



## Retailers and Employers Turn to Gift Cards to Supercharge Post-COVID Recovery, New Industry Whitepaper Reveals

- *39.5% of employees receive gift cards as an employee reward*
- *More than a quarter of shoppers now buy gift cards to support their favourite businesses*
- *Over half of gift card recipients have been introduced to a new retail or leisure brand through a gift card*

With retailers, high street businesses and employers looking to battle back following two years of COVID-19 challenges, new research reveals that gift cards are invaluable for staff and customer retention.

The [State of the Nation 2022 research](#), carried out by the [Gift Card & Voucher Association \(GCVA\) and GlobalData](#), found gift cards to be a powerful and effective employee reward, with the volume of gift cards given as a staff 'perk' having almost doubled since 2019. Over a third of employees (39.5%) have received a gift card in the past three years through work rewards or incentive programmes, compared with just [21.1% in 2019](#).

This research, conducted across more than 2,000 UK consumers and gift card managers to track evolving attitudes towards gift cards, also revealed that gift cards are boosting the revival in fortunes for UK high streets and local businesses. The research found that 28.8% of monthly gift card purchasers now cite supporting local businesses as a motivation, (up from 24.5% in 2020).

This trend is set to continue, with over a quarter (26.4%) of respondents agreeing that they will continue to purchase gift cards to support companies they like, and 34% reporting that more of their local businesses have started to sell gift cards.

Physical gift cards have also bounced back since lockdown as stores re-opened, with a monthly average of 47.4% of gift card buyers purchasing physical gift cards in-store vs. 43.4% in 2020. However, the continued rise of digital gifting methods during the pandemic has led a significant number of shoppers to now expecting all gift cards to be available in both digital and physical formats, increasing from 26.2% in 2020 to 40.8% in 2022.



Looking to the future, gift cards continue to grow in importance for younger consumers. More than two-fifths (41.9%) of Generation Z shoppers have purchased gift cards within the last three years – a figure which rises to 45.8% of millennial shoppers. The strong popularity of gift cards among younger consumers reflects the increasing popularity for leisure, experience and gaming gift cards over the last decade.

Gift cards are also an important way for businesses to attract new customers, with more than half of users introduced to a new brand or organisation via a gift card. This rises to 67.3% of younger shoppers, with a third (34.9% of Gen Z overall) going on to become a regular customers of the brand.

**Gail Cohen, director general of the GCVA, commented:** “Between their convenience, ease of use and versatility, gift cards are tremendously popular with businesses and the public alike. This research proves what we in the industry have known for a long time – whether you’re an employer or customer-facing brand - if you are looking to retain your staff or your customers you simply cannot afford to ignore the importance and growing relevance of gift cards.

“Gift cards are a personalised gift that allows the recipient to choose a reward they will truly treasure, as opposed to cash which often vanishes into household expenses. Also, as we increasingly become a cashless society (a trend accelerated by COVID), it is clear that gift cards have often been the answer when challenges arise on how to transfer money securely and with flexibility.”

**Ian O’Doherty, chief executive officer at Appreciate Group, which sponsored the research, commented:** “We are delighted to support this important research which reaffirms the trend that businesses and organisations increasingly see the positive role gift cards play in helping to engage, attract and retain employees and customers.

"It's also no surprise that the momentum in digital gifting solutions has continued since the pandemic, with demand for physical formats returning as restrictions have eased."

For more information, visit [www.gcva.co.uk](http://www.gcva.co.uk)

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### Key findings from the State of the Nation 2022 research:

- An average of 7.7% of consumers per month purchased a gift card for themselves over 2021 vs. 6.4% over 2020, with significantly higher purchase propensity among younger age cohorts.
- Gift card purchasing was boosted by retailer stock issues in 2021, with an average of 35.8% of gift card purchasers over Q4 stating it was easier to buy a gift card than a physical gift.
- Gift card buying was up over Christmas 2021, with 27.1% of different stat to KPMG ...shoppers buying a gift card for someone else over December 2021, compared to 25.2% in 2020.
- Consumer expectations around digital cards and cross-channel flexibility continue to increase; 40.8% of consumers expect all gift cards to be cross-channel in the future.
- Physical gift cards bounced back strongly in 2021, as stores re-opened; across the year, a monthly average of 47.4% of gift card buyers purchased physical gift cards instore vs. 43.4% in 2020.
- Gift cards are increasingly seen as a tool to support local businesses and high streets; 28.8% of monthly gift card purchasers in 2021 said supporting local businesses was a motivation, compared to 24.5% of purchasers in 2020.
- Over half of all those receiving gift cards over the past three years have been introduced to a new brand or organisation via the format.

### About the GCVA

The Gift Card & Voucher Association ([www.gcva.co.uk](http://www.gcva.co.uk)) was established as a trade body to represent the key players in what is today a £7 billion gift card and stored value solutions market. With 90 members representing key retailers, issuers and suppliers the GCVA provides an information and reference point for the Gift Card & Voucher industry and is at the forefront of the issues affecting the industry.



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Its main objective is to provide a platform and infrastructure for the industry and to raise the profile and use of gift cards and vouchers within the UK, promoting the industry to consumers, businesses, government and other interested parties.

The GCVA is the key industry organisation to share new ideas, innovate and promote best practice with the UK gift card and voucher industry. It runs a programme of events, meetings, research projects and updates throughout the year, including its flagship Conference. The industry event of the year, the GCVA Conference returns in person, in a brand new venue, in London, on 2-3 March 2022.

The GCVA conference is the highlight of the industry calendar and provides the platform to bring all major players across the UK and international gift card community, together.

For two action-packed days, delegates will be immersed in the gift card eco-system, comprising: A UK & global retail space; industry innovation; consumer needs, evolving marketing strategies; hot topics; market trends, inspirational speakers, exhibition hall and the very best networking opportunities.