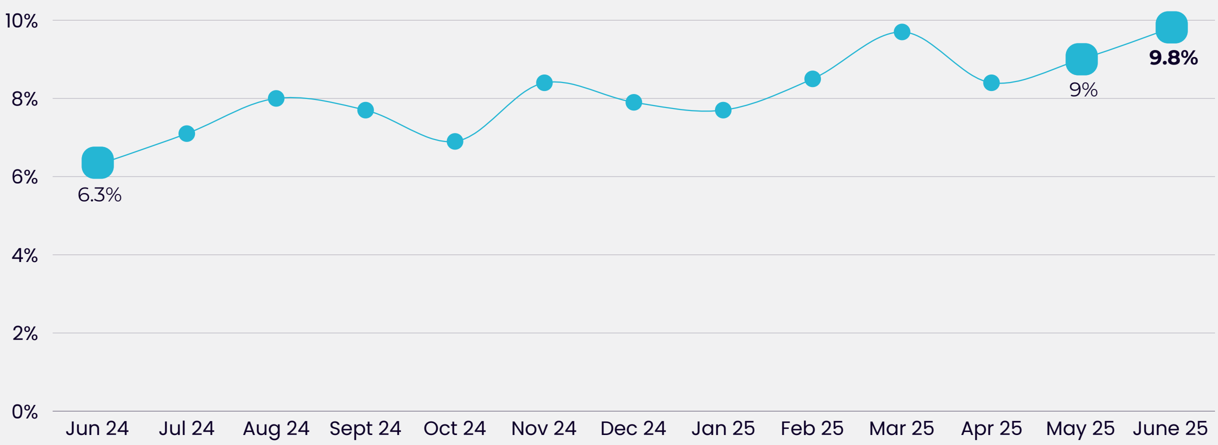
June 2024

June 2025



Did you purchase any of the following:

A gift card for yourself



Physical gift cards outperformed over June

Physical gift cards purchased in-store saw another strong performance over June, benefitting from the good weather encouraging physical gatherings. More generally, in addition to physical cards continuing to be viewed as more thoughtful gifting options, physical formats have benefitted from greater choice within physical stores, and the growing array of options in gift card categories such as entertainment, leisure, and gaming.

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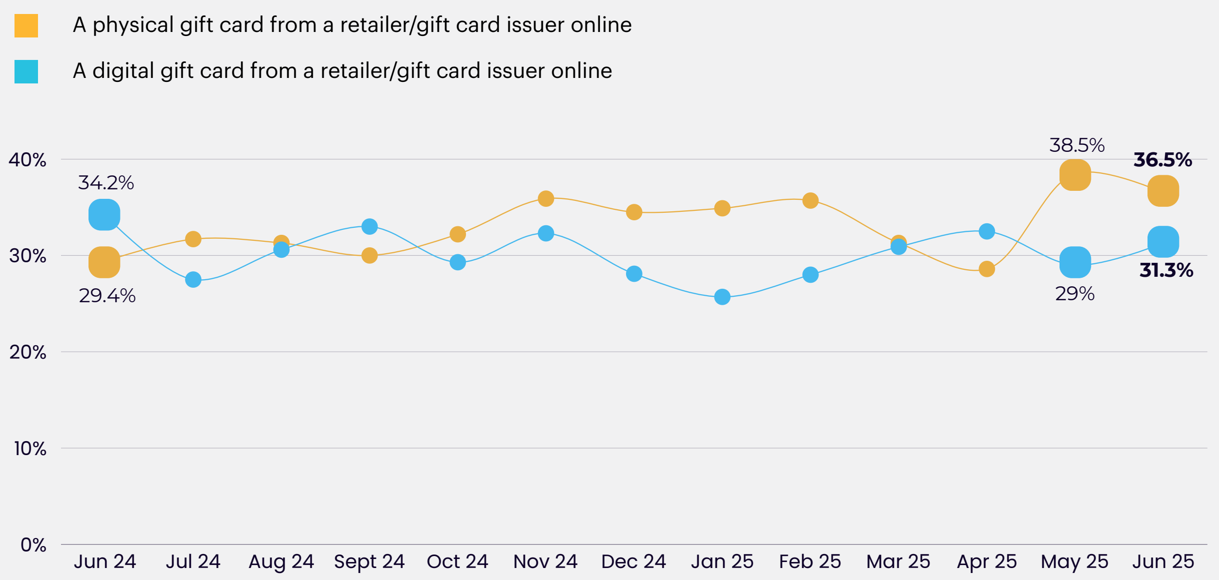
When it came to online purchasing, there was a contrasting year-on-year performance across physical gift cards (36.5% of gift card buyers purchased vs. 29.4% in June 2024), and digital gift cards (31.3% purchased compared to 34.2% in June 2024). Shopper expectations continue to rise when it comes to cross-channel purchasing and redemption. In June 2025, 62.2% of respondents agreed with the statement "I expect all gift cards to be usable across all of the retailer's sales channels", compared to 14.7% who expressed the same sentiment in June 2024.

Figure 3:

Which type of gift cards did you purchase?



Multi-store gift cards continue strong performance

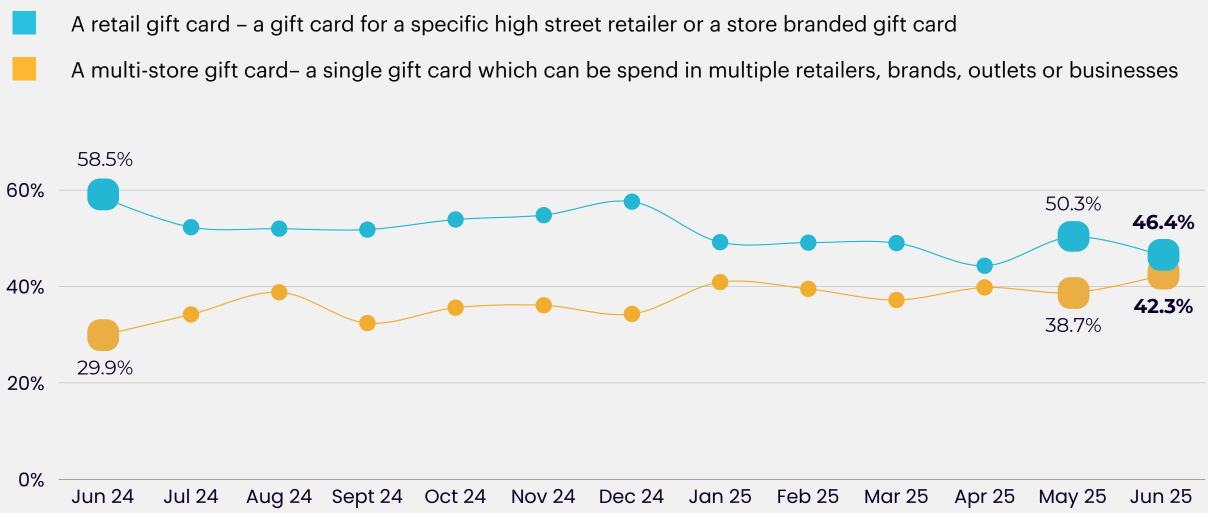
Multi-store gift cards again outperformed over June; the proportion of gift card shoppers purchasing multi-store gift cards (42.3%), increased vs. June 2024 (29.9%). In contrast, the proportion of gift card shoppers purchasing single brand gift cards (46.4%) declined vs. June 2024 (58.5%).

Multistore cards have the potential to overcome lingering consumers concerns around the lack of flexibility that gift cards provide compared to other payment options.

Multi-store cards have the potential to overcome lingering consumers' concerns around the lack of flexibility that gift cards provide compared to other payment options. 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.

Figure 4:

When purchasing gift cards (digital or physical), which types of gift cards did you purchase, either for yourself or someone else?



Experience and Leisure saw a particularly strong performance over June

The proportion of gift card buyers purchasing experience and leisure gift cards – for activities such as hotel stays, spa breaks, and restaurants – increased compared to June 2024. These card types benefitted from stronger demand due to being viewed as more thoughtful Father's Day gifting options, particularly during a period of the year when many of mapping out their social activities and holidays. Demand has also been boosted by an increase in supply, with many national, regional, and local leisure and experience businesses introducing options.

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Elsewhere, both Gaming and Music gift cards saw strong year-on-year purchasing. The popularity of these options is helping to drive self-use gift card purchasing. The second most cited reason for self-use purchasing was 'to make it easier to shop online', highlighting the growing role of gift cards and digital wallets to facilitate spending in areas such as media subscription and in-game purchases.

Figure 5:

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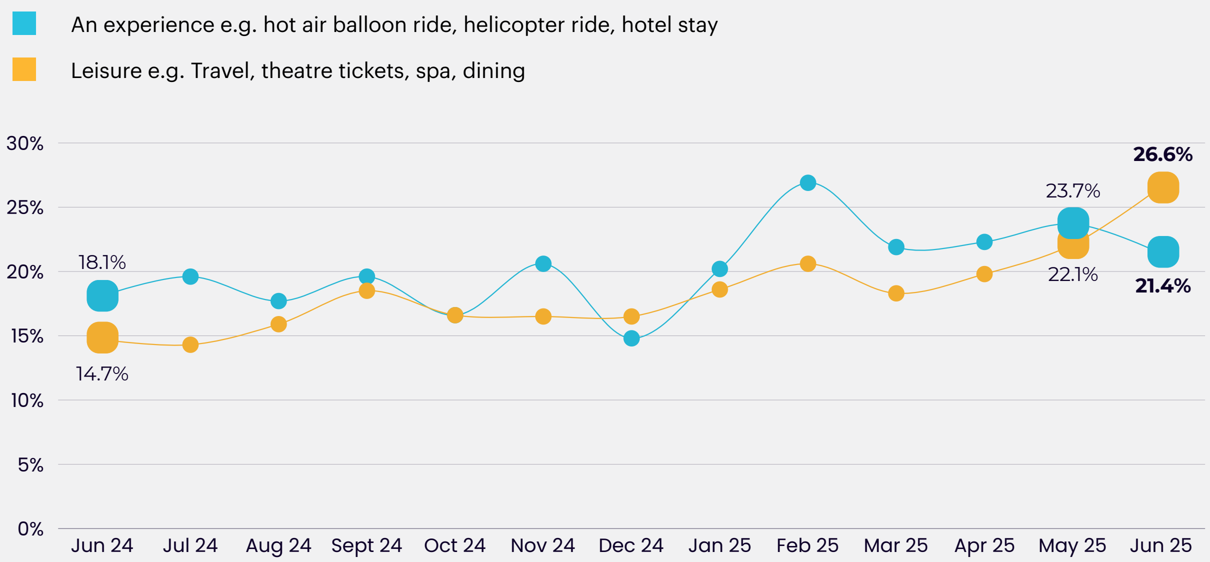

UK consumers see gift cards as a medium for supporting local businesses

There continues to be evidence that many are being proactive in purchasing gift cards to funnel support to local companies. Over June 2025, 31.1% of UK consumers agreed with the statement “I have/will purchase gift cards with the intent of supporting companies that I like”. This is more than double the 13.4% who expressed this sentiment in June 2024.

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The GCVA is the trade body and membership organisation for gift cards and vouchers. The association represents the key players in the industry and promotes best practice for the benefit of gift card issuers, services and consumers.

On the time-period comparisons, this month’s report covers the June calendar month, with comparisons made between June 2025 and June 2024. Where relevant, comparisons have also been made to the wider tracking period.

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