

GCVA DATA ANALYSIS H1 2021 - UK



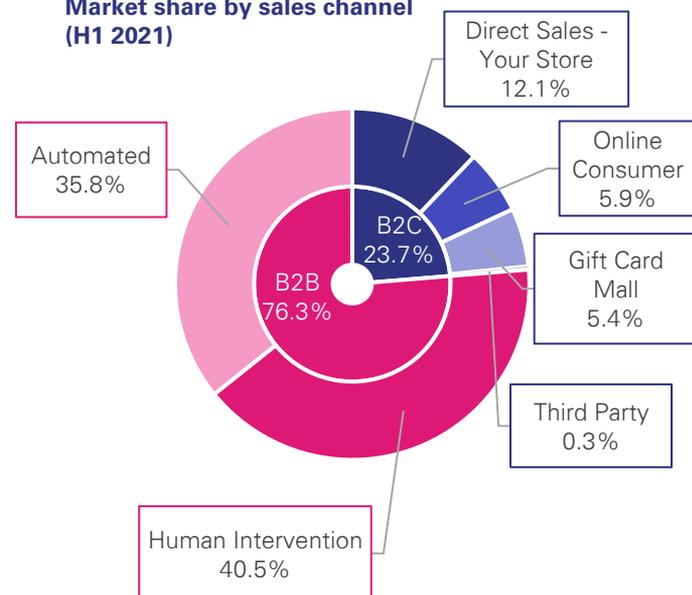
Strong like-for-like growth as the retail and leisure sectors recover well from a world still heavily impacted by COVID-19 restrictions.

Executive Summary

The UK was in lockdown for most of H1 2021 and at least partial restrictions were in force for the whole period – but this did not stop a resurgent performance from the Gift Card and Voucher Association data submitting membership, who reported 24.6% growth on a like-for-like basis. On a rolling year basis, sales were up by 17.1% - even more impressive when we consider that the comparison here includes nine months of pre-pandemic conditions (H2 2019 + H1 2020 vs H2 2020 + H1 2021). However, continuing the picture we saw in the last period, Retail and Leisure experienced very different fortunes: Retailers recorded significant like-for-like and rolling year growth, while Leisure volumes grew modestly like-for-like but fell significantly (-34.8%) on a rolling year basis. Also continuing the trends seen in the previous period, it was digital sales that powered the upward trend (up 90.7% on a rolling year basis) while physical gift cards were more muted and paper declined. B2B sales dominated once again, representing around 75% of the market, and growing strongly on both a like-for-like and rolling year basis.



Market share by sales channel (H1 2021)





info@gcva.co.uk



www.gcva.co.uk

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

“There is no doubt that gift cards and vouchers have grown in stature since the pandemic hit and have been increasingly used by the public and private sector to say thank you to customers and staff. We are seeing a growing number of corporate brands using gift cards as part of their strategy to attract new customers, whilst employers are increasingly using them as an innovative way to reward and retain staff forced to work remotely or being placed on furlough.

“As with many other areas of life, the pandemic has accelerated the move towards online channels, and permanently cemented the greater influence of digital purchasing and redemption. EVouchers and gift cards provided a solution to the problem of lockdown for many consumers looking to purchase that special something for loved ones when the high street remained closed.”

Methodology

The Gift Card & Voucher Association (GCVA) and KPMG UK analysed six months of gift and voucher sales data from 31 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:

“The performance of the gift card and voucher market is extremely encouraging, with the sector having thrived amidst challenging market conditions, and continuing to go from strength to strength. The areas of growth in this industry very much mirror the activity that we have seen on the high street over the last year, with digital sales recording particularly strong growth.

“Over the coming years, there seems little doubt that digital formats will continue to grow and retailers have an opportunity to attract a growing number of younger, tech savvy consumers to the gift card and voucher market. Retailers that do not embrace digital and mobile app capabilities in addition to their physical footprint will increasingly struggle to compete.”

