It's Your Birthday? Survey Says, Get Ready to Unwrap a Gift Card

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Fiserv survey shows UK consumers are growing their gift card purchases, buying both physical cards and digital cards

Birthdays are the most popular gift card giving event, with 41% of UK consumers stating birthdays are the occasion for which they most often buy a gift card

Brookfield Wis. and London - 25 April 2022 -- Sales of gift cards have accelerated in the UK, with nearly two-thirds (61%) of consumers purchasing the same or more in 2021 compared to 2020, according to a survey released today by Fiserv, Inc. (NASDAQ: FISV), a leading global provider of payments and financial services technology. A summary of the survey, which explores the gift card buying habits of consumers in the UK and Europe, can be downloaded at fisv.co/GiftCardsEurope.

Although digital gift card purchases are gaining ground, 69% of consumers in the UK tend to purchase physical gift cards or an equal mix of physical and digital gift cards. This continued penchant for plastic is likely driven by the fact that gift cards are a popular present, with 71% of respondents purchasing gift cards for others. Among respondents preferring a physical card, 59% said they wanted to give an actual card or gift to the recipient and 45% wanted the recipient to have something to unwrap.

Birthdays are the most popular gift card giving event, with 41% of UK consumers stating birthdays are the occasion for which they most often buy a gift card. The vast majority of gift cards purchased, no matter the occasion, are for $50 or less, with 41% being for an amount of $25 or less, and 40% being for an amount of $50 or less.

Gift cards are a popular choice when consumers are unsure what to buy for someone else, and 44% of respondents said that they would prefer to receive a gift card over a traditional gift because as it allows them to purchase whatever they want.

The majority of those receiving a physical card (71%) will store their card in a secure place with other gift cards, one in four (25%) will load it into a mobile or digital wallet to ensure safekeeping, and 4% admit they will likely lose it.

Digital Gift Cards are On the Rise

Consumers also recognise the benefits of digital gift cards. For example, 73% of those surveyed purchased a digital gift card due to the immediacy of delivery, 44% because it was easier to send, and 40% because it was easier to purchase. In addition, 52% of consumers purchased more digital gift cards than physical gift cards due to the impact of the COVID-19 pandemic.

Not Just for Giving

While the majority of gift cards are purchased for giving, more than one third of consumers (36%) said they purchased more or the same number of gift cards for themselves as they did for others. The most common reason for buying a gift card for personal use was for online shopping, cited by 47% of respondents, while 29% bought a gift card to receive a discount.

Benefits for Merchants

“From a merchant’s perspective, gift cards are an excellent instrument for building brand loyalty, driving footfall and boosting sales," said Tom Niedbalski, vice president of Global Partnerships at Fiserv. “As the popularity of digital gift cards continues to rise, this will drive a faster rate of sales for merchants.”

Gift cards drive quick, higher value sales for merchants, with three-quarters of consumers redeeming the full balance within three months, and only 2% waiting longer than a year to shop. What’s more, 39% of respondents said they use their gift cards to purchase something they wouldn’t normally buy or put their gift cards towards larger purchases. Gift cards also create new opportunities for retailers, with over a quarter (26%) of people saying they explore stores and brands they wouldn’t otherwise consider.

Looking to the future, both physical and digital gift cards offer room for growth, with more than half (55%) of consumers saying they could be persuaded to spend more on a gift card with personalisation options like a message, photo, video or gift wrap.

In a world moving faster than ever before, Fiserv helps clients deliver solutions in step with the way people live and work today – financial services at the speed of life. Learn more at fiserv.com.

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) aspires to move money and information in a way that moves the world. As a global leader in payments and financial technology, the company helps clients achieve best-in-class results through a commitment to innovation and excellence in areas including account processing and digital banking solutions; card issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover® cloud- based point-of-sale and business

management platform. Fiserv is a member of the S&P 500® Index and the FORTUNE® 500, and has been recognized as one of FORTUNE World's Most Admired Companies® for 11 of the past 14 years and named among the World’s Most Innovative Companies by Fast Company for two consecutive years. Visit fiserv.com and follow on social media for more information and the latest company news.

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