

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 22nd 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 February fieldwork went to field on March 1st 2022 and was designed to explore habits over February 2022. A UK nationally representative sample of 2,000 shoppers was surveyed.

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

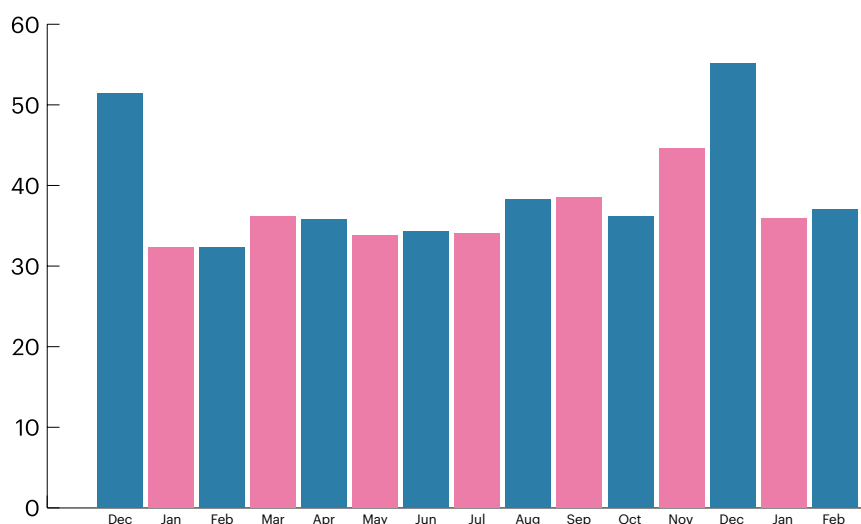
The UK Retail sector will continue its recovery over 2022

UK retail spend is forecast to hit £360.5bn in 2022, an increase of 2.1% compared to 2021. The government unveiled its plan for 'Living with COVID' on 21 February 2022, bringing an end to all restrictions including the end of self-isolation for residents who test positive for COVID-19 from 24 February. The emergence of the Omicron variant led to concerns among consumers in the lead up to Christmas in 2021, however the UK is now past the peak and returning to some sense of normality, and the ending of restrictions will further boost the spend on non-essential items such as beauty & clothing as consumers prepare to go on holiday. However, with inflation expected to hit 7% in the first half of 2022, many consumers will be looking to limit non-essential spend in order to cope with rising food, energy, and fuel prices.

Gift purchasing sees year-on-year growth vs. weak comparatives

Over the February 2022 calendar month, 37.1% of UK consumer said that they purchased gifts, either in the form of physical gifts or gift cards for other people, or self-use gift card purchases. This was notably higher than the rate of purchasing in February 2021, when 32.4% purchased. Given that the UK was under a restrictive third national lockdown over February 2021, this year-on-year increase in gift purchasing is unsurprising.

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

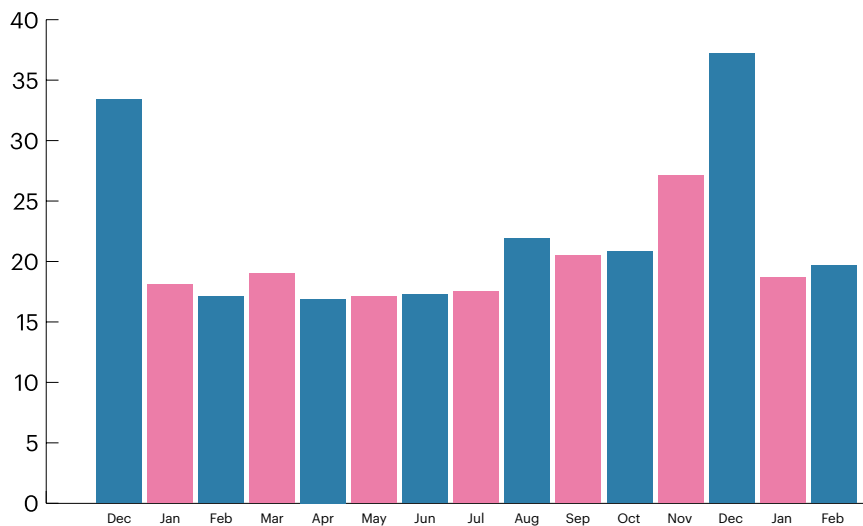


Both gift cards and physical gifts saw a year-on-year increase in purchasing

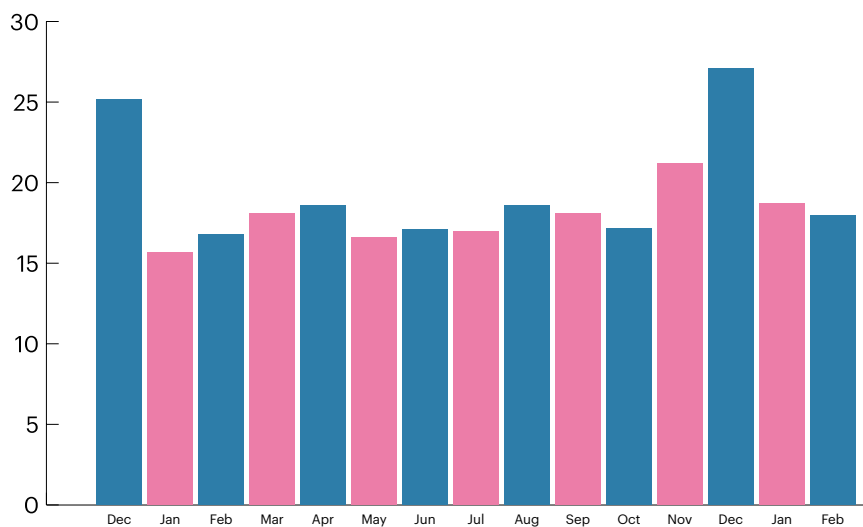
Both physical gifts for someone else (19.7% vs. 17.1%) and gift cards for someone else (18.0% vs. 16.8%) saw strong year-on-year growth in purchase penetration. However, physical gifts saw a more pronounced increase in purchasing, with in-person social occasions being permitted again in 2022.

For gift cards, their continued growth in popularity, even in the post-COVID environment, is reflective of their growing relevance through the pandemic. 36.5% 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 February. 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

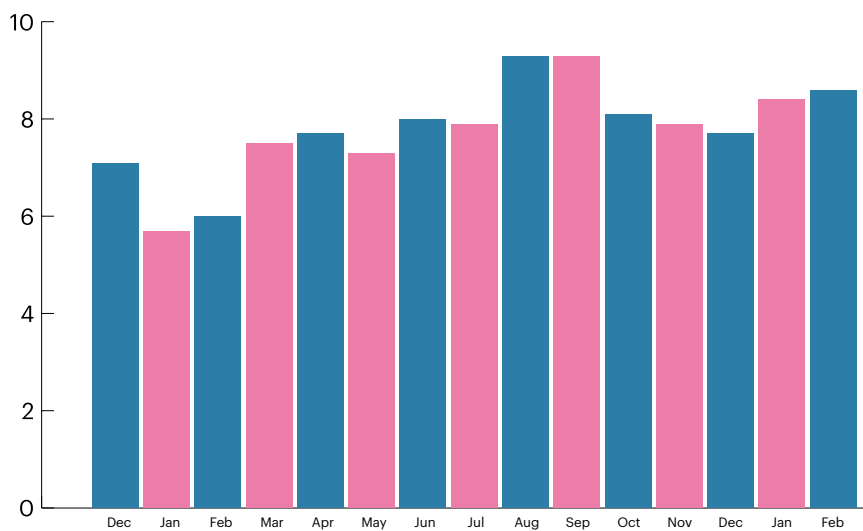


Rising demand for self-use as shoppers re-focus

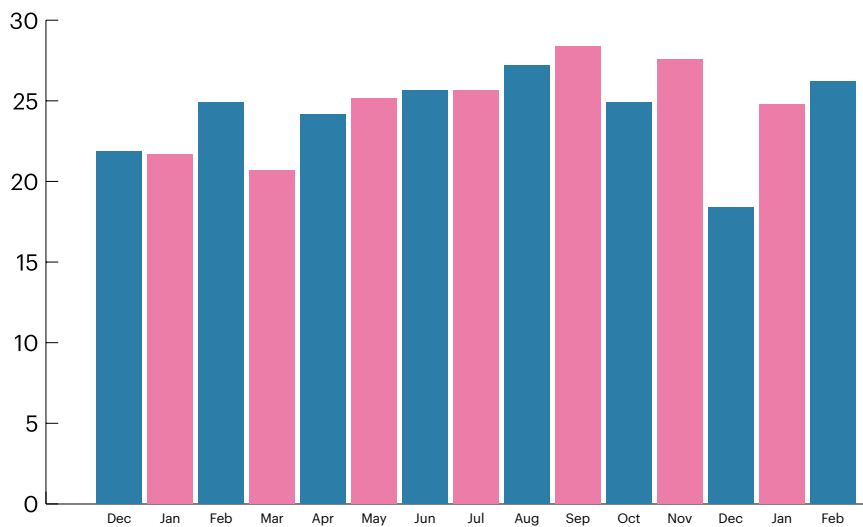
The proportion of respondents purchasing gift cards for self-use was at 8.6% over February 2022. Self-use purchasing was ahead of October-December 2021, when consumers were placing a greater focusing on gifting for others. It was also comfortably above the 6.0% of consumers that purchased for self-use over February 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 26.2% over February 2022, an increase both on the previous month (24.8%) and February 2021 (24.9%).

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



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

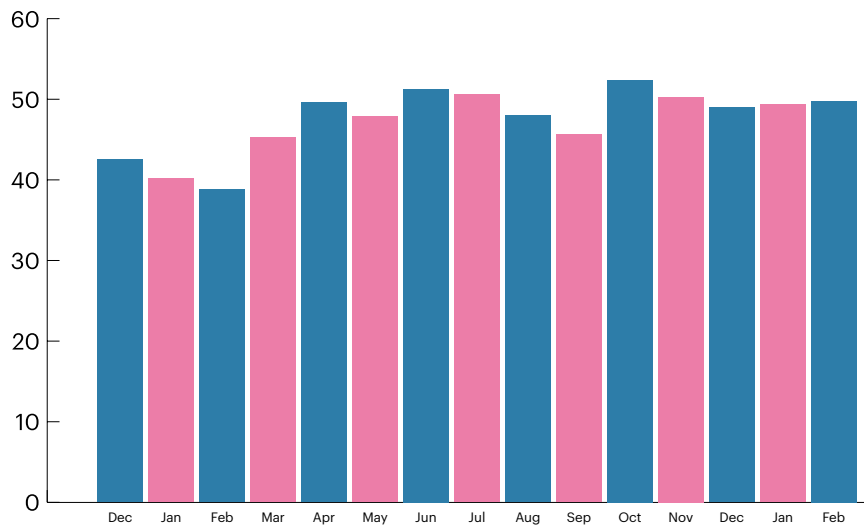


Physical gift cards significantly more favoured compared to 2021

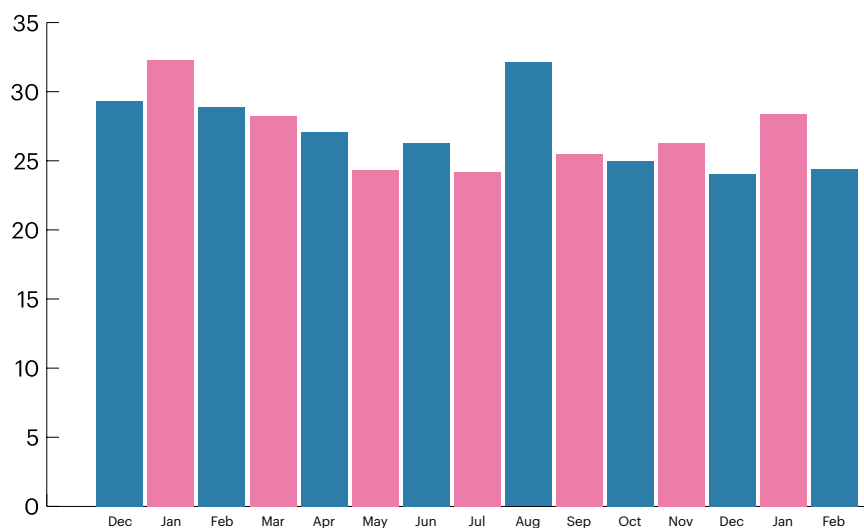
The proportion of gift card purchasers buying physical gift cards instore reached 49.8% in February 2022, compared to just 38.8% in February 2021. This is reflective of the greater ease both of purchasing and redemption of these types of cards.

Conversely, the proportion of gift card purchasers buying digital gift cards was notably lower than February 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, 28.9% of gift card purchasers said that they have converted to digital gift cards, while 58.2% expect all gift cards to be cross-channel.

And which type of gift cards did you purchase?
A physical gift card from a retailer/gift card issuer instore



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

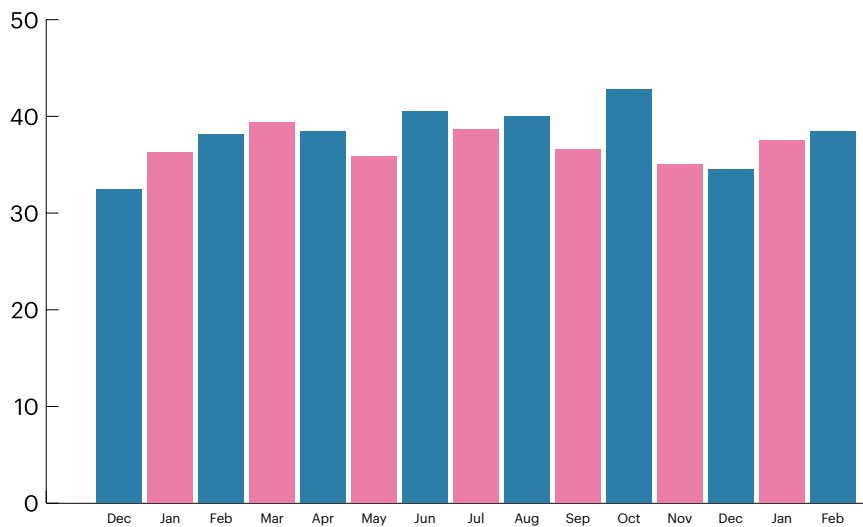


Both multi-store and single retailer gift cards performed strongly over February 2022

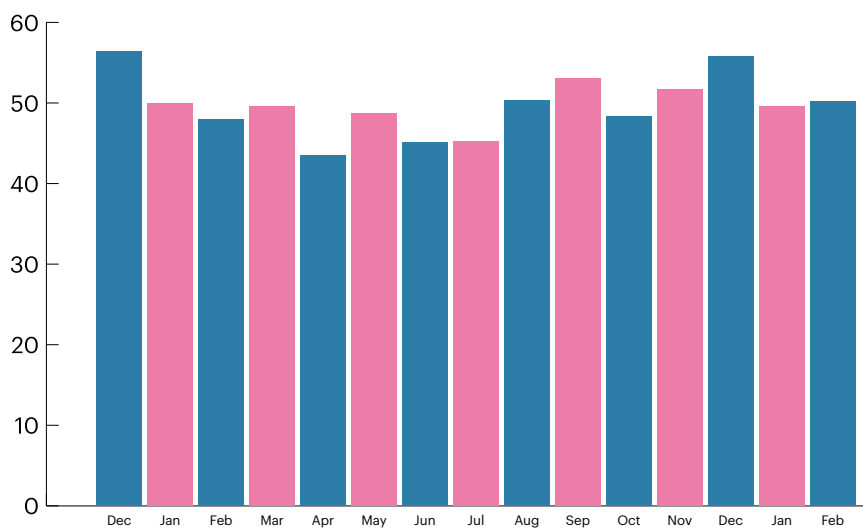
The proportion of gift card buyers purchasing multi-store gift cards increased to 38.5% in February 2022 vs. 38.1% in February 2021. At the same time, the proportion purchasing single retailer gift cards grew at an even faster rate, to 50.2% over February 2022 vs. 48.0% in February 2021.

The increasing penetration of retail gift cards reflects the 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 higher confidence that these operators will still be around for cards to be redeemed, following the uncertainty in UK retail over much of the last 24 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 spent in multiple retailers, brands, outlets or businesses



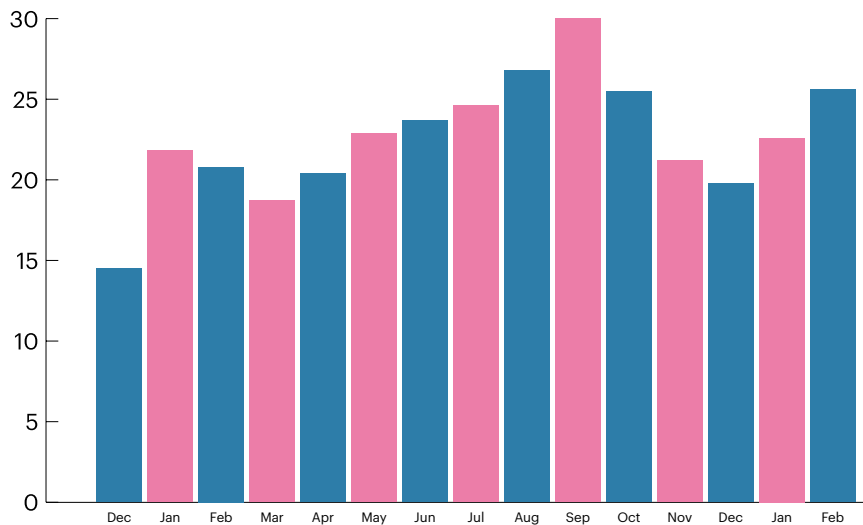
A retail gift card – a gift card for a specific high street retailer or a store branded gift card



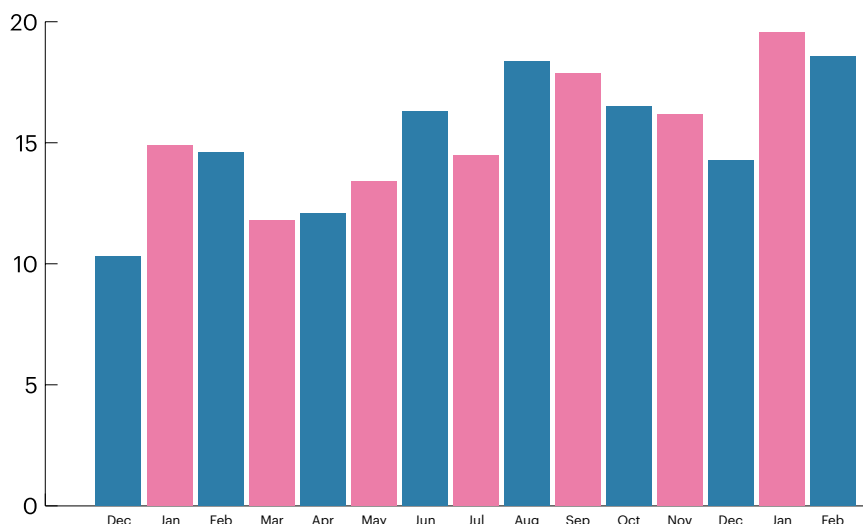
Demand for leisure and experience gift cards increases

Both experience gift cards (25.6% vs. 20.8%) and leisure gift cards (18.6% vs. 14.6%) saw strong year-on-year purchasing growth among gift card buyers. 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. Experience cards – which includes activities such as hot air balloon rides, helicopter rides, and hotel stays – have benefitted from greater confidence that summer bookings are unlikely to be impeded by further covid-related restrictions.

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. 37.0% 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 February 2022.