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Press release

## Retail revolution: gift cards driving bigger basket spend

Retailers running successful gift card programmes are experiencing a remarkable surge in sales thanks to the growing trend of shoppers using gift cards to unlock significant savings on larger purchases.

According to the latest State of the Nation 2024 research conducted by the [Gift Card & Voucher Association](#) (GCVA) and [Global Data](#), gift cards encourage shoppers to spend more and upgrade their present.

Research found that more than two-thirds (68%) of those redeeming their gift cards over the past 12 months spent more than the value of the card. This means that for over two-thirds of shoppers, gift cards have become a gateway to indulging in higher-priced items while enjoying savings.

Over 43% of gift card users have been observed to splurge an average of £10 more than the value of their £30 gift cards. This represents a significant 33% increase in spend, providing a much-needed boost for retailers navigating through challenging market conditions.

As consumer spending on discretionary items tightens, gift cards emerge as a strategic tool to entice younger shoppers into stores and prompt them to make larger purchases that may have previously seemed out of reach.

Family-age millennials, in particular, are leveraging gift cards to offset the costs of essential household items, clothing, and leisure activities. It comes as no surprise that this demographic leads the charge in surpassing the value of their gift cards, with 36% admitting to spending an extra £10 on average, and a substantial 34% splurging at least an additional £30.

Conversely, the propensity to overspend relative to the gift card's value is lowest among baby boomers, with only 17% of this group splurging £30 or more. While Gen Z demonstrated a penchant for overspending last year, this year's report reflects a shift in



shopping behaviour amid the ongoing cost of living crisis, with fewer than a quarter (24%) opting for larger purchases.

With cautious consumer sentiment prevailing, gift cards from specific retailers have emerged as the top choice for gift buyers in the past year. Shoppers are opting for brand-specific gift cards tailored to the recipient's preferences, thereby minimising the risk of wasted spend.

Commenting on the findings, Siobhan Moore, Executive Board Co-Chair at the GCVA said: “The power of gift cards continues to grow, for retailers, they are now, more than ever, a powerful tool for maximising sales and attracting new customers. As more people opt to gift a retail gift card, they are introducing recipients to new retailers and allowing consumers to cut the cost of bigger purchases. At a time when many have had to forgo luxuries, gift cards are enabling people to still treat themselves, as well as shave money off the essentials.”

The State of the Nation report was sponsored by gift card processing and analytics specialists, Savvy. Eoin Whyte, [Savvy](#) Chief Revenue Officer & Co-Founder, said: “The State of the Nation Report provides a valuable overview of the evolution of consumer attitudes and spending habits in relation to gift cards, as well as insight on the key drivers influencing these changes and how those in the industry can respond accordingly. As such, we are pleased to sponsor the creation of this year’s report.

“The findings show that despite tough trading conditions, there were silver linings to be found. For retailers, gift card schemes are encouraging additional spending at a time when many need a boost. For consumers, gift cards enable them to give a meaningful, useful gift which provides recipients with the flexibility to select items which are practical, beneficial, or a well-deserved treat.”

**ENDS**

## **Notes to Editors**

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## About the GCVA

The Gift Card & Voucher Association (GCVA) was established as a trade body to represent the key players in what is today a £7 billion gift card and stored value solutions market. With more than 90 members representing key retailers, issuers, and suppliers the GCVA provides an information and reference point for the Gift Card & Voucher industry and is at the forefront of the issues affecting the industry.

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

The GCVA is the key industry organisation to share new ideas, innovate and promote best practice with the UK gift card and voucher industry. It runs a programme of events, meetings, research projects and updates throughout.