

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 17th 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 September fieldwork went to field on October 1st, 2021 and was designed to explore habits over September 2021. A UK nationally representative sample of 2,000 shoppers was surveyed. On the time-period comparisons, this wave covers the September 2021 calendar month, with comparisons made between September 2021 and August 2021. Where relevant, comparisons have also been made to the 17-month period.

Strong UK retail performance predicted in H2 after the lifting of restrictions



UK retail spend is forecast to hit £353.2bn in 2021, an increase of 4.6% compared to 2020. While restrictions remained in place for most of H1 2021, H2 signalled the start of the opportunity for retail to begin its recovery after the pandemic. Since the lifting of all restrictions in England in July, consumers have begun to spend more on non-essential items such as beauty and clothing, as they visit restaurants, bars and clubs once again. With just over 82% of the UK adult population having had both vaccinations, and the UK beginning preparations to offer booster jabs to the elderly and clinically vulnerable, the hope is that the recovery for the retail sector will be able to carry on without the disruption brought about by COVID-19 driven restrictions.

After a buoyant 2020, the food & grocery market is forecast to decline in 2021, with expenditure expected to decrease by 0.9% to £167.5bn. While demand for this sector remained resilient in the first half of 2021, as non-essential stores and hospitality venues opened, consumers have returned, in part, to the foodservice industry spending more on dining out and other social activities. Despite this weaker performance overall, online food & grocery is forecast to continue to thrive, with online revenue set to grow by 20.0% against a strong comparative year.

The clothing and footwear market continued to be heavily impacted by the pandemic during the first half of 2021, as non-essential stores were forced to close amid the national lockdown and consumers remained reluctant to make discretionary purchases. The fast roll-out of the vaccine and the subsequential easing of restrictions has allowed the sector to experience stronger recovery in H2, as the recommencement of social events caused a rapid surge in demand for apparel products. However, this will not be enough to salvage the spend lost towards the beginning of the year, with the market forecast to stay 14.6% lower than 2019 levels in 2021.

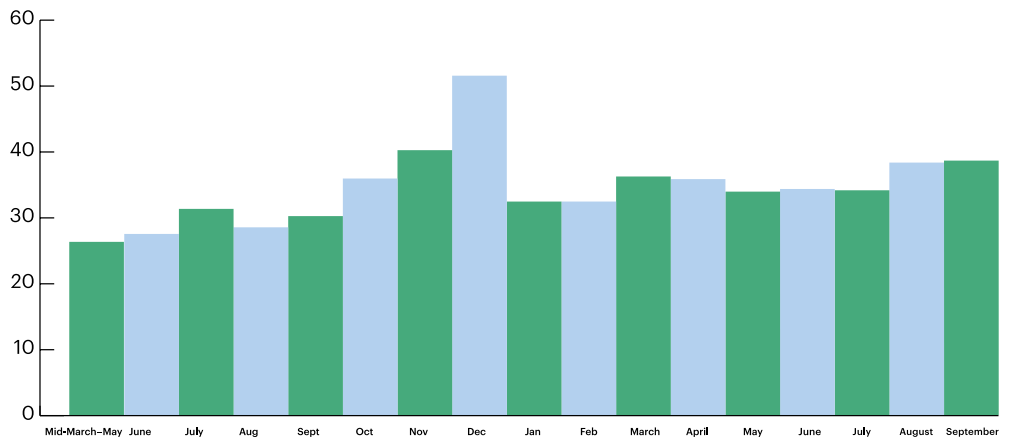
The home market is set to outperform overall retail for 2021 due to a strong performance during the first half of the year; this is as a result of the strong housing market and increased shopper confidence when buying home products online. The sectors are also set to benefit again from shoppers transferring money which had previously been earmarked for foreign holidays into the home. However, growth during the second half of the year is set to moderate as the reopening of leisure activities encourages spend within other categories such as clothing, and supply chain disruptions causes stock issues for home retailers.

There was an increase in gift purchasing over September

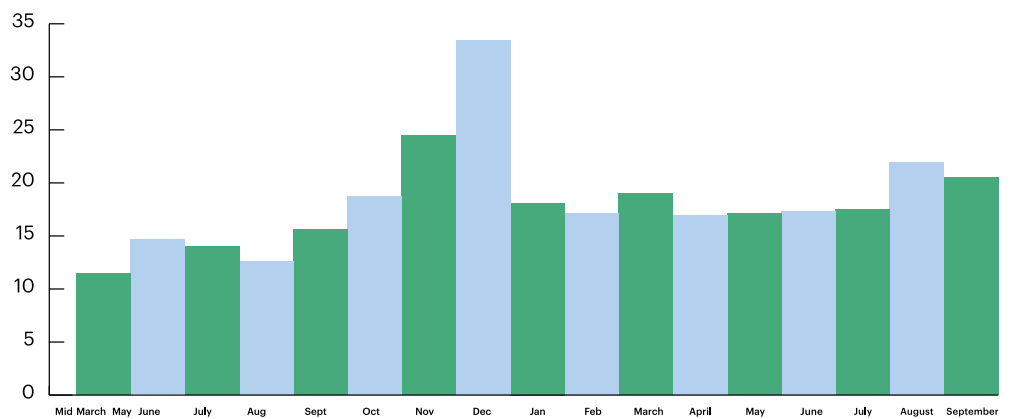
The last few months have seen a gradual easing of COVID restrictions, culminating in the August removal of self-isolation guidelines for double-jabbed close contacts. The positive impact of continued reduction of restrictions has been reflected in consumer gifting behaviour, with gift purchasing increasing month-on-month over July-September.

Indeed, in September 38.6% of respondents purchased gifts either in the form of physical gifts or gift cards for other people, or self-use gift card purchases, compared to 38.3% in August. With the exception of the run-up to Christmas 2020 – over November and December 2020 – this represented the highest level of gift purchasing since GlobalData began tracking, back in May 2020.

Did you purchase any of the following:  
Gifts, either in the form of physical gifts or gift cards for other people, or self-use gift card purchases



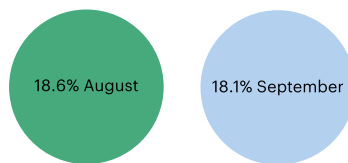
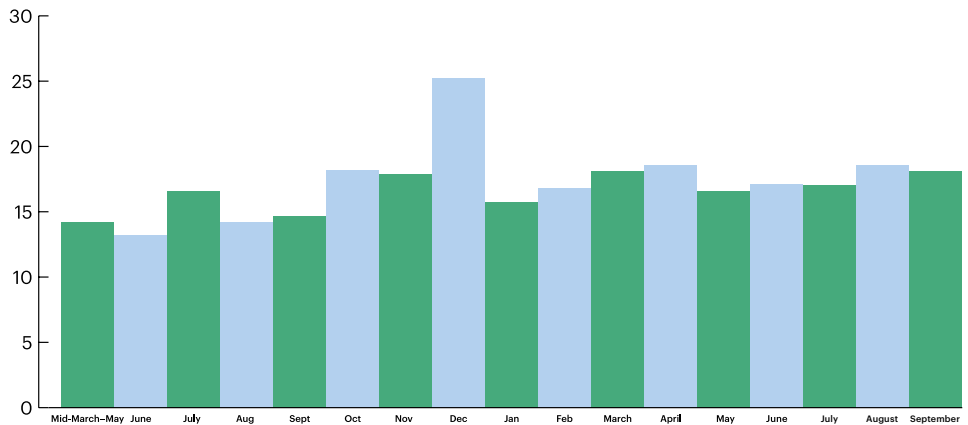
Did you purchase any of the following:  
A physical gift for somebody else



Gift cards saw a slight purchasing decline over September

The proportion of consumers purchasing a gift card for someone else fell slightly, to 18.1% in September, vs. 18.6% in August. Nonetheless, this still represents a high level of purchase when compared to the wider tracking period. With most restrictions lifted across retail, leisure and foodservice operators, gift cards have been an ideal option to facilitate the types of pre-pandemic social activities that have been restricted for large parts of the last 18 months.

Did you purchase any of the following:  
A gift card for somebody else



The proportion of consumers purchasing a gift card for someone else fell slightly, to 18.1% in September, vs. 18.6% in August.

Self-use purchasing remained high in September

The proportion of respondents purchasing gift cards for self-use was at 9.3% over September – the same rate of purchase as in August. This represents the joint-highest rate of purchasing since GlobalData began tracking, back in May 2020. Self-use purchasing is being driven by a number of factors, including making it easier to shop online (mentioned by 31.6% of self-purchasers), and the potential of gift cards to support with saving money (mentioned by 40.5%).

The rise of self-use represents a more general indication of the growing relevance of gift cards, particularly through the pandemic. This is reflected by the 44.6% of self-purchasers that agreed that they now “regularly purchase gift cards for myself”, the highest level since GlobalData began tracking, back in May 2020.

Did you purchase any of the following:  
A gift card for yourself

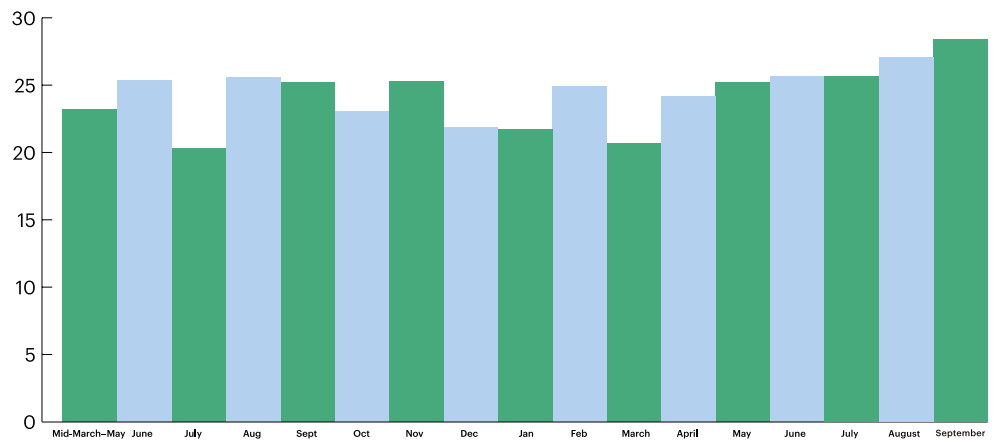


Purchasing through work incentive programmes has grown in importance through the pandemic

Partially linked to, and a driver of, the rise in gift card self-use has been the increase in purchasing through work reward programmes. Over September 2021, the proportion of gift card purchasers buying physical gift cards through this channel was 28.4%. This represented the highest level since GlobalData started tracking and reflects a greater proportion of workers returning to the office, albeit as part of increasingly hybrid working patterns.

At the same time, purchasing of digital gift cards through work incentive programmes dipped to 9.6% over September, which was one of the lowest rates since GlobalData started tracking. This is reflective both of physical gift cards being more easily usable, and a greater proportion of office workers returning.

Which type of gift cards did you purchase?  
A physical gift card through an employee benefits programme

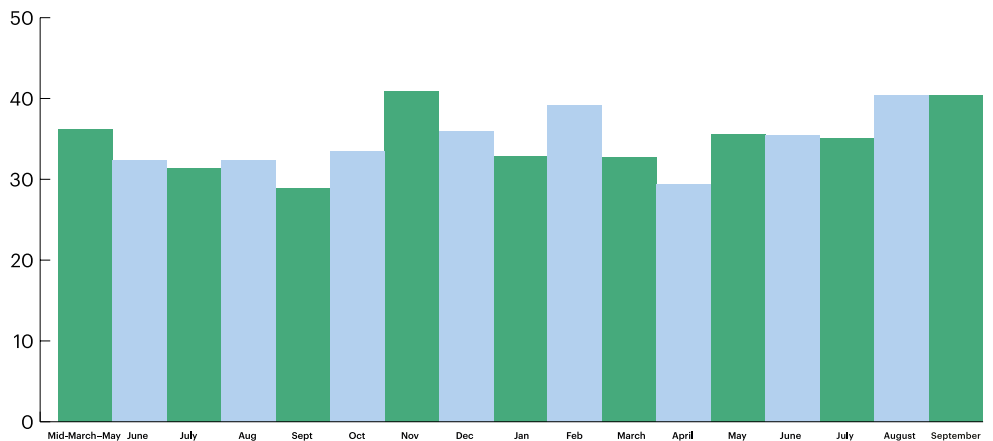


Online physical gift cards purchasing remained strong over September

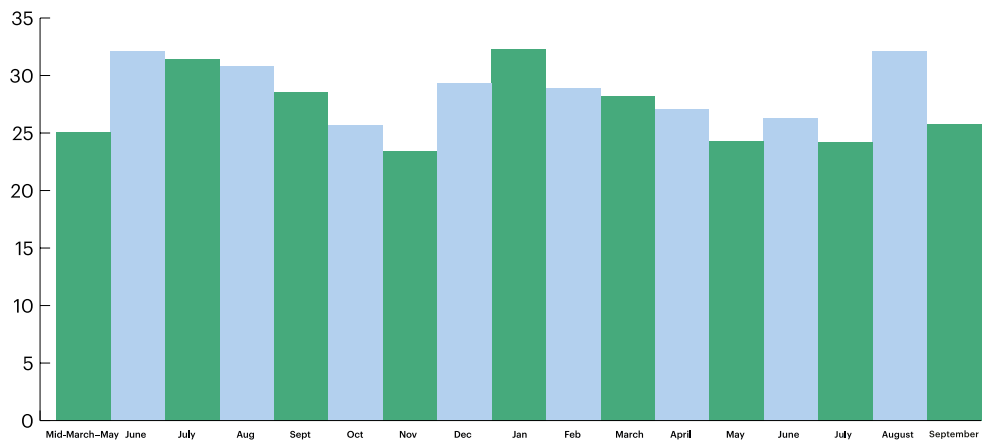
The proportion of gift card buyers purchasing physical cards online was 40.4% over September, which was the same level as in August and one of the highest levels since GlobalData began tracking. At the same time, the proportion of gift card buyers purchasing physical gift cards from physical stores declined again, to 45.6% in September vs. 48.0% in August.

The pandemic has permanently cemented the greater influence of digital purchasing and redemption. 58.4% agree that they “expect all gift cards to be cross-channel” – the highest level of agreement since GlobalData began tracking.

Which type of gift cards did you purchase?  
A physical gift card from a retailer/gift card issuer online



A digital gift card from a retailer/gift card issuer online



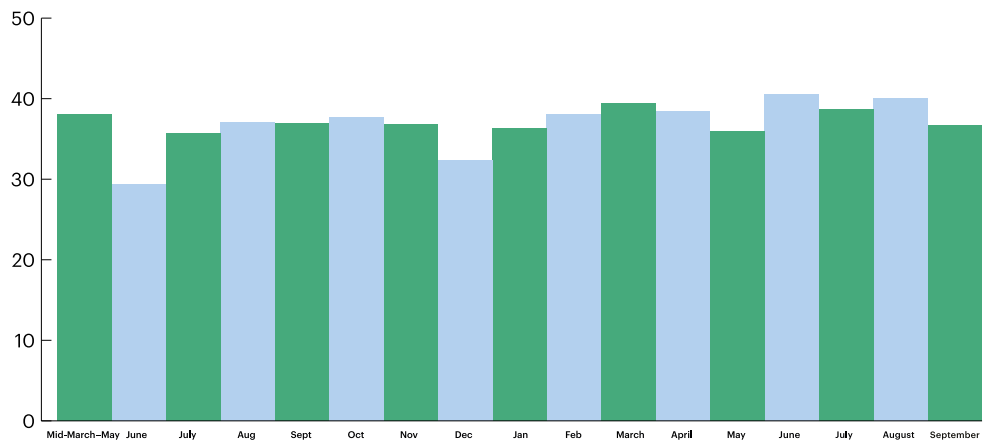
Retail gift cards experienced a significant boost over September

The proportion of gift card buyers purchasing single store gift cards increased to 53.1% over September vs. 50.4% over August. At the same time, the proportion purchasing multistore gift cards dipped to 36.6% in September vs. 40.0% in August.

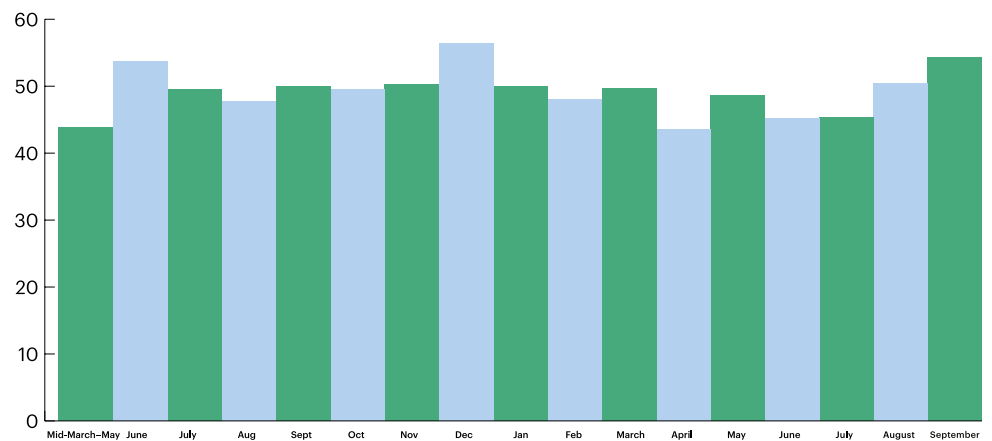
The increasing penetration of retail gift cards reflects the gradual opening up of non-essential retail, and increased inclination for shoppers to undertake the same types of physical social, shopping trips that they were pre-pandemic. Moreover, purchasing of cards of specific brands suggests a growing confidence that these operators will still be around for cards to be redeemed, following the uncertainty in UK retail over much of the last 18 months.

When purchasing gift cards (includes gift cards, vouchers, digital, e-gift codes etc.), which types of gift cards did you purchase, either for yourself or someone else?

**A multi-store gift card- a single gift card which can be spend in multiple retailers, brands, outlets or businesses**



**A retail gift card - a gift card for a specific high street retailer or a store branded gift card**

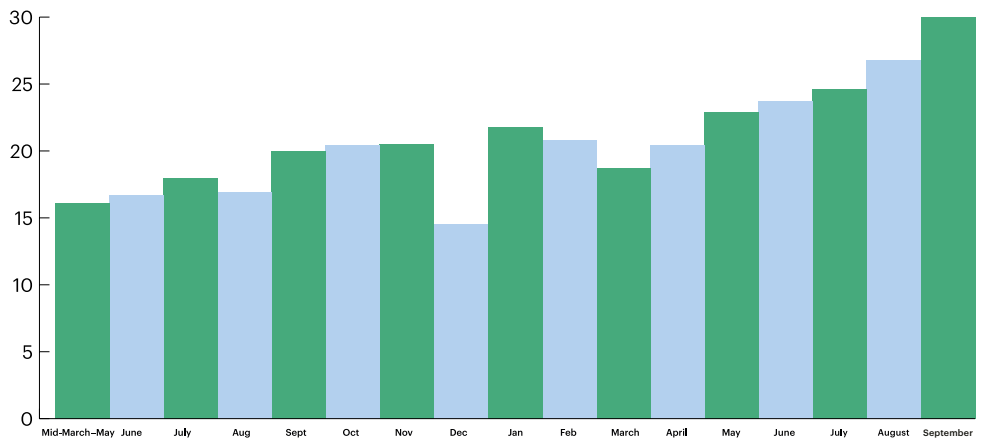


Staycations drive greater spending on experience gift cards

While double-vaccinated UK consumers are finally seeing a relative relaxation around the rules of holidaying abroad, Summer 2021 was again been one for staycations. This is particularly given that it has coincided with the loosening of many of the remaining restrictions for leisure, experience and hospitality businesses. With September overlapping with the final weeks of summer holidays for many UK families, this inevitably led to a further boost in demand for experience gift cards. The proportion of gift card buyers purchasing experience gift cards (for pursuits such as hot air balloon rides, helicopter rides, and hotel stays) increased to 30.0% over September vs. 26.8% in August. This rate of purchasing was the highest since GlobalData began tracking.

When purchasing gift cards (includes gift cards, vouchers, digital, e-gift codes etc.), which types of gift cards did you purchase, either for yourself or someone else?

**A multi-store gift card - a single gift card which can be spend in multiple retailers, brands, outlets or businesses**



Gift cards have an important role in supporting local businesses

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. 40.3% of consumers purchasing a card for someone else cited "I want to support local businesses and/ or my local high street" as a key driver of purchase over September 2021 - the highest level since GlobalData began tracking.

When purchasing gift cards (includes gift cards, vouchers, digital, e-gift codes etc.), which types of gift cards did you purchase, either for yourself or someone else? Please select all that apply

**An experience e.g. hot air balloon ride, helicopter ride, hotel stay**

