Reward

HOW EGIFT CARDS ARE SUPPORTING CHRISTMAS BUDGETS

Christmas shopping is in full swing, as consumers flock to high streets and online retailers in search of gifts for loved ones. Yet, amidst persistent inflation and economic challenges, shoppers are becoming savvier in their approach to budgeting for the festive season.

One strategy gaining significant traction is the use of cashback rewards, particularly through eGift Cards. According to the Gift Card and Voucher Association, the UK's gift card market is thriving, projected to reach nearly **£9 billion by 2025**, with digital formats driving this growth. Our data highlights the pivotal role rewards play during the peak holiday shopping season:

25% of all eGift Card redemptions take place in November and December.

40% increase on redemptions in the final quarter of the year compared to the previous quarter.

So, who are the consumers turning cashback into Christmas cheer? Here are the personas driving this trend:

THE EVERYDAY SAVER

These savvy shoppers use their cashback for everyday essentials, such as groceries, to free up their budgets for holiday spending.

With many households tightening their purse strings, it's no surprise that grocers have become a key destination for eGift Card redemptions. Last year, redemptions at leading supermarkets increased by an impressive 100% during the final quarter of the year. By offsetting the cost of weekly essentials, these consumers create room in their budgets for gift shopping or other festive expenses.

THE GIFT-GIVING STRATEGIST

This group uses their cashback rewards to directly reduce the cost of Christmas presents.

Whether it's finding deals during Black Friday or spreading their budget further, these shoppers strategically redeem their eGift Cards at retailers offering Christmas must-haves. Our data shows that general retail sectors, including department stores, saw a 55% increase in cashback redemptions from October to December, demonstrating the value of eGift Cards in alleviating seasonal spending pressures.

THE SELF-GIFTING SPLURGER

The festive season isn't just for giving — it's also an opportunity for some shoppers to treat themselves.

Our research reveals that 62% of eGift Card redemptions are made with retailers that consumers don't usually frequent. This suggests many are using cashback to indulge in big-ticket purchases or luxury items. From upgrading tech to snagging Black Friday deals, these shoppers are leveraging their rewards for special, infrequent buys.

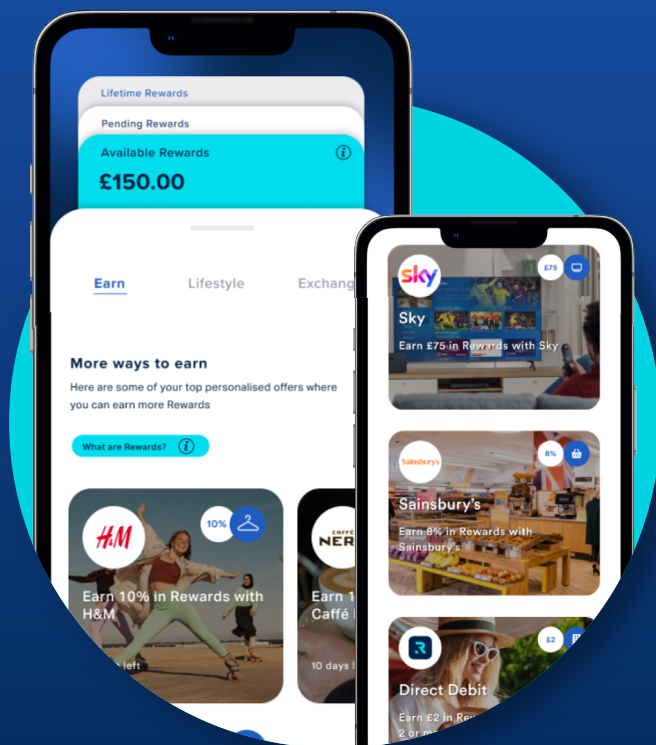# Reward

WHY CASHBACK MATTERS MORE THAN EVER

Despite varying motivations, one thing is clear: flexible cashback options are no longer a luxury – they're a necessity. Consumers expect rewards programmes to be adaptable to their needs, whether for everyday savings or splurging on special occasions.

Offering flexible cashback options is crucial for attracting and retaining customers in today's competitive landscape. At Reward, we empower brands to meet these expectations through our Redemption Store, an integrated platform that enhances engagement programmes by providing valuable consumer insights and a wide range of redemption options.

Our partners, including **Amazon, John Lewis, Morrisons,** and more, are helping consumers make the most of their cashback this Christmas, fostering deeper connections with their audiences while boosting sales.

A WIN-WIN FOR SHOPPERS AND RETAILERS

As consumers navigate the holiday season with heightened financial awareness, cashback rewards are playing a critical role in supporting their budgets.

Whether it's saving on everyday expenses, scoring deals on gifts, or treating themselves to something special, these cashback personas highlight the diverse ways shoppers are leveraging their rewards.

By embracing flexible, customer-focused cashback solutions such as eGift Cards, retailers can make the season brighter for their customers while building long-term loyalty. At Reward, we're proud to be part of this journey – empowering brands and consumers alike to thrive this Christmas.

we. are. reward.