

News release

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New research reveals consumer demand for gift cards remains high

Gift cards continue to be a growing and powerful consumer gifting method, according to the latest research published by the UK Gift Card & Voucher Association (UKGCVA), compiled by GlobalData.

The State of the Nation report, sponsored by First Data, a global leader in commerce-enabling technology and solutions, delves into current attitudes towards gift cards. Out of the 2,000 UK consumers surveyed, it was found that 84% have purchased a gift card at somepoint in their lifetime, and of those that have, 87% are purchasing gift cards at least once a year.

Reflecting the age-agnostic appeal of gift cards, purchasing penetration was high across all age generations, with 89% of Generation X (35-54) and 86% of Generation Z/Millennial (16-34s) shoppers revealing they have purchased a gift card at some point in their lifetime, compared to a slightly lower 78% of Baby Boomers (55+).

Perhaps more surprisingly, it is the youngest generation (Generation Z/Millennial) of consumers driving the frequency of gift card purchasing, with 44% of Generation Z/Millennials admitting to buying a gift card at least once every two months, compared to 35% of Generation X and just 16% of Baby Boomers.

When purchased as a present, consumers spend an average of £27.64 when purchasing gift cards, yet - in what is unquestionably good news for retailers - 67% of respondents said they normally spend a higher amount than the value originally loaded onto the card, during redemption.

Demonstrating how the true value of gift cards can be felt well beyond the intial outlay, upon redemption, shoppers are spending an average £18.55 more than the actual gift card value, equating to a 67% uplift on stated average load on a gift card purchase (£27.64). And 98.6% of gift card recipients are spending them within a year of receiving them.

While the majority of gift card shoppers (50.1%) are most likely to purchase gift cards from a retailer in a physical store, a growing proportion of shoppers cited online as their preferred purchasing channel, compared to when this research was last undertaken in 2017. The rising influence of digital channels is also evidenced by the factors that influence the purchase of gift cards; 58.6% of respondents said that the ability to redeem online is an influential factor, with over one in 10 (12.5%) saying the same for availability of the gift card on mobile.

Gail Cohen, director general of the UKGCVA, commented: "The 2019 research confirms the growing importance and relevance of the gift card as a consumer proposition across each generation of UK shoppers. However, with Generation Z and Millennials leading the way in terms of gift card purchasing frequency, it is now more essential than ever that the gift card industry evolves to meet the changing needs and desires of the modern consumer."

Dom Morea, senior vice president, head of gift solutions at First Data and sponsor of the State of the Nation report, commented: "This research reaffirms our belief in the sustainable



nature of the rapidly evolving gifting market. Furthermore, it clearly underscores the key opportunities that we, as an industry, need to embrace to ensure our products and services are highly relevant and deliver benefits across the entire ecosystem. First Data is proud to support this research project.”

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About UKGCVA

The UK Gift Card & Voucher Association (www.ukgcva.co.uk) was established as a trade body in 1991 to represent the key players in what is today a c£6 billion gift card and stored value solutions market. With 90 members representing key retailers, issuers and suppliers the UKGCVA 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 vouchers and gift cards within the UK, promoting the industry to consumers, businesses, government and other interested parties.

The UKGCVA’s annual conference is a key date in the industry calendar. Bringing together all stakeholders in the sector to learn, debate, promote and network, it is a day for members, non-members and organisations keen to know more about the industry. It is a platform to share new ideas, innovate and promote best practice with the UK gift card and voucher industry.

About First Data

First Data (NYSE: FDC) is a global leader in commerce-enabling technology and solutions, serving approximately six million business locations and more than 3,700 financial institutions in more than 100 countries around the world. The Company’s 19,000 owner-associates are dedicated to helping companies, from start-ups to the world’s largest corporations, conduct commerce every day by securing and processing more than 3,000 transactions per second and \$2.6 trillion per year. For more information, visit www.firstdata.com and follow us on Twitter at [@FirstData](https://twitter.com/FirstData) and [LinkedIn](https://www.linkedin.com/company/firstdata).

About GlobalData

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