



March 2025

GCVA
Consumer Report

Vol.
56



The GCVA is partnering with GlobalData to deliver a monthly snapshot of consumer behaviour and attitudes when it comes to gift cards.

The February fieldwork went to field on March 1st and was designed to explore habits during the previous month, across a UK nationally representative sample of 2,000 shoppers.

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Topline Takeaways

- Giftling in February 2025 benefitted from Valentine's Day falling on a Friday, which encouraged greater participation in the event
- Retail spending growth set to improve to 2.9% in 2025, boosted by inflation but also by positive volumes
- Giftling demand continues on a positive trajectory
- Self-use purchasing displays its strong relevance over February
- UK consumers see gift cards as a medium for supporting local businesses
- Both physical and digital gift cards saw increased purchasing over February
- Multistore gift cards continue strong performance
- Experience, Leisure, and Gaming gift cards all performed strongly over February

Retail spending growth set to improve to 2.9% in 2025, boosted by inflation but also by positive volumes



Following growth of 1.6% to £450.9bn in 2024, retail spending growth is forecast to improve to 2.9% in 2025. We expect inflation to come through higher in 2025, at 2.4%, as retailers, particularly grocers, increase their prices to cope with higher wage costs. Volumes are forecast to rise by 0.5% in 2025, which will be the first positive volume growth since 2021. Shoppers will feel more comfortable given strong wage growth in 2024, and inflation being more stable in comparison to the peaks we've seen in recent years. That said, this benefit will not be felt by all households. For those needing to remortgage and facing much higher monthly payments, household spending will be squeezed.

Online Channels

The online channel will see improved growth of 3.9% in 2025 following a rise of 2.7% in 2024 and 2.0% in 2023, after the heights of the pandemic when online penetration reached over 30%. Online penetration will rise marginally in 2025 to 27.5% and continue to rise until 2029 with more rapid growth coming from the online food market as retailers' proposition improvements entice shoppers.

Grocery outlook

The food & grocery market is expected to grow by 4.1% to £202.4bn in 2025. Food inflation accelerated in January 2025 to 3.3%, up 1.3ppts from December 2024, and is expected to peak in Q3. Despite inflation rising once again, volumes are expected to improve in the second half of the year resulting in a 0.2% uplift for 2025. We expect minimal trading down to discounters in comparison to last year, as the mainline grocers have improved in offering a wide price architecture, the ability for shoppers to trade up and down, and in providing compelling loyalty schemes.

Clothing & Footwear Outlook

The clothing & footwear market got off to an unsteady start in January, with sales declining 5.0%. While the market is still expected to improve as the year progresses, as consumer confidence and finances improve, it will see very muted growth in 2025, with full year sales rising just 0.3% to £59.8bn. As a result, volumes will remain negative for the third consecutive year in 2025, falling 0.9ppts, as consumers prioritise spending on other sectors such as leisure and health & beauty.

The online channel is expected to continue outperforming, growing 1.6% £24.8bn, leading to a rise in online penetration of 0.5ppts to 41.5%, as its convenience, wide product offering and price comparison abilities continue to appeal to shoppers.

Gifting demand continues on a positive trajectory



The 31.6% of consumers that bought physical gifts, gift cards or made self-use gift card purchases over February 2025 was slightly higher than February 2024 (30.8%). This uptick is reflective of a broader recovery in household finances, which is finally feeding through to a tangible parallel improvement in consumer sentiment. February 2025 also benefitted from Valentine's Day falling on a Friday, which encouraged greater participation in the event.

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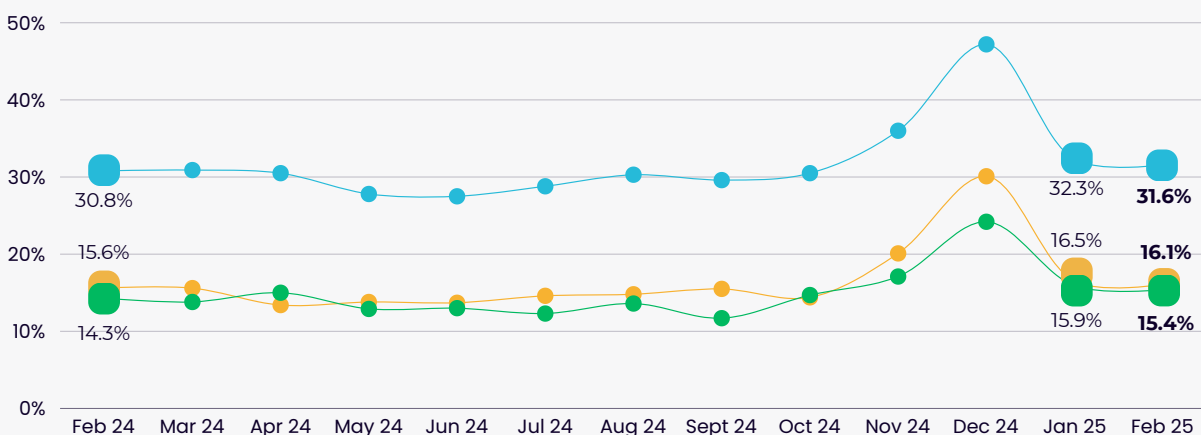
This year-on-year increase in gifting demand boosted physical gifts and gift cards, which both saw higher purchase penetration. Of the two, gift cards slightly outperformed, with 15.4% of UK consumers purchasing, compared to 14.3% in February 2024.

However, it is important to note that this improvement is not being felt evenly across UK households. Of those that didn't purchase gifts cards over February, almost a fifth (18.7%) said they didn't because they have cut back significantly on non-essential spending, which was markedly higher than those citing this same reason in February 2024 (11.1%).

Figure 1:

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
- A physical gift for somebody else
- A gift card for somebody else



Self-use purchasing displays its strong relevance over February



8.5% of UK consumers said that they purchased gift cards for self-use over February 2025, which was an increase on the 7.1% doing the same in February 2024. This points to a greater degree of financial flexibility among UK consumers, amid improving household finances. Gift cards have both the potential to support consumers during or after periods of higher outgoings and, increasingly, in

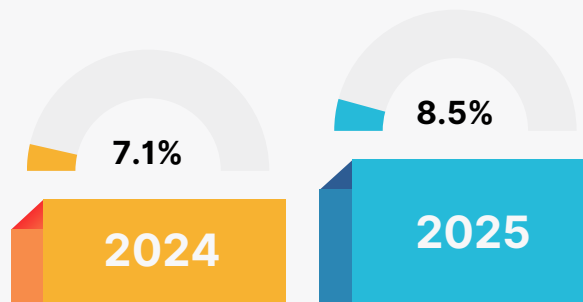
The proportion of those purchasing self-use cards that cited “to help with saving money” was at 56.2% over January 2025.

supporting shoppers looking for levers to help with saving and budgeting. Indeed, the proportion of those purchasing self-use cards that cited “to help with saving money” was at 56.2% over January 2025; the highest level since GlobalData began tracking this measure, in May 2020.

Figure 2:

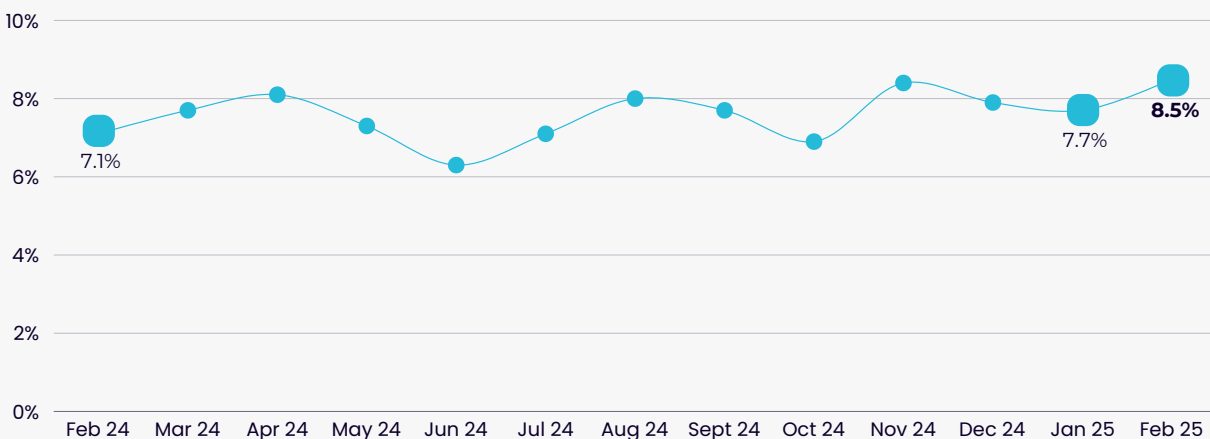
Purchasing a gift card for yourself - February 2024 vs February 2025:

- February 2024
- February 2025



Did you purchase any of the following:

- A gift card for yourself



Both physical and digital gift cards saw increased purchasing over February



Physical gift cards purchased instore and purchased online both experience year-on-year increases in purchase penetration over February. As demonstrated in the respective performance of gift card formats over peak 2024, physical gift cards continue to be viewed as more thoughtful gifting options and will have been boosted by Valentine’s Day falling over the month. Moreover, physical formats have benefitted from greater choice within physical stores, and the rise of gift card categories such as entertainment, leisure, and gaming, which have represented strong modern-day alternatives to declining gifting categories such as physical media.

Physical formats have benefitted from greater choice within physical stores

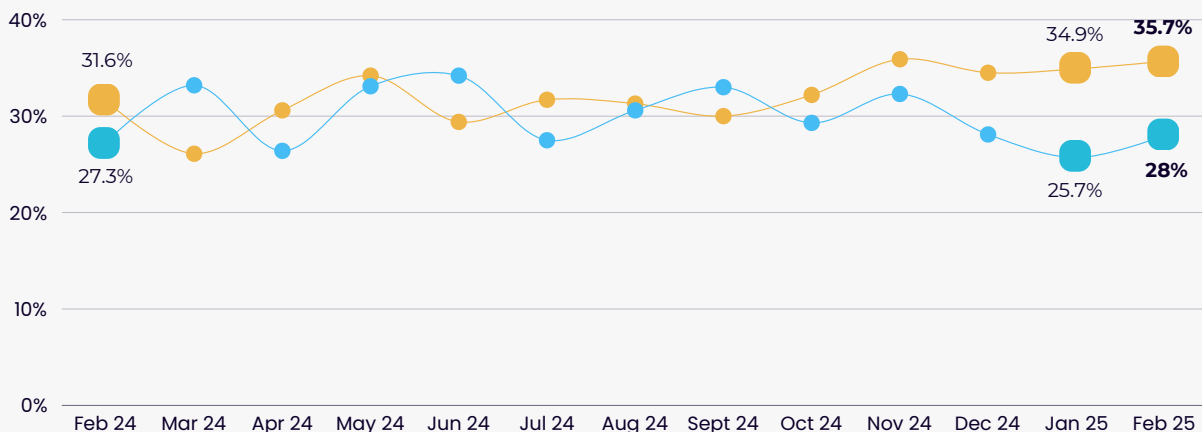
At the same time, digital gift cards also performed strongly, with 28.0% of gift card buyers purchasing, compared to 27.3% over February 2024. Shopper expectations continue

to rise when it comes to cross-channel purchasing and redemption. In February 2025, 53.8% of respondents agreed with the statement “I expect all gift cards to be usable across all of the retailer’s sales channels”, compared to 40.3% who expressed the same sentiment in February 2024.

Figure 3:

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



Multistore gift cards continue strong performance



Despite Valentine's Day falling during the month, single-brand retail gift cards underperformed over February, with 49.1% of gift card buyers purchasing compared to 53.8% in February. In contrast, the proportion of gift card shoppers purchasing multi-store gift cards (39.5%), increased vs. February 2024 (34.7%).

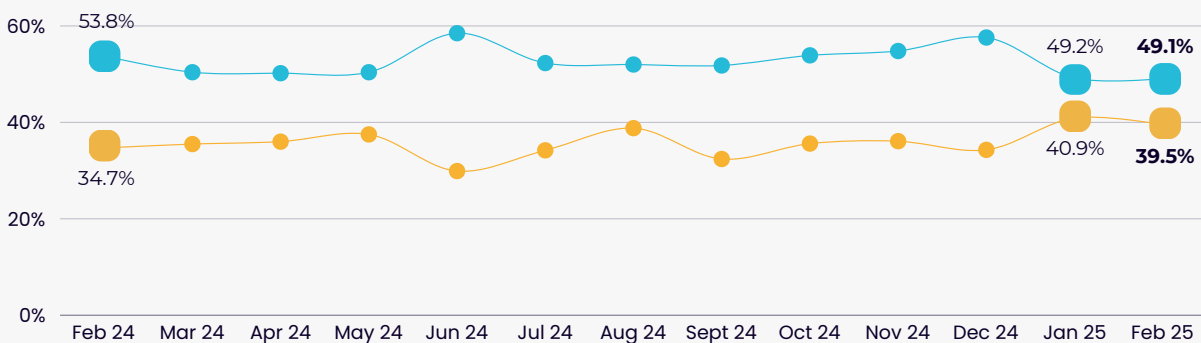
Multi-store cards have the potential to overcome lingering consumers concerns around the lack of flexibility that gift cards provide compared to other payment options.

Multi-store cards have the potential to overcome lingering consumers concerns around the lack of flexibility that gift cards provide compared to other payment options. The challenge for these gift card types continues to be balancing the factors of not being too generic that it is considered unthoughtful of the gift-giver, with granting the recipient the freedom of spend within a range of retailers.

Figure 4:

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 retail gift card – a gift card for a specific high street retailer or a store branded gift card
- A multi-store gift card– a single gift card which can be spend in multiple retailers, brands, outlets or businesses



Experience, Leisure, and Gaming gift cards all performed strongly over February



The proportion of gift card buyers purchasing experience and leisure gifts cards – for activities such as hotel stays, spa breaks, and restaurants – increased compared to February 2024. These card types benefitted from stronger demand due to being viewed as more thoughtful gifting options, particularly during a

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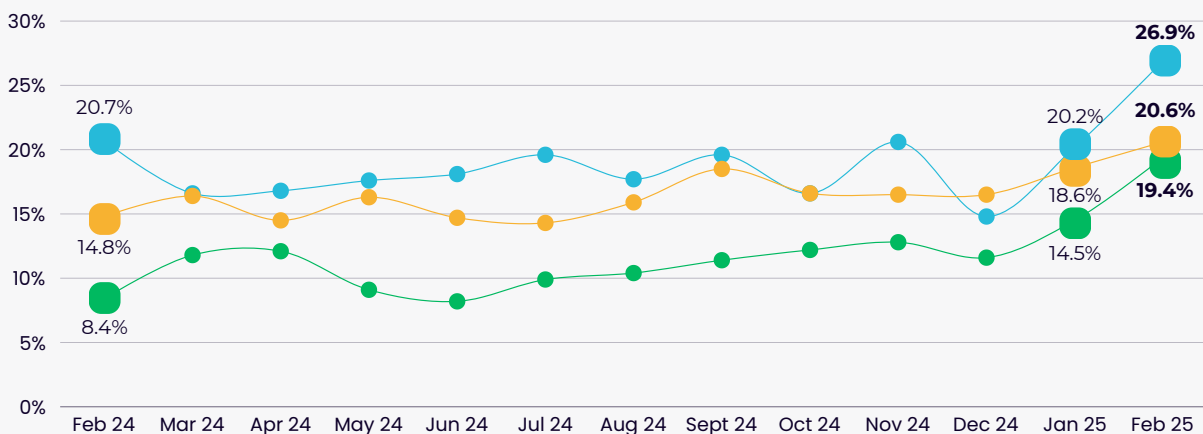
period of the year when many of mapping out their social activities and holidays. Valentine’s related purchasing will have also played a role here. Demand was also boosted by an increase in supply, with many national, regional, and local leisure and experience businesses introducing options.

Gaming cards also performed strongly and will have benefitted directly from Christmas-related games hardware and software gifting. This is particularly considering the popularity of video games such as EA FC 25, which encourage additional in-game purchases.

Figure 5:

Experience, Leisure, and Gaming gift cards all performed strongly over February

- An experience e.g. hot air balloon ride, helicopter ride, hotel stay
- Leisure e.g. Travel, theatre tickets, spa, dining
- Gaming e.g. online gaming credit and in app purchases

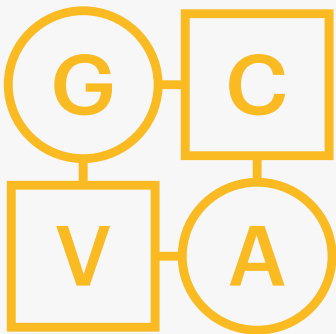


UK consumers see gift cards as a medium for supporting local businesses



There continues to be evidence that many are being proactive in purchasing gift cards to funnel support to local companies. Over February 2025, 30.1% of UK consumers agreed with the statement “I have/will purchase gift cards with the intent of supporting companies that I like”. This is more than triple the 13.1% who expressed this sentiment in February 2024.

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The GCVA is the trade body and membership organisation for gift cards and vouchers. The association represents the key players in the industry and promotes best practice for the benefit of gift card issuers, services and consumers.

On the time-period comparisons, this month’s report covers the February calendar month, with comparisons made between January 2025 and February 2024. Where relevant, comparisons have also been made to the wider tracking period.

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