

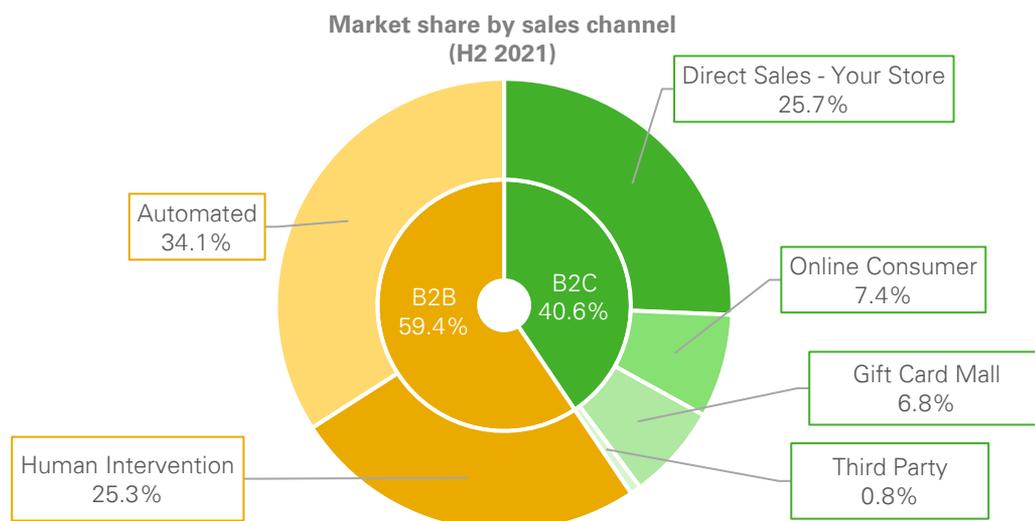
GCVA DATA ANALYSIS H2 2021 - UK

The Leisure sector reports its best ever growth on record, while Retail grows more modestly in 2021, and recovers the ground lost due to COVID-19.

Executive Summary

With only light Covid restrictions in place during the second half of 2021 – apart from increased caution in the last month of the year as the Omicron variant emerged – the data from the Gift Card & Voucher Association data submitting membership reveals a resilient performance, leading to overall rolling year growth of 8.2%. Like-for-like growth comparing H2 2021 to H2 2020 was more modest, however, at just 0.2% - but the industry now sits at a very positive 13.6% above 2019 levels, demonstrating the strength of its recovery.

A notable feature of the period is the ‘flip’ we have seen between the relative fortunes of Retail and Leisure. With fewer restrictions impacting the Leisure industry (experiences, hospitality, travel, and entertainment), gift card operators experienced an explosive 110.8% like-for sales boost as the nation returned to experiences and entertainment. This has seen Leisure recover from its decline in 2020 and pushed it just above 2019 levels. Retail, meanwhile, saw something of a falling back – from 25.1% like-for-like growth in H1 to a dip of -2.5% in H2. Nevertheless, it recorded a positive 6.4% rise over the rolling year. Continuing the trend seen in previous years, online sales drove performance – up 15.2% - although they unsurprisingly fell back slightly compared to their stellar performance in 2020 when lockdowns dominated. B2B once again represented the majority of sales (59.4%), although volumes fell by -7.6% in the period leaving its share down from an H1 2021 peak of 76.3%.



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Gail Cohen, Director General at the Gift Card and Voucher Association:

“It is wonderful to see the public embracing gift cards so strongly, with the sector having worked tirelessly during the pandemic in order to innovate and best serve retailers and shoppers alike. The sector as a whole continues to grow and flourish, as evidenced by the continued rise of both digital gifting products and physical gift cards, which will always have a valued place in the hearts and wallets of shoppers, as well as savvy retailers’ overall gift card programme.

“Particularly heartening to see was the huge pickup in leisure gift card sales – a sector which felt the challenges of enforced lockdown measures most strongly. During lockdown, many of the activities we held so dear were taken away from us, so it is little surprise to see shoppers focusing so strongly on gift cards that facilitate experiences to enjoy with loved ones over the coming months, as opposed to physical products.”

Methodology

The Gift Card & Voucher Association (GCVA) and KPMG UK analysed six months of gift and voucher sales data from 29 members of the GCVA. KPMG UK then aggregated and analysed the data, sorting by market (business-to-consumer or business-to-business), by sector (leisure or retail), by product (physical card, paper voucher, digital or e-voucher), by channel (direct, online, gift card malls or via third party), and also by method of redemption (closed loop, multi-choice or open loop).

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Don Williams, Retail Partner at KPMG UK, added:

“Retail sales for the last 6 months have been resilient but sales growth of 7.7% in the gift card and voucher segment has out-performed. The shift to digital that accelerated as a necessity during the various lockdowns has moved to a matter of choice and habit for many. This trend, of a locked in step up in digital activity, is mirrored in a 15% growth in sales of digital gift cards.

“With rising costs challenging retailers operations and consumers wallets there is an increasing requirement to build and retain customer loyalty and to satisfy consumers desire for ever-increasing convenience and personalisation. The gift card and voucher sector has a huge opportunity to deliver on these priorities, for both customers and the businesses that serve them. Ensuring there is the offer of a gift card programme and/or expanding programmes to include more digital offerings, which can be redeemed at any time in line with changing consumer needs and desires, must surely be on the agenda for most if not all consumer facing businesses.”

