

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 12th 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.

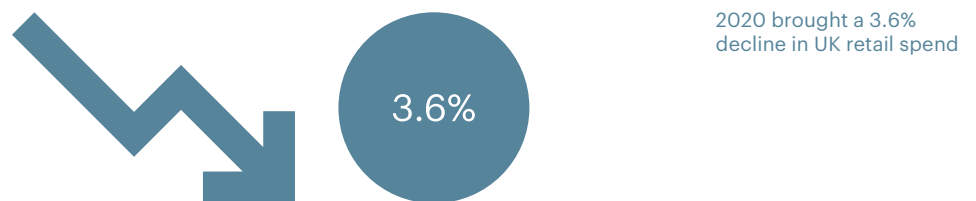
The April fieldwork went to field on May 1st, 2021 and was designed to explore habits over April 2021. A UK nationally representative sample of 2,000 shoppers was surveyed.

On the time-period comparisons, this wave covers the April 2021 calendar month, with comparisons made between April 2021 and March 2021. Where relevant, comparisons have also been made to the 12-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 remained muted through Q1, and consumer hesitation to visit physical retail stores remained 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.

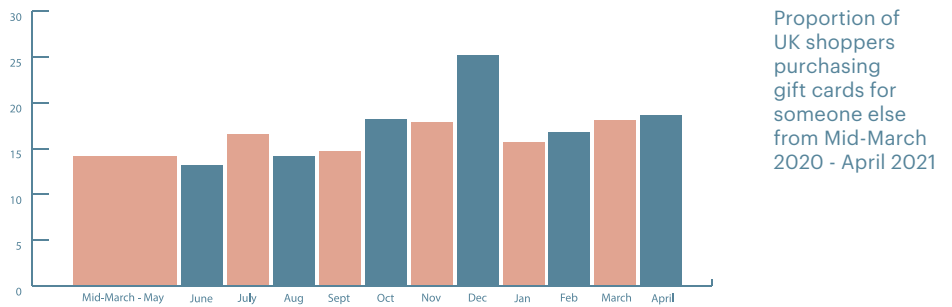


April saw a drop in gift purchasing overall

April saw a drop in gift purchasing, with 35.8% 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 March. This was driven primarily by a decline in physical gift buying, with 16.9% buying at least one physical gift for someone else vs. 19.0% in March.

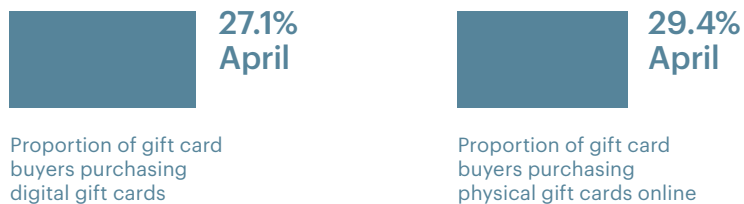


Despite this drop in overall gift buying, gift cards had a positive month



Gift cards continued to prosper over April, with the proportion of UK shoppers purchasing a gift card for someone else increasing to 18.6% (vs. 18.1% in February). In the context of the period since GlobalData began tracking, back in May 2020, this level of gift card purchasing is higher than every period except October and December 2020.

The past 12 months have had a transformational impact on the gift cards category

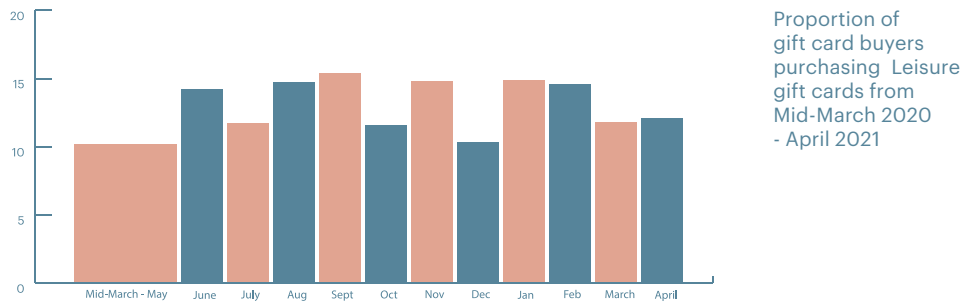
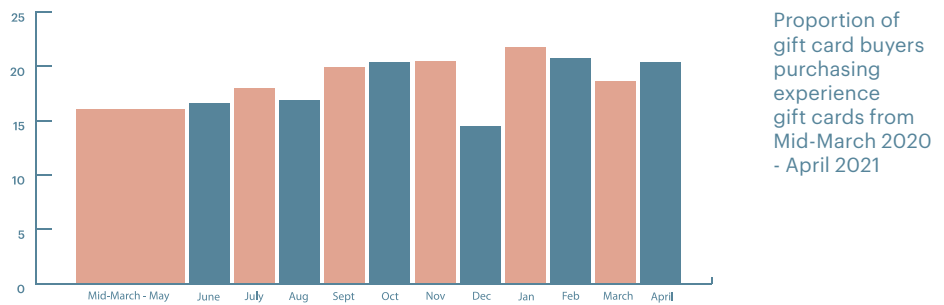


Amid the closure of non-essential stores, and restrictions around social engagements throughout the last 12 months, gift cards have become even more of an integral part of consumer gifting options. One of the clear drivers of the growing influence of gift cards has been the convenience of purchase, with 31.5% of gift card buyers citing 'it has been more difficult to choose physical gifts' as a key reason for gift card purchasing.

There has also been a significant evolution in where gift cards are being purchased and redeemed. Over a quarter (27.1%) of gift card buyers purchased a digital gift card over April, with purchase penetration of this gift card type peaking at 32.4% over February 2021. Elsewhere, 29.4% of gift card purchasers bought a physical gift card online over April, with purchase penetration of these cards peaking at 40.9% in December 2020.

Moreover, this increase in the influence of digital is set to be permanent. 31.3% 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, 28.1% agree that they have converted to digital gift cards, which is also the highest level of agreement since GlobalData began tracking.

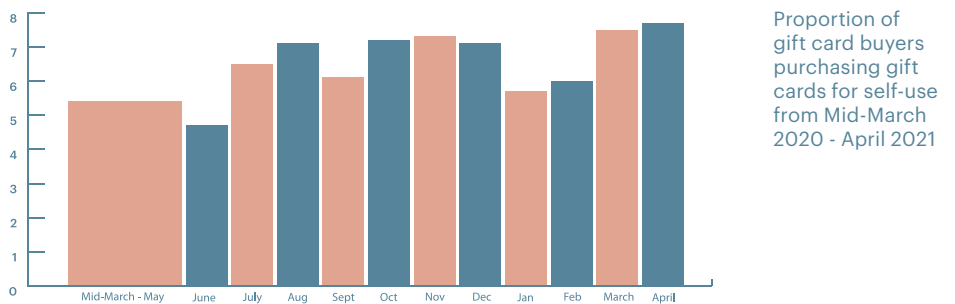
Experience and leisure gift cards see boost, amid retail decline



Despite the step 2 easing of lockdown restrictions leading to the opening of non-essential stores on April 12th, both retail and multistore gift cards saw declines in purchase penetration over April. This follows two months of growth for these gift card types, and perhaps reflects an easing of demand due to higher levels of purchasing in the weeks leading up to non-essential reopening.

At the same time, there are signs that the opposite trend has occurred in demand for leisure gift cards (12.1% vs. 11.8% in March), and experience gift cards (20.4% vs. 18.7% in March). 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.

Self-use purchase continues to rise in relevance



7.7% of UK consumers purchased a gift card for self-use over April 2021, compared to 7.5% in March 2021. This level of self-use purchasing was the highest since GlobalData began tracking back in May 2020. The key cited factor driving this growth in self-use purchase was to help with saving money, cited by 38.2% vs. 36.4% in March 2021.



Gift cards have an important role in supporting local businesses



21.5%

Someone else "to support businesses that I like during the current crisis"

17.6%

Self-Use "to support businesses that I like during the current crisis"

Proportion of gift card buyers purchasing gift cards for someone else or self-use "to support businesses that I like during the current crisis"

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. 21.5% of consumers purchasing a gift card for someone else, and 17.6% of consumers purchasing for self-use cited 'to support businesses that I like during the current crisis' as a key driver of purchase over April 2021. Moreover, over a quarter (25.1%) agreed that they are/will continue to purchase gift cards "with the intent of supporting companies I like".