

## Gift Solutions

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# The UK Prepaid Consumer Insights Survey







## About the survey

The UK Prepaid Consumer Insights Survey from Fiserv explores the impact of digital adoption on consumers from the United Kingdom as they increasingly use gift cards to earn loyalty points, support small businesses, communicate value to employees, and even support corporate social initiatives. Over 1,000 UK consumers participated in the study, conducted in November 2022, covering all age groups (18 and older), regions and genders. The margin of error on the study is +/- 3%.





## Key findings

### Inflation is Impacting Sales

Over one-third of consumers are purchasing less gift cards due to inflation, contributing to a slight reduction in sales compared to previous years.

### Physical Gift Cards Remain Preferred

While most consumers ultimately use gift cards for online purchases, they still prefer physical gift cards over virtual ones.

### Gift Cards Are the Gold Standard for Birthdays

Consumers see gift cards as their go-to birthday gift.

### Consumers Care About Who They're Buying From

Most consumers agree that a company's sustainable and charitable positioning directly impacts their willingness to spend.

### Workplace Incentives are Now Expected

With more consumers regularly receiving workplace rewards/incentives, many employers are turning to gift cards to keep them motivated.







## Consumer gift card purchasing continues to decline

Gift cards are still popular among UK consumers who love both giving and receiving them. However, gift card purchases aren't quite as robust as they were in 2021.

Overall, 58% of UK consumers purchased the same amount or more gift cards in 2022 compared to 2021, but this was a decline from the 65% who answered the same in 2021.

58%

are purchasing the same or more physical gift cards

Inflation leads to less discretionary income, which is impacting overall gift card spending.

34%

say inflation is why they are purchasing fewer cards



# Physical cards continue living large in a digital world

Digital cards provide immediate delivery, which is why 71 % of gift card purchasers prefer them and the reason 44% of consumers said they are easier to purchase than physical cards. However, consumers still prefer the tangibility of a physical gift card.

## The trend towards tangible remains

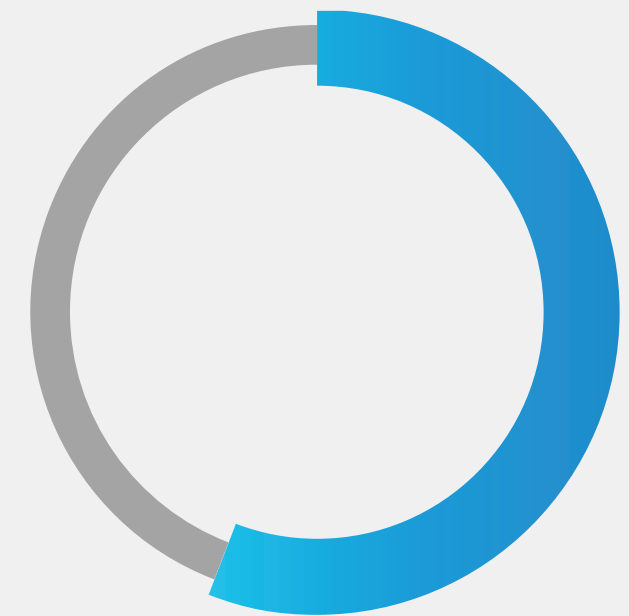
Our survey found just 32% of consumers purchase more digital than physical cards. But why the preference for physical gift cards?

75% want to give an actual card/  
gift to the recipient

42% want the recipient to be able  
to unwrap a gift



Despite the desire for physical cards, consumers still prefer digital shopping.



56%  
more likely to  
redeem a gift  
card online

44%  
more likely to  
redeem in-store

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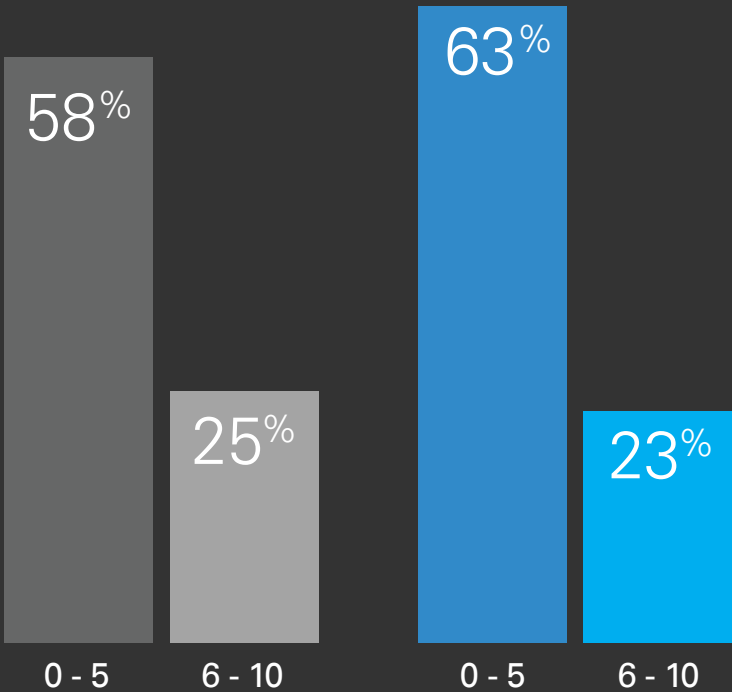




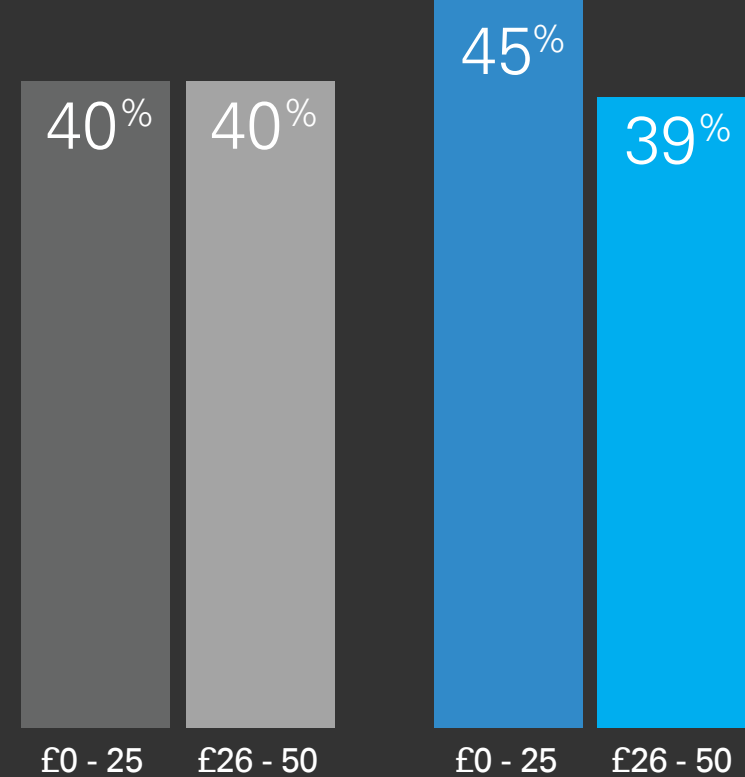
# Gifting trends remain stable

Even though a war, inflation and the fear of a recession is in the back of UK consumers' minds, gift card spending remains steady as consumer purchasing trends remain on par with 2021.

Number of cards purchased



Typical spend



2021 Versus 2022




# Buyers and recipients like choice

## Giving the gift of a gift card

More than half (56%) of consumers agree gift cards are better than giving someone a gift that might be returned. A gift card enables recipients to purchase what they want and when they want.

It should come as no surprise that nearly three-quarters of consumers make gift card purchases for other people – particularly on birthdays.

### The most popular occasions for buying gift cards:

	<b>2022</b>
<b>Birthdays</b>	85%
<b>Winter Holidays</b>	38%
<b>Congratulations</b>	24%

## From which businesses are UK consumers buying gift cards?



53%

Department stores



41%

Online-only merchant



31%

Coffee shop





## Earth-friendly and eye-popping

### Consumers want innovation and personalisation

While consumers remain pleased with today's current gift card marketplace, they welcome design improvements. Colour, branding, creativity, materials used and messaging matter. For instance, a gift card for a birthday with a birthday message is more personal than a generic one.

### What other innovations interest UK consumers?

74%

gift cards made from more eco-friendly materials

68%

attractive gift card envelope design

53%

personalisation options like gift wrap and messaging

51%

3D or pop-up gift card for someone

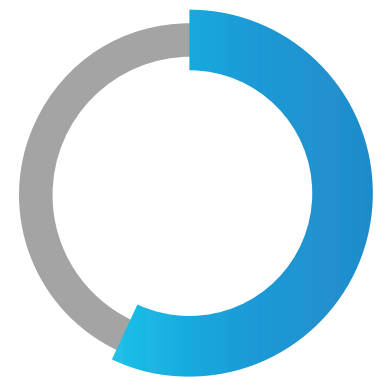


# Corporate responsibility **matters**

Global warming, the desire to decrease our overall carbon footprint and conscientious consumerism are all on the rise.

In fact, more than half of shoppers are increasingly willing to open their wallets to companies sharing their societal interests.

**My desire to purchase from a company is influenced by:**



57%

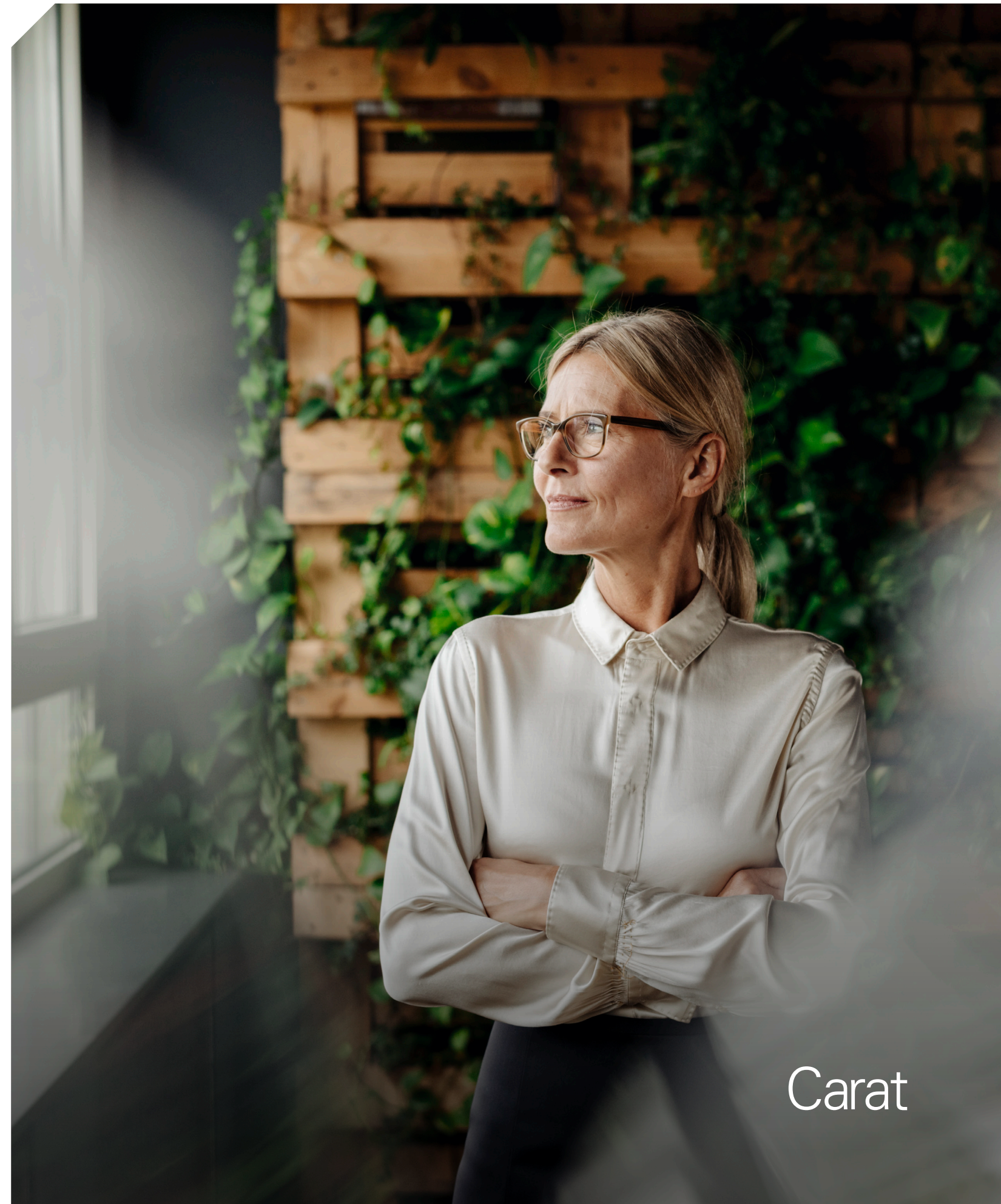
position on sustainable  
and environmentally  
friendly practices



56%

charity involvements  
(such as partnerships,  
donations, etc.)

59% would be more likely to spend more with a merchant/retailer who supports a charity they would also support.



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## Give a little, get a lot more purchases

### Incentives continue to drive spend

As in the past, consumers continue to look for ways to get the most for their dollars. With today's inflation stretching their pocketbooks, 67% said promotions would influence them to purchase more gift cards.

That little extra could very well sway their purchasing decisions.

### What are the promotions they most want?

Bonus gift card  
with the purchase  
of a gift card

33%

Free item with  
the purchase of  
a gift card

27%

Bonus amount  
added to the  
gift card

24%





# The great **incentivation**

## **Workplace rewards are increasingly expected**

Top talent is often hard to find and keep. In today's workplace, consumers expect perks for a job well done, and it needs to be more than just being told "great job." While rewarding employees is nothing new, using gift cards as the basis for these rewards continues to rise.

	2021	2022
<b>Received a gift card as an incentive from their employer</b>	43%	56%
<b>Think gift cards make an appropriate business gift</b>	82%	90%



# Gift cards increase productivity and retention

Is it time to consider workplace incentives for your employees?



33%

say incentives and rewards motivate them to be more productive at work



31%

say employee rewards would motivate them to stay with a particular employer

What's an acceptable amount?

27%

£20.01-£30

23%

£10-01-£20



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## Connect with us

Are you gift card ready?  
We can help get you there.

 [GiftSolutionsEMEA@Fiserv.com](mailto:GiftSolutionsEMEA@Fiserv.com)

 [carat.fiserv.com/en-uk/solutions/payment-methods/](https://carat.fiserv.com/en-uk/solutions/payment-methods/)

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