

News release

March 2019

Gift Card Industry Continues to Thrive

The UK gift card market is continuing to grow and support the UK retail market, despite the challenging environment, according to latest industry data published by [the UK Gift Card & Voucher Association](#) (UKGCVA)

Produced by accountancy and business advisory firm BDO, on behalf of the UKGCVA, the report provides insight into the gift card and voucher market's performance in the second half (H2) of 2018. It paints an overall promising picture, finding that overall growth has increased by 10.73% year on year.

Gift card sales have increased across retail, experiential and third party supplier sectors, with store branded gift cards demonstrating particularly impressive growth at 16.64% for the period. This growth is being driven from an increase of 33% through the business-to-business (B2B) channel and a growth of 4.5% through the consumer sales channel.

Within the consumer sales channel, which includes gift card malls, online sales and sales of store branded gift cards sold direct from retailers' own stores, gift card malls have once again seen the greatest increase, comfortably exceeding online consumer sales. However direct sales from retailers' own stores, with a lower growth rate of 4.7% in the period, is still where the majority of gift cards are purchased, accounting for 75.62% of all gift card consumer sales.

Business-to-business (B2B) sales account for the largest percentage of growth in H2, up by 22%, as more companies utilise gift cards for incentive and reward schemes. In comparison, consumer sales increased by 3.94% in what is historically their better-performing period, leading to an almost equal share of the market in this period between B2B and consumer sales.

Digital gift cards are also increasing in popularity and experienced the highest growth in the second half of 2018, when compared to paper and physical cards.



The report analyses data submitted by UKGCVA *participating members which include leading high street retailers, department stores, supermarkets, online retailers, and is the most authoritative report compiled for this industry.

Gail Cohen, director general for the UKGCVA, said: "It's great to see the gift card industry bucking the trend in the retail sector and sustaining its growth. Overall the results have remained positive for the industry, with retail growth a particular highlight, demonstrating the strong resilience and continued relevance of gift cards in the UK today."

The UKGCVA announces the industry's half yearly results, ahead of it's annual flagship event for the gift card and voucher industry, UKGCVA Conference 2019: The Future is Now.

Taking place at the Grange Tower Bridge Hotel in London on 6th and 7th March 2019, the event will bring together industry leaders from around the globe to discuss ongoing trends and developments within the gift card industry.

Tickets for the conference can be purchased from the UKGCVA conference site here:
<http://ukgcvaconference.com>

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Notes to Editors

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About UKGCVA

The UK Gift Card & Voucher Association (www.ukgcva.co.uk) was established as a trade body in 1991 to represent the key players in what is today a c£6 billion gift card and stored value solutions market. With 90 members representing key retailers, issuers and suppliers the UKGCVA 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 vouchers and gift cards within the UK, promoting the industry to consumers, businesses, government and other interested parties.

The UKGCVA's annual conference is a key date in the industry calendar. Bringing together all stakeholders in the sector to learn, debate, promote and network, it is a day for members, non-members and organisations keen to know more about the industry. It is a platform to share new ideas, innovate and promote best practice with the UK gift card and voucher industry.

The latest industry data is received from UKGCVA participating data members and the data and report are produced by BDO.

** The data in the report is provided by UKGCVA participating retailers & issuers, representing the key industry players in the market.*