

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 21st 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 January fieldwork went to field on February 1st, 2022 and was designed to explore habits over January 2022. A UK nationally representative sample of 2,000 shoppers was surveyed.

On the time-period comparisons, this wave covers the January 2022 calendar month, with comparisons made between January 2022 and January 2021. Where relevant, comparisons have also been made to wider tracking period.

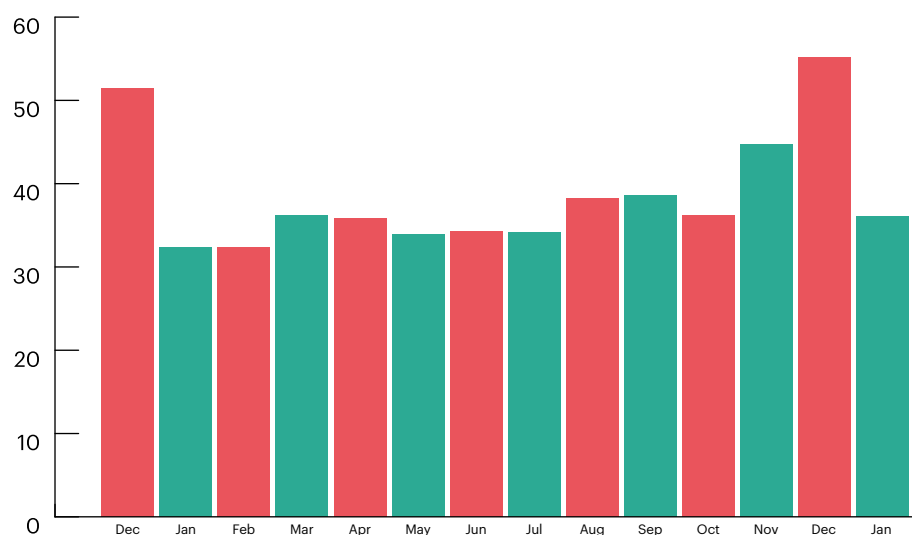
The UK Retail sector will continue its recovery over 2022

UK retail spend is forecast to hit £359.5bn in 2022, an increase of 1.7% compared to 2021. While restrictions remained in place for most of H1 2021, H2 signalled the start of retail's recovery, which looks to continue carrying on in H1 2022. However, rising food and energy prices, coming at the same time as the recent increase in interest rates, will undoubtedly begin to impact both the willingness and ability of shoppers to spend across some of the more discretionary retail categories.

Gift purchasing inevitably dropped back from peak over January

Over the January 2022 calendar month, 36.0% of respondents purchased gifts, either in the form of physical gifts or gift cards for other people, or self-use gift card purchases. This represented a decline from peak, in December 2021 (when 55.2% purchased), though was notably higher than January 2021 (when 32.4% purchased). Despite the rapid spread of the omicron variant, and reflective of high vaccination rates, January 2022 benefitted from an improved COVID situation and weak year-on-year comparatives. Indeed, January 2021 saw the introduction of a third national lockdown.

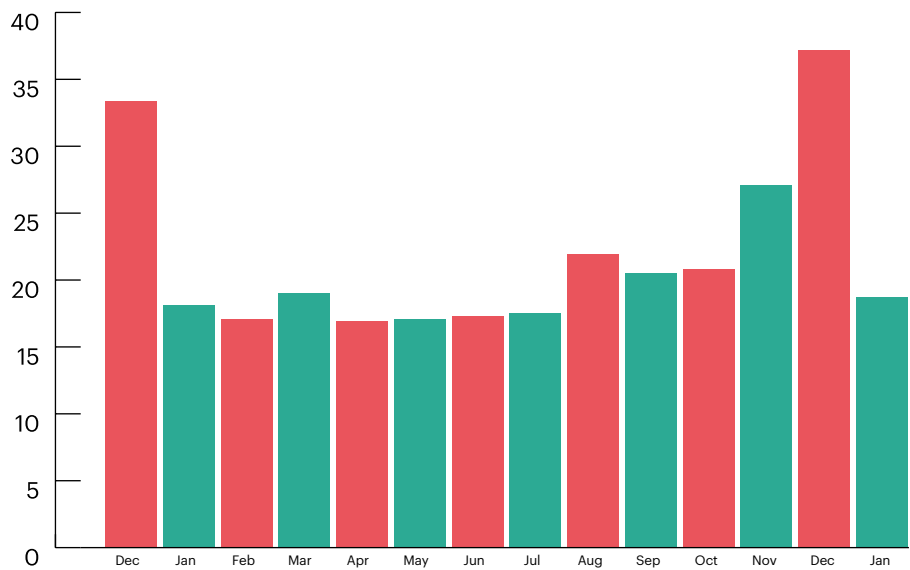
Did you purchase any of the following:
Gifts, either in the form of physical gifts or gift cards for other people, or self-use gift card purchases



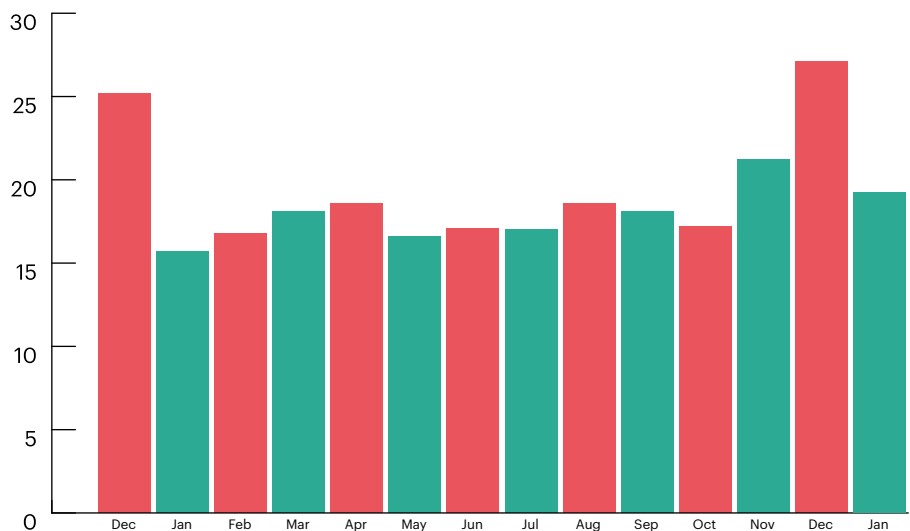
Both gift cards and physical gifts saw a year-on-year increase in purchasing

While purchasing of both gift card and physical gift declined vs. the December 2021 peak, purchase penetration of 18.7% for both was ahead of January 2021. The continued growth in popularity of gift cards, even in the post-COVID environment, is reflective of their growing relevance through the pandemic. 37.9% of gift card buyers stated that 'I regularly purchase gift cards as gifts' as being a key reason for purchasing gift cards for somebody else over January. The rising relevance and improved perceptions of gift cards has been reflective of their enduring popularity in categories such as leisure, hospitality and gaming; their cross-channel flexibility; and the potential role of gift card to support local businesses/local high street.

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



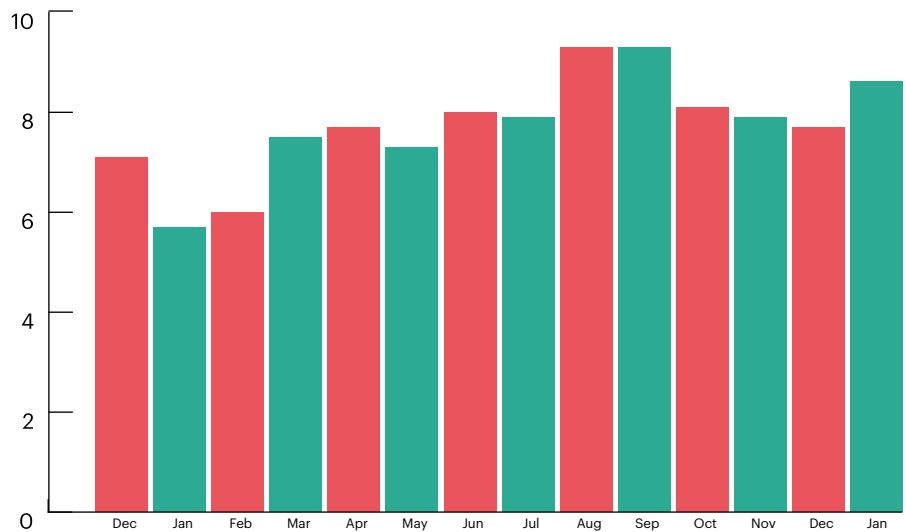
Did you purchase any of the following:
A gift card for somebody else



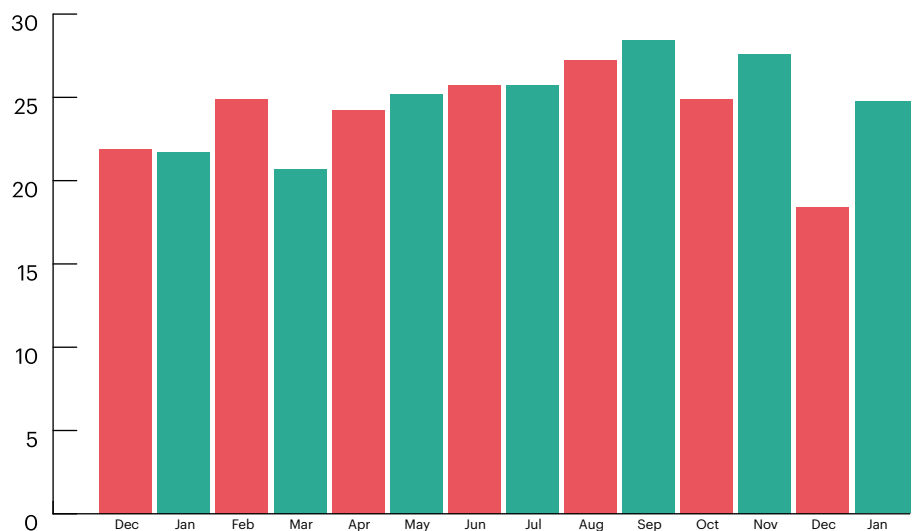
Rising demand for self-use as shoppers re-focus

The proportion of respondents purchasing gift cards for self-use was at 8.4% over January 2022. Self-use purchasing was ahead of October-December 2021, when consumers were placing a greater focusing on gifting for others. It was also comfortably above the 5.7% of consumers that purchased for self-use over January 2021. This growth of self-use continues to be underpinned by several drivers, including the rise of work reward and incentive programmes. Indeed, the proportion of gift card purchasers buying physical gift cards through work reward/incentive programmes was 24.8% over January 2022, an increase both on the previous month (18.4%) and January 2021 (21.7%).

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



Did you purchase any of the following:
A physical gift card through an employee benefits programme

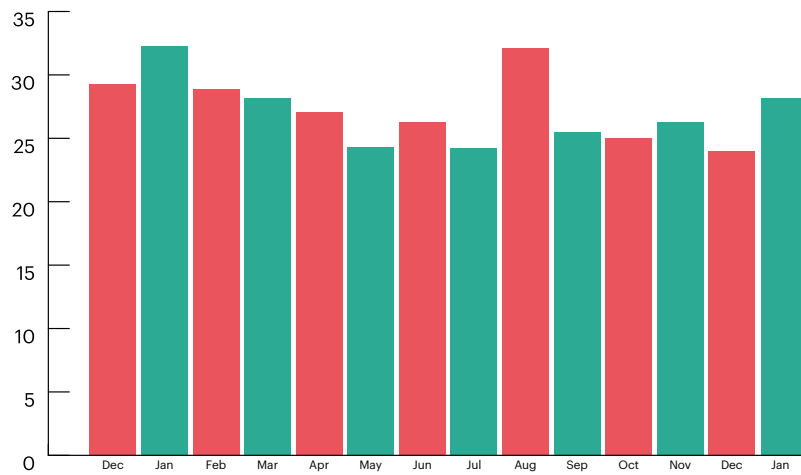


Physical gift cards significantly more favoured compared to 2021

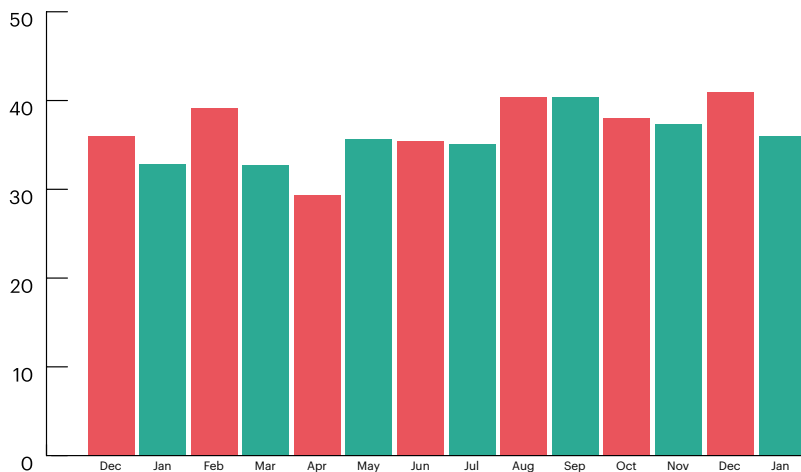
The proportion of gift card purchasers buying physical gift cards instore reached 49.4% in January 2022, compared to 40.2% in January 2021. This is reflective of the greater ease both of purchasing and redemption of these types of cards, with online physical gift card also seeing a year-on-year uplift. Conversely, while higher than December 2021, the proportion of gift card purchasers buying digital gift cards was notably lower than January 2021. However, despite the rise in physical gift card purchasing among gift card buyers, the pandemic has permanently cemented the greater influence of digital purchasing and redemption. Indeed, 26.6 of gift card purchasers said that they have converted to digital gift cards, while 55.5% expect all gift cards to be cross-channel.

And which type of gift cards did you purchase?

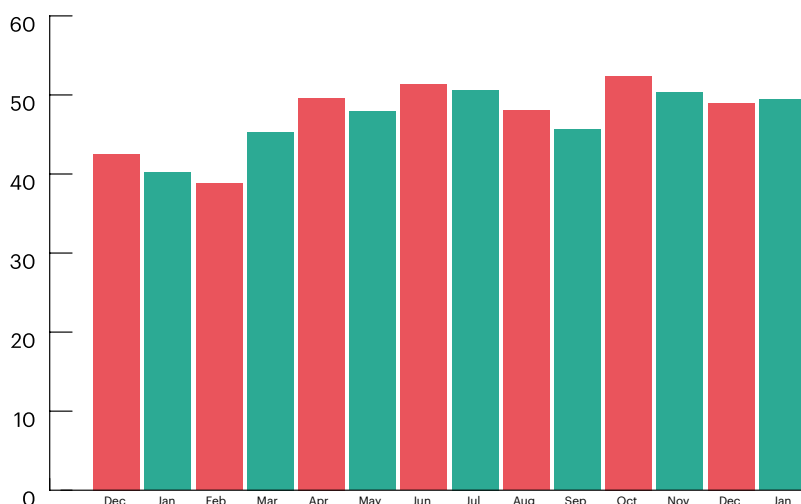
A digital gift card from a retailer/gift card issuer online



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



A physical gift card from a retailer/gift card issuer instore



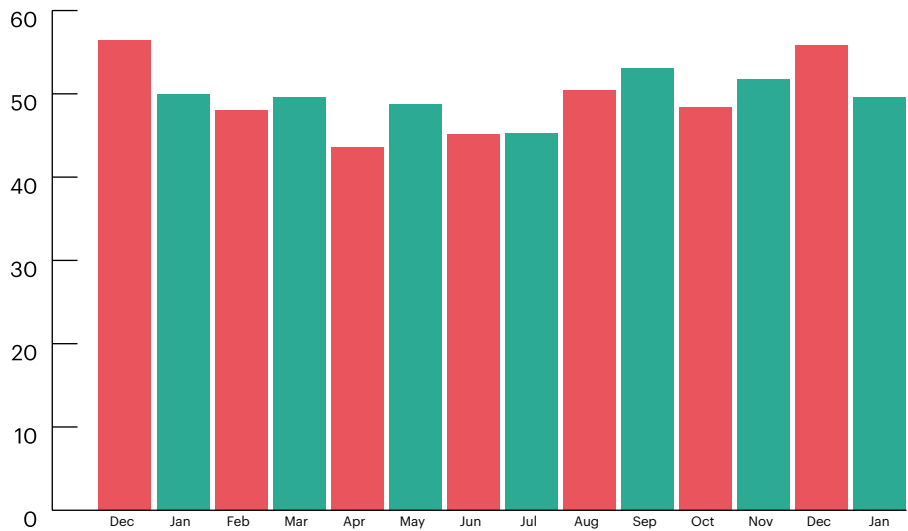
Multi-store gift cards outperformed over January 2022

The proportion of gift card buyers purchasing multi-store gift cards increased to 37.5% in January 2022 vs. 34.5% over December 2021. At the same time, the proportion purchasing single store retail gift cards dipped to 49.6% in January 2022 vs. 55.8% in December. This follows a familiar post-peak pattern, with purchasing of specific retailers and brands typically being viewed as a more thoughtful Christmas gifting approach.

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



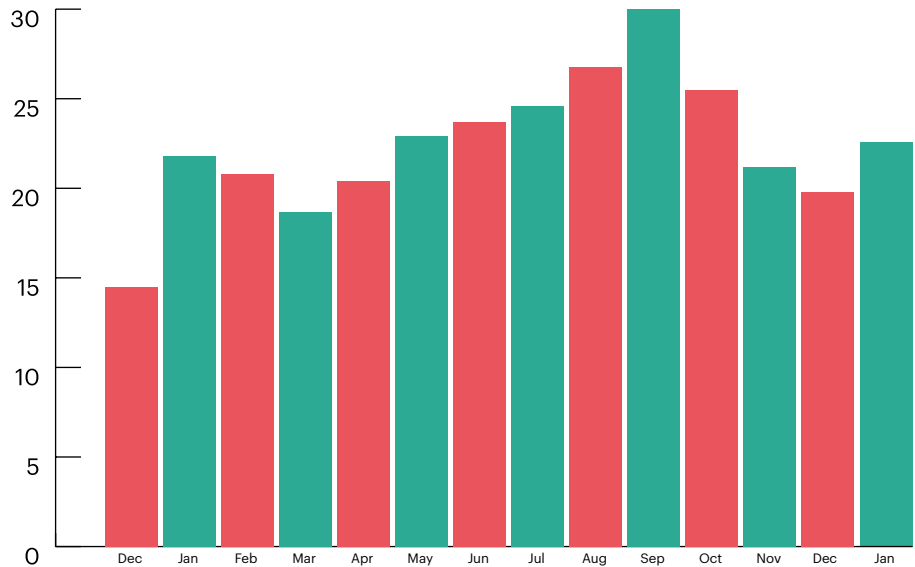
A retail gift card – a gift card for a specific high street retailer or a store branded gift card



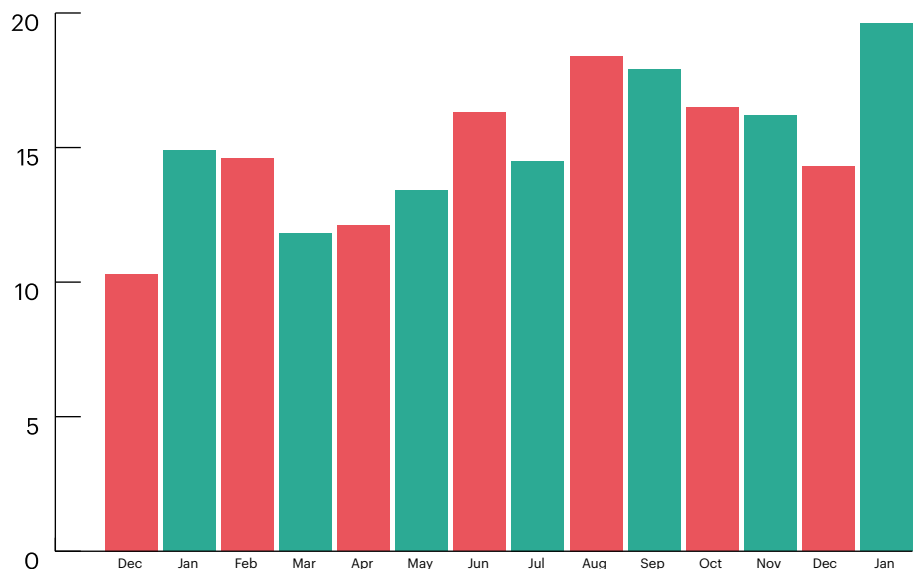
Demand for leisure and experience gift cards increases, amid easing omicron fears

At 22.6% and 19.6% respectively, the proportion of gift card buyers purchasing leisure and experience gift cards increased in January, with fears around the long-term impact of omicron abating. Gift cards have been an ideal option to facilitate the types of pre-pandemic social activities that were restricted for large parts of 2020 and into 2021.

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



Leisure e.g. Travel, theatre tickets, spa, dining



Gift cards have an important role in supporting local businesses

Gift cards have proven 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. 32.9% of respondents purchasing gift cards for somebody else, cited “I want to support local businesses and/or my local high street” as a driver of purchase over January 2022.