



Unlocking Potential:

Exploring B2B Growth in the UK Gift Card Market

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The Global Gift Card Market Overview

The gift card market has experienced a remarkable transformation, propelled by shifting consumer behaviours, technological advancements, and evolving market dynamics. What was once perceived as a simple token of appreciation or last-minute gift has now emerged as a powerful tool for commerce, engagement, and brand loyalty.

It has witnessed exponential growth in recent years, fueled by a confluence of factors that have reshaped consumer preferences and purchasing habits. Amidst an increasingly digital-centric landscape, gift cards have emerged as a preferred choice for both gift givers and recipients, offering unparalleled convenience, flexibility, and choice.

Several key drivers have contributed to the unprecedented growth of the gift card market. Chief among them is the profound impact of the COVID-19 pandemic, which accelerated the shift towards online shopping and digital payments. As consumers sought safer and more convenient ways to shop and transact, gift cards emerged as a trusted alternative, offering contactless redemption options and the flexibility to shop online or in-store. Additionally, the growing emphasis on experiential gifting and personalised experiences has fueled demand for gift cards across various sectors, including hospitality, dining, entertainment, and wellness.

During and immediately after the pandemic, when retail sales were flat and stagnant, the gift card market was thriving—offering customers a way to purchase online while the high street was largely closed down. It also offered an opportunity for the digital gift card market to innovate and grow, and this trajectory has not waived.

Beyond traditional gift-giving occasions, gift cards have evolved into sophisticated stored value cards, serving as powerful tools for customer acquisition, retention, and engagement. With the rise of mobile wallets, digital platforms, and integrated loyalty programs, gift cards have become seamlessly integrated into consumers' daily lives, enabling them to earn, redeem, and manage rewards with unparalleled ease. This transformation has not only expanded the utility and appeal of gift cards but also unlocked new revenue streams and marketing opportunities for businesses across diverse industries.

“Recent figures have found that £8bn is spent on gift cards in the UK, with two thirds of this being within the B2B market. Employee benefits are the largest segment of the B2B gift card market, enabling companies to mass-purchase rewards for their staff, either based on performance or as part of their general employee benefit offerings.”

Businesses increasingly recognise the value of gift cards as versatile incentives for employees, clients, and partners, driving demand for customised, branded, and scalable solutions. As a result, B2B networks have become pivotal hubs for brands seeking to tap into the lucrative corporate gifting market, offering tailored solutions, streamlined procurement processes, and strategic partnerships.

The B2B Gift Card Market Explained

The B2B gift card market refers to brands selling their gift cards to consumers through B2B networks, which opens up additional revenue opportunities. Taking advantage of B2B networks for gift card sales allows brands to diversify their sales channels, increase brand visibility, and discover new revenue streams.

Payments & Cross-Channel Interactions

KPMG recently reported that the gift card market saw a drop in sales in the second half of 2022, however these recovered strongly in 2023. Like-for-like and rolling year sales rose in both Retail and Leisure; there was an uplift in both B2B and B2C sales. There was a continuing increase in the adoption of digital sales formats, aligning with contemporary consumer habits as well as the aim for a zero carbon footprint.

Given the challenging economic conditions that UK markets have seen in recent years, the continuous uplift in gift card usage proves their enduring appeal, both as a way of gifting to friends and loved ones and, in the B2B sphere, as a way of enabling staff to access attractive discounts and offers – all the more important when household finances are under pressure.

The KPMG report also found an 11.7% like-for-like period growth in the B2B market, compared to 1.4% in B2C. While B2C sales remain strong, with in-store sales increasing from 54.7% to 58.4% of total sales, B2B is absolutely vital, making up 70.1% of the total market.

UK Gift Card Spend

£8bn

B2B Gift Card Market Grew

11.7%

B2C Gift Card Market Grew

1.4%

70%

Gift Cards sold in the UK were within B2B networks.

Businesses that enrol in gift card schemes see between 12-20% uplift in their sales, reaching wider markets and opportunities than ever before.

These figures show just how big the opportunity is for brands that are thinking of selling within the B2B gift card market.



Uses for B2B Gift Cards

There are a number of different areas within the B2B gift card market, namely:

Corporate Gifting

Businesses leverage B2B gift cards to say thanks, mark significant achievements, or fortify connections with clients, collaborators, and suppliers. These can be given for any reason – as a thank-you or reward.

Employee Rewards & Recognition

B2B gift cards serve as popular rewards for celebrating employee achievements, good performance, or tenure within a company's loyalty framework. Their adaptability empowers employers to incentivise and inspire staff members, be it through performance bonuses, goal achievement incentives, or commemorating years of dedicated service.

Customer Incentives & Loyalty Programs

Businesses use B2B gift cards to reward certain customer actions, such as making purchases, advocating for the brand, or engaging in feedback initiatives. These cards seamlessly integrate into loyalty schemes and promotional drives, encouraging repeat purchases and nurturing enduring customer relationships.

Sales Channel Incentives

Manufacturers, distributors, and wholesalers utilise B2B gift cards to motivate their sales channels, including distributors, retailers, and sales representatives. These cards serve as rewards for attaining sales targets, engaging in training endeavours, or driving product acceptance among end consumers.

Channel Partner & Vendor Relationships

Companies use B2B gift cards as a means to strengthen the bonds they have with their channel partners, vendors, and suppliers, using them as tokens of appreciation, rewards, or rebates for their contributions to business endeavours. They can help to strengthen collaborative partnerships, encourage loyalty, and ensure mutual benefits among key stakeholders.

Event Prizes & Giveaways

B2B gift cards can also be used as giveaways at corporate functions, trade exhibitions, conferences, or promotional events. They act as magnets, drawing attendees, encouraging more participation, and elevating brand visibility, while simultaneously rewarding recipients.



Areas Of Focus Within The B2B Gift Card Market

The largest segments within the B2B space are Benefits, Employee Savings & Salary Sacrifice and Rewards & Incentives, representing circa 58% and 28% of the market respectively. The first refers to gift card purchases or cashouts made by B2B platform end customers, using either reward points from their employer or their own credit/debit card. These are largely used for cost-savings, such as discounts for certain products or services, or exemptions from income tax and National Insurance with certain purchases (such as bicycles or childcare). Rewards & incentives are often used by B2B customers to provide their stakeholders (suppliers, customers and vendors) with rewards and incentives for doing business with them.

These components demonstrate the important and impactful role that gift cards play in enabling organisations to incentivise their staff. This has become particularly prevalent during the cost of living crisis, as many are searching for ways to save money—especially when it comes to more ‘luxury’ spends. For this reason, ‘self-gifting’ makes up the largest segments within rewards programmes, with employees purchasing items themselves to save money.

Customer Acquisition

Other emerging B2B uses include within the government and charity sectors. Government agencies, at various levels (local, regional, or national), often administer social assistance programs aimed at providing support to vulnerable populations, such as low-income families, individuals experiencing homelessness, or refugees.

These programs may include financial assistance, food aid, housing support, or other forms of assistance to help meet basic needs. In this instance gift cards offer governments a flexible and innovative way to provide assistance to individuals and families in need. Instead of providing cash or vouchers for specific goods or services, gift cards allow recipients to choose items or services that best meet their immediate needs and preferences.

This empowers recipients and promotes dignity by allowing them to make decisions that align with their circumstances and priorities.



Benefits For Brands Who Want To Be Present On B2B Networks?

B2B gift cards continue to evolve as a versatile and effective tool for businesses to engage customers, incentivise employees, strengthen relationships with partners, and drive business growth. As technology advances and consumer preferences evolve, businesses will continue to adapt and innovate in their use of B2B gift cards to meet the changing needs and expectations of their stakeholders.

Bulk Sales

When a brand is part of a B2B gift card network, it opens up avenues for significantly expanding sales volume. One of the key advantages lies in the scalability inherent in bulk sales through B2B networks. Instead of dealing with individual consumer transactions, brands can negotiate deals for large quantities of gift cards with businesses looking to procure them for various purposes. This bulk purchasing power not only boosts sales figures but also ensures a steady flow of revenue, as businesses often make recurring purchases to support ongoing rewards programs or promotional campaigns.

Customer Acquisition

B2B sales can also lead to indirect customer acquisition. Recipients of gift cards may not have been previous customers, but they may become new customers after redeeming their gift cards. Gift card programmes serve as an efficient marketing channel, reaching potential customers through corporate partnerships. This collaborative approach can significantly reduce customer acquisition costs for your business.

Expanded Customer Base & Increased Revenue Opportunities

Selling gift cards on a B2B platform allows brands to tap into a broader customer base, as companies purchase these cards for employees, clients, or customers, introducing new potential customers to your services. With 70% of gift card sales happening in the B2B space, brands that don't sell within the B2B environment are limiting the scope of brand exposure and revenue opportunities.

Brand Exposure & Recognition

Selling gift cards through B2B channels can increase a brand's exposure as more businesses become familiar with their products or services. Their name and branding will be seen by a larger customer base, enhancing visibility and recognition. This exposure can lead to increased awareness and consideration among potential customers. In fact, two thirds of customers that purchase from a brand using a gift card have never previously bought from the brand, which shows just how effective this can be as a customer recruitment model. Additionally, if these new customers have a good experience, they're more likely to return as a repeat customer in future.

Revenue Stability

One of the primary advantages of selling to businesses is the inherent predictability and stability it offers to a brand's revenue stream. Unlike consumer sales, which can fluctuate due to various factors such as seasonality, economic conditions, or changing consumer preferences, selling to businesses often involves more structured and planned purchasing behaviours.

Businesses, especially those engaging in bulk buying, typically operate on predetermined budgets and procurement schedules. This means that their purchasing decisions are often made well in advance, allowing brands to forecast and anticipate demand with greater accuracy. By catering to businesses through B2B networks, brands can tap into this predictable buying behaviour and establish a steady flow of orders over time.



How Brands Can Access The B2B Network

Understanding the intricacies of the B2B gift card market is crucial for brands seeking to expand their reach and capitalise on untapped opportunities. At Savvy, we are already connected to the most prominent B2B distribution networks, giving our customers the opportunity to sell their gift cards in multiple different channels beyond their current market reach. We effectively unlock new pools of new potential customers on your behalf.

Through our platform, brands gain access to a diverse array of buyers via API integration to our user-friendly interface and cost-effective models. We are continually expanding our network, which means that our clients benefit from an ever-growing selection of potential buyers, ensuring continuous revenue growth for both parties. Additionally, Savvy analytics enables brands to see gift card performance by channel and each channel partner. This enables our brands to make data-driven commercial choices based on the overall impact of gift card redemptions.

As a technology-driven entity, our success is intricately tied to that of our clients; the more gift cards they sell, the more prosperous our partnership becomes.

While we facilitate connections with channel partners, it's important to note that we have no commercial involvement in the relationships between brands and networks. We remain agnostic, understanding that different partners serve distinct end customers, thereby diversifying opportunities for brands to maximise their card sales.

From a logistical standpoint, settlement procedures are established between the Savvy customer and the channel partner, detailing payment frequencies, invoicing terms, and other commercial arrangements.

Ultimately, success in the B2B gift card market hinges on leveraging the right networks and channels, ensuring optimal visibility and accessibility for brands seeking to thrive in this lucrative landscape.

Who Is Savvy?



Savvy enables brands to run brilliant gift card programmes. We own and operate a highly secure cloud-based processing platform that enables hundreds of domestic and international brands to run physical and digital gift card programmes and other stored value programmes supporting digital refunds, rewards, incentives, and discounts.

Savvy's passion is helping businesses win, driving commercial growth and exceptional customer experiences. Working in collaboration with many affiliates and as an internationally recognised processor in the gift card industry, Savvy is well positioned to support our partners who wish to provide their merchants with our innovative range of services with reliable technology, processing, and analytics expertise.

Why Choose Us

Scalable Technology

Our proprietary, API rich technology follows a secure cloud distributed architecture with 24/7/365 connectivity and scalability. Integrations are fast, risk-free, and flexible, keeping any IT disruption to an absolute minimum. With over 150 real-time API connections and growing, Savvy wires our customers into the leading sales channels to drive sales and customer loyalty.

Analytics Capabilities To Help You Grow

Our self-service retail data analytics platform is an industry first, bringing real-time customer data to life. We'll also help drive sales through our distribution network of 150+ malls and resellers.

International Offerings

Our gift card services can be made available globally, meaning that brands which operate in areas other than the UK can have one scheme for all of their shoppers around the world.

Exceptional Support & Expertise

Just like our technology our support is 24/7/365, with access to our Savvy experts and developers to help optimise your programme – no tickets, no bots.

Competitive Cost

We offer complete flexibility and transparency of your programme performance. Our industry first self-service customer analytics platform uses real-time customer data to discover business changing insights.