

**Publication:** Retail Times

**Date:** 25.03.25

**Link:** <https://retailtimes.co.uk/green-gifting-how-digital-gift-cards-are-wrapping-up-the-eco-conscious-consumer/>

**MUU:** 52,560



## **Green gifting – how digital gift cards are wrapping up the eco-conscious consumer**

---



Gift card and voucher sales continued to outshine broader retail trends in the second half of 2024, according to the latest research from the Gift Card & Voucher Association (GCVA) and KPMG UK.

Data from GCVA's members shows that in the last six months of 2024, gift card and voucher sales surged by 11.39% on a like-for-like basis, marking the first double-digit growth since H1 2021. This strong performance stands in sharp contrast to a tough year for UK retailers, with total retail sales growing by just 0.7% during the same period (according to the BRC-KPMG Retail Sales Monitor).

Retailers saw an 11.3% uplift in gift card sales, with grocers leading the charge. Sales in the grocery sector soared 20.48%, as both employers and consumers turned to food-related gift cards to help manage household budgets amid ongoing cost-of-living pressures. The data also reflects the increasing popularity of employer-sponsored gift card schemes, enabling staff to stretch their pay further.

The leisure sector continued its impressive run, posting 13.3% growth on a like-for-like basis for the seventh consecutive period. Consumers increasingly opted for experience-based gifts despite tightening budgets, highlighting the resilience of leisure gifting.

B2B gift card sales remain the primary growth driver, registering a 13.7% increase, with employee benefits, savings, and salary sacrifice programmes leading the way. This mirrors the ongoing trend of businesses using gift cards to support staff, offering a practical tool in managing everyday expenses.

Digital gift cards also hit a significant milestone. For the first time, they claimed over half (50.3%) of market share on a rolling year basis, with sales up 20.6% year-on-year. The growth of digital sales underlines shifting consumer habits and the growing demand for flexible, instant gifting options.

Despite the growth of digital options, physical gift cards remain popular particularly for festive gifting, with over half (54%) of consumer sales from retail stores and 22% from gift card malls. Sales from which increased 5.6% and 13.6% respectively.

Commenting on the findings, Hannah Shimko, GCVA managing director, said: "This report demonstrates the resilience and versatility of the gift card market. Gift cards are a vital tool helping consumers and businesses navigate challenging times. Whether it's employers supporting staff through benefits schemes or consumers choosing flexible gifting options, the sector has shown remarkable adaptability.

"The strong growth we're seeing, shows that amidst wider retail struggles, gift cards remain an essential part of the UK's shopping landscape for consumers, and that consumers continue to see gift cards as fantastic gifts. As we celebrate these results at our GCVA Conference, I'm excited about the future opportunities for our industry, particularly in the digital space and through B2B channels."

#### Key Findings from the GCVA H2 2024 Report

- Like-for-like gift card sales rose 11.39%, with rolling year growth at 10.64%, the first double-digit performance since H1 2021.

- Retail gift card sales grew by 11.3%, with grocer gift cards driving 50% of total growth.
- Leisure sector sales increased by 13.3%, continuing its market-leading growth streak.
- B2B market expanded by 13.7%, fuelled by demand for employee benefits and reward schemes.
- Digital gift card sales rose 20.6%, crossing the 50% market share threshold across a complete year for the first time.
- Despite the surge in digital, physical gift cards remained resilient, growing by 4.7% in H2.
- Consumer demand held steady during Christmas, with 47.2% of shoppers purchasing gift cards or vouchers in December 2024, up from 45.9% the previous year.