



Press release

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Demand for cross-channel gift cards increases across generations

New data has shown that digital and multi-channel gift cards are no longer an expectation exclusive to younger consumers, with a growing number of consumers across all generations expecting to be able to use gift cards across various physical, digital and mobile channels.

The [State of the Nation 2023 research](#), carried out by the [Gift Card & Voucher Association](#) (GCVA) and [GlobalData](#) found that the proportion of respondents that expect gift cards to be cross-channel is fairly consistent across all age groups and increased to 52.9% in 2022, up from 40.8% in 2021 and 26.2% in 2020. This growth in expectations among older generations is thought to be due to learned behaviours from the pandemic, when online shopping became more commonplace.

However, the research still identified a difference in channel preference and popularity between generations.

Almost half (47.7%) of consumers who received at least one gift card during 2022 did so via email, and this figure only increases through the generations. 54.6% of Boomers received an emailed gift card, in contrast to just 35% of Gen Z.

However, Millennials are still the most likely generation to redeem a gift card they received online, as a convenient time-saving solution. Almost half (48%) of Millennials who had received a gift card in the last 12 months redeemed it via a retailer website and 29.8% did so via a retailer app.

Meanwhile, Gen Z consumers were the generation most likely to receive a gift card through social media or messaging platforms (14%). This is expected to increase for all generations in the near future as social media becomes embedded as an even bigger part of our daily lives.

The research also shows that gift cards are being used by some consumers as an easier and safer route to shopping online, especially where consumers aren't comfortable using



0161 871 9145
hello@pragencyone.co.uk
pragencyone.co.uk



debit or credit cards. More consumers bought gift cards for someone else to help the recipient shop online in 2022 at 22.4%, up from 21.6% in 2021.

The increased focus on multi-channel is also reflected across the GCVA membership. 82.9% said purchasing across various channels is either already part of their offer or soon to be included, while 77.1% said the same of redeeming.

In the same context, 77.1% highlighted that allowing gift cards to be usable and storable within mobile wallets is a key area of interest, and 71.4% also mentioned allowing the gifting and redemption of gift cards via mobile apps.

Gail Cohen, director general of the GCVA, commented: “The annual State of the Nation report has demonstrated the continued versatility and resilience of the gift card market. The research shows that the industry is evolving and responding to consumer demands around cross-channel flexibility and developing other digital elements, such as digital wallet integration.

“With the current financial environment creating a backdrop of uncertainty, it will be vital for gift card leaders to listen to the wants and needs of regular gift card shoppers and be ready to adapt where necessary. The number of shoppers seeking more flexible and convenient shopping methods, as well as the proportion of technology-literate and digital savvy consumers across generations, will only continue to grow. As such, cross-channel integration should be a key operator focus moving forward, irrespective of their target market, to ensure they stay ahead and meet ever-evolving consumer demand.”

For more information, visit www.gcva.co.uk

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Notes to Editors

For additional details, please contact:

Gemma Eccleston, Steve Leigh, Asha Hipperson and Lottie Buckley at PR Agency One T:
0161 871 9140 E: gcva@pragencyone.co.uk



0161 871 9145
hello@pragencyone.co.uk
pragencyone.co.uk



About the GCVA

The Gift Card & Voucher Association (www.gcva.co.uk) is the body representing the key players in what is today an over £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.

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.

Key findings from the State of the Nation 2023 research:

- The average monthly proportion of UK consumers purchasing gift cards for someone else remained robust over 2022, at 18.0% vs 18.5% in 2021 (when demand benefitted from easier comparatives against a still pandemic-impacted 2021).
- Self-use purchasing increased marginally compared to 2021, highlighting that more shoppers now understand the benefits it can bring. The proportion of those purchasing self-use gift cards that cited “to help with saving money” as a driver, increased to 47.6% in November 2022; the highest level since GlobalData began tracking, back in May 2020.
- The monthly average proportion of gift card buyers who purchased physical gift cards instore increased to 48.7% in 2022 vs. 47.4% in 2021.
- The monthly average of gift buyers who expect all gift cards to be cross-channel increased to 52.9% in 2022, up from 40.8% in 2021, with demand no longer skewed towards younger generations.
- Retail gift cards proved a more popular choice over 2022; the average proportion of monthly gift card buyers purchasing increased to 52.3% in 2022 vs. 49.1% in 2021.



- 50.4% of Gen Z and 53.3% of Millennials said that they were introduced to a brand through receiving a gift card and made a one-off purchase, and 25.5% and 27.9%, respectively, said that they became regular shoppers.
- Gift cards continue to encourage additional spend, with around two-thirds of shoppers typically spending more than the value of gift card they received over 2022.
- Despite a small dip in the proportion of UK shoppers receiving a gift card at Christmas, 20.1% received more gift cards in 2022 vs 2021.
- 82.9% of GCVA members said that developing their third-party partnerships with specialists in gift cards and/or loyalty will be a vital for future growth as the industry faces a period of uncertainty.