huggg

The 2026 UK Gifting & Recognition Benchmarks Report

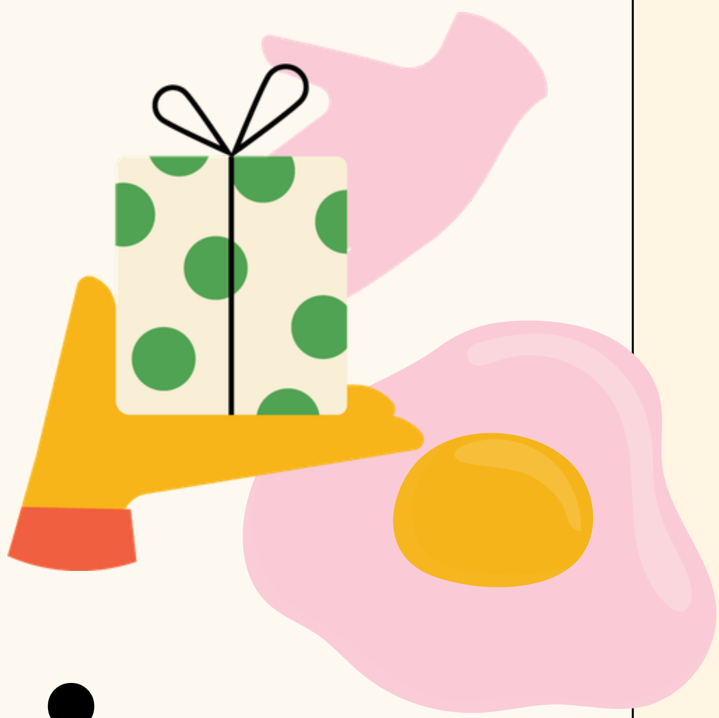
Where are the gaps?

How do HR teams handle employee gifting?

In this report:

With comments from several survey respondents - thanks for your paticipation!

Gift-led recognition



If there's more than one way to **cook an egg**, there's an almost **infinite number of ways** you can handle **appreciating your teams**.

But we wanted to know how most people do it - and what the most common challenges are.

So we asked HR professionals:

How does your organisation handle gifting and recognition?

The answers revealed **HR gets caught between good intentions and spreadsheets.**

Most respondents believe gifting positively impacts retention. Almost none can prove it.

Here's some highlights:

Budget is still the **biggest blocker**, cited by 59% of respondents.

But gifting is already well underway: 36.5% use a **free gifting platform**, while just 18.8% do it all manually.

The patterns are clear. Mid-market companies report the **biggest retention impact**, while enterprises are the least likely to track ROI.

And as companies grow, the challenge shifts - from finding gifts people actually want to getting managers to use gifting consistently.

This report presents the **full findings from our 2026 UK Gifting & Recognition Benchmarks Survey**, enriched with company size segmentation, industry breakdown, and contextualised against wider research.

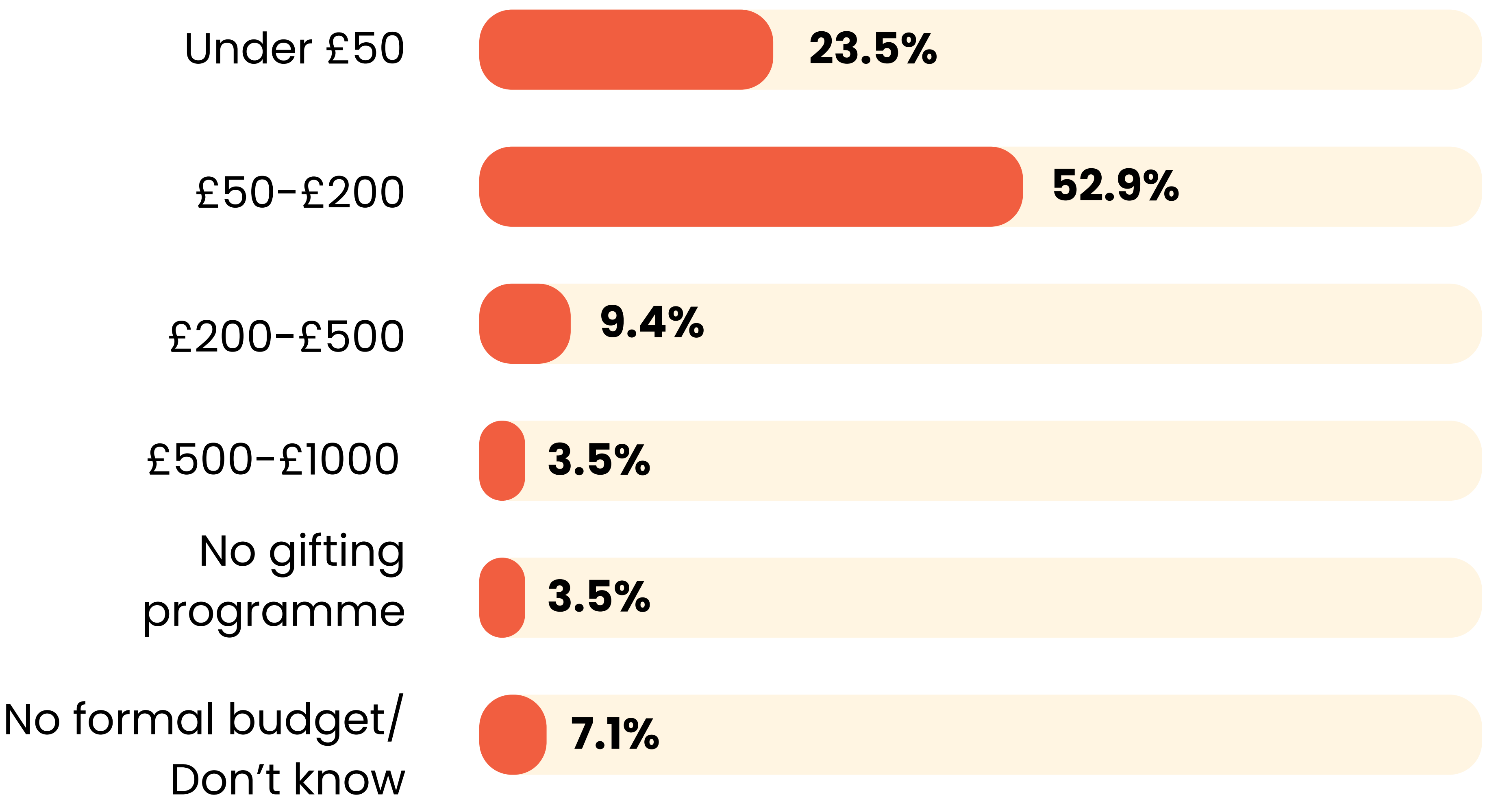
It's designed for **HR leaders**, **People teams**, and **anyone building a business case for gift-led recognition**.

It’s our gift to you

02

How much organisations spend annually

Annual spend on gift-led recognition, per employee

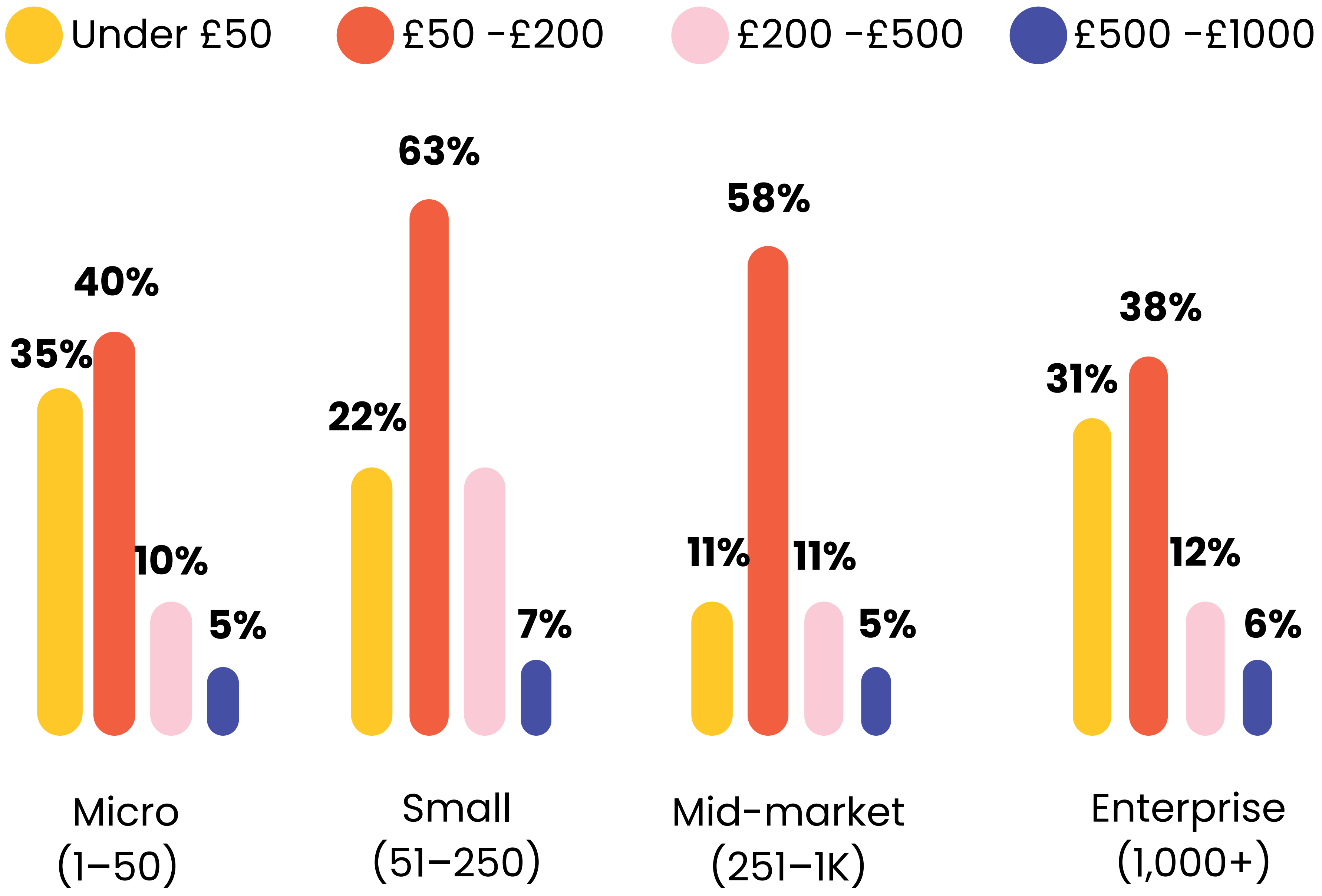


76.4%

of organisations spend <£200 per employee per year.

One SHRM Employee Recognition Survey showed the ideal investment into recognition is around **1-2% of payroll**. For someone earning £35,000, that's £350-£700. Most UK organisations in our survey are **spending well below that.**

Per employee spend by company size



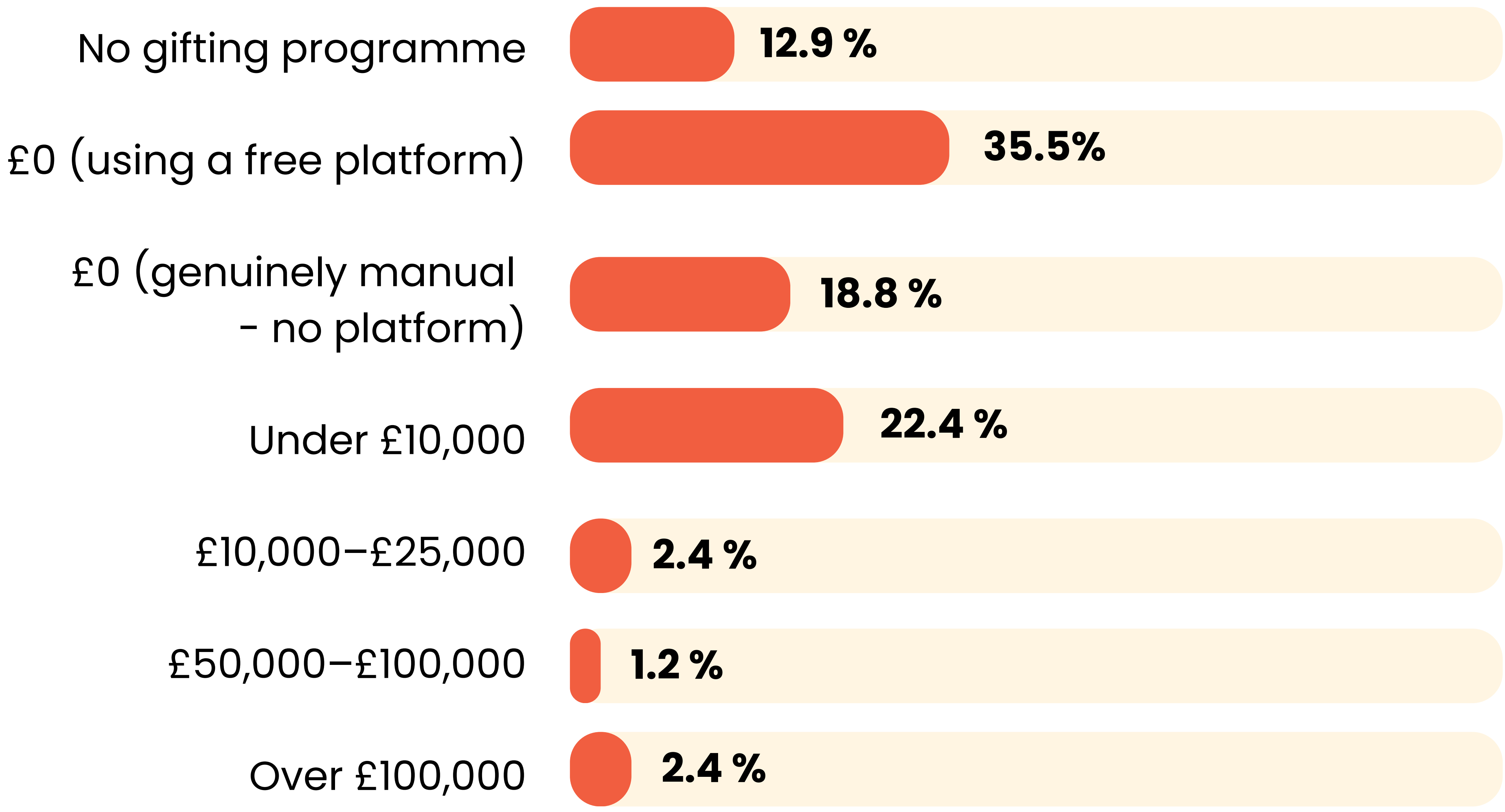
63%

of small companies spend between £50–£200 per employee - the highest concentration of any segment.

At enterprise level, almost **a third spend less than £50 per head**. The total budget might be bigger, but it gets spread across so many people that **the per-person amount often ends up lower than at smaller companies**.

02

Annual spend on gifting platforms/software



Note: We separated respondents who spend £0 because they use a free platform from those who spend £0 because they have no platform at all. The distinction matters - using a free tool and doing everything by hand are fundamentally different levels of maturity.

18.8%

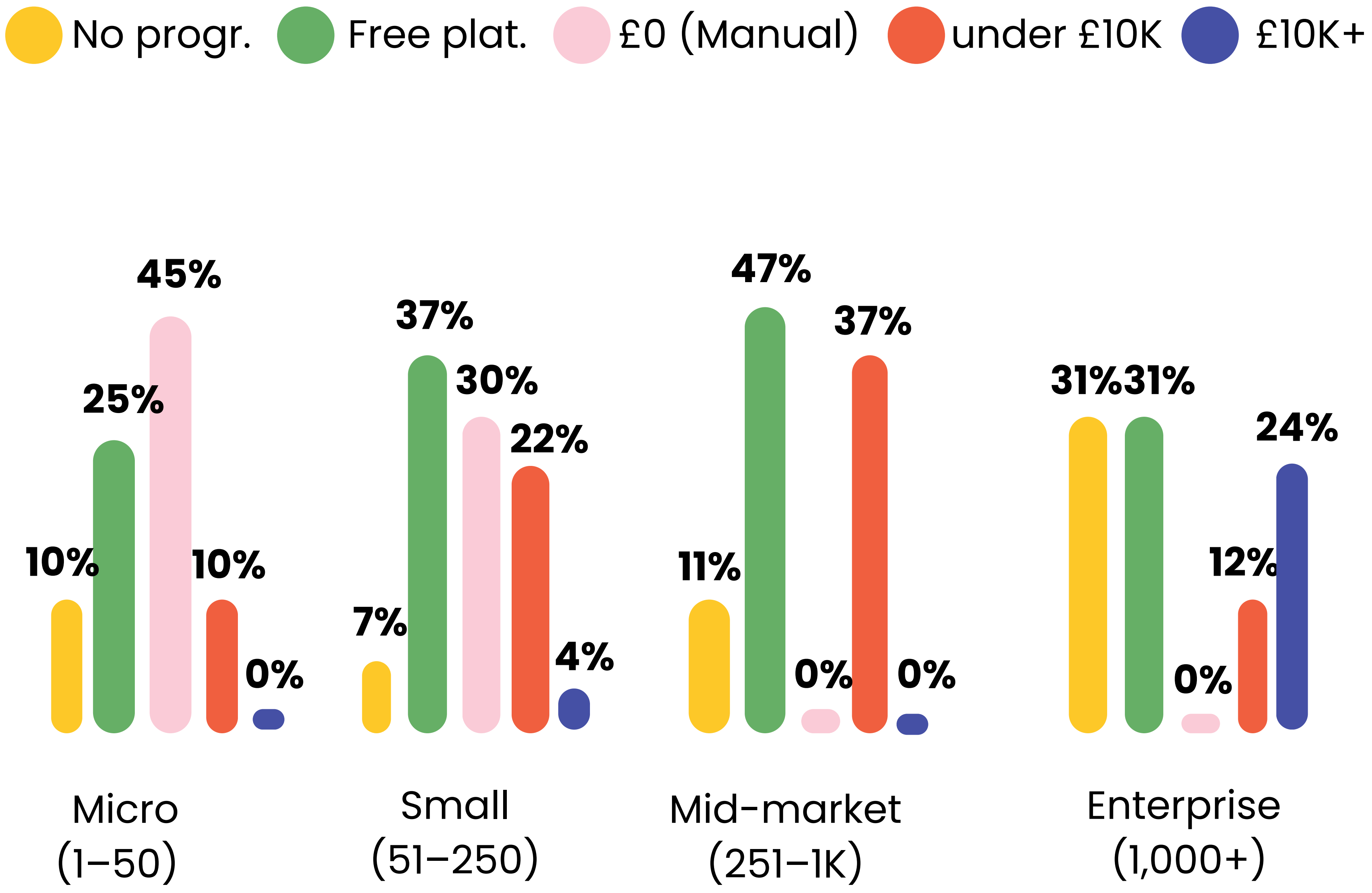
of organisations are DIY-ing gifting. The biggest group (35.5%) has adopted a free platform - and at mid-market and enterprise level, not a single respondent is truly manual.

12.9% with no gifting programme and **18.8%** who are **genuinely manual** - that's **31.8% who are either winging it or doing nothing**. Still a significant gap, but most have already cleared the "should we use a tool?" hurdle.

It’s easier than ever to get started - the real question is if you're making the most of the tools you already have.

02

Platform spend by company size



0%

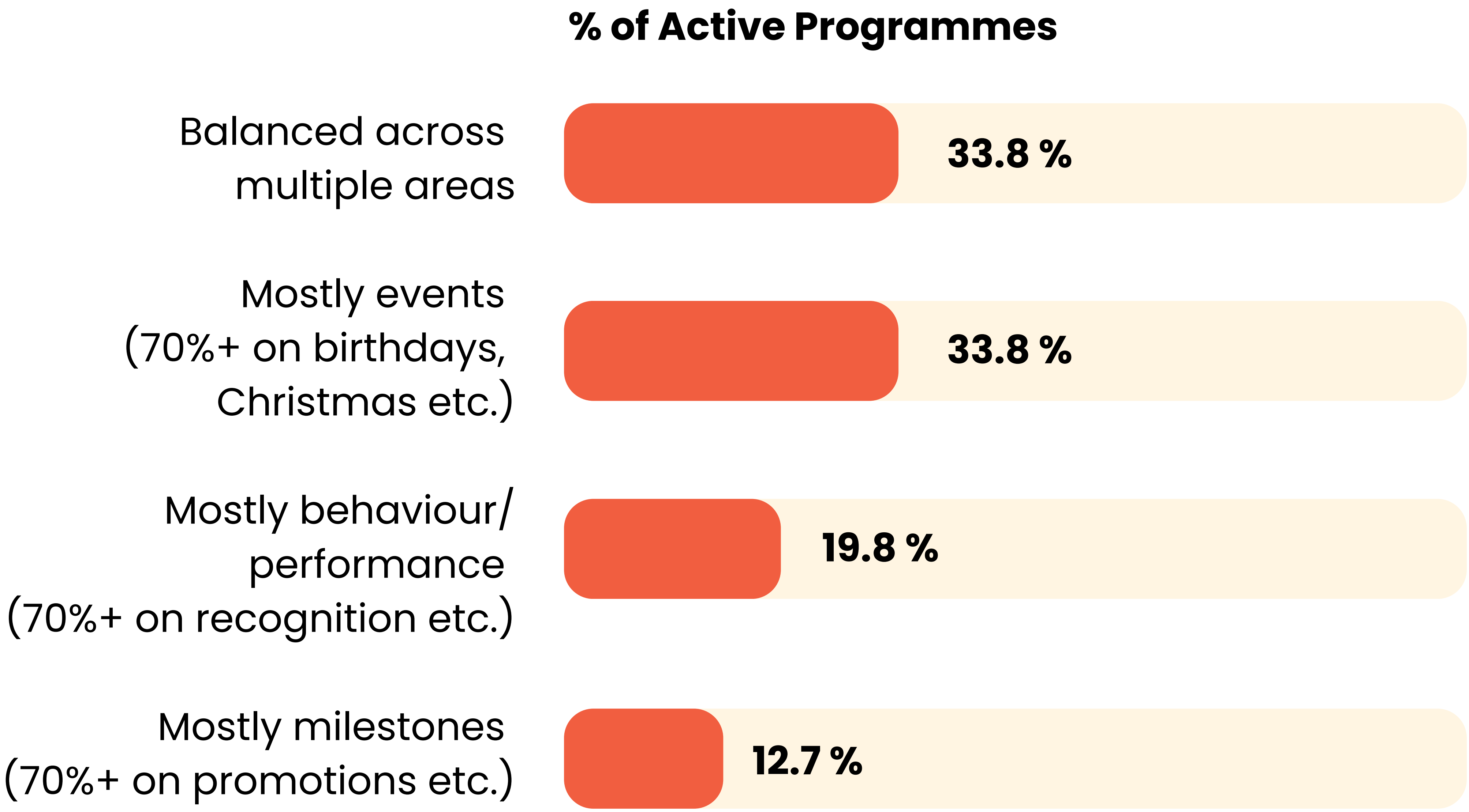
of mid-market companies are genuinely manual. They either use a free platform, or pay for one. They've adopted tools but not committed budget.

At **micro companies**, **manual gifting** is still common (45%) but even here, a quarter have adopted a free platform. And more **small companies** use **a free platform** (37%) than do it entirely by hand (30%).

Yet **31% of enterprises have no gifting programme at all** - the real divide is doing something vs doing nothing.

Where the budget goes

Budget allocation focus



47% of gifting is for **events** (like birthdays and seasonal occasions) and **milestones** (like promotions and work anniversaries).

Only 19.8% prioritise behaviour-based recognition - saying thanks in the moment, when you see them go above and beyond.

That matters because the research is clear: **Gallup** found that **the most effective recognition is authentic** (not a "checklist thing") and **embedded into the day-to-day**.

Birthday gifts are lovely, but they don't reinforce the behaviours you want to see more of.

Budget allocation vs. Top challenges

Team type

EVENT-FOCUSED

Budget constraints **65%**

Time/admin burden **43%**

Team type

BEHAVIOUR-FOCUSED

Budget constraints **57%**

Inconsistent manager participation **43%**

Team type

BALANCED

Inconsistent manager participation **62%**

Budget constraints **54%**

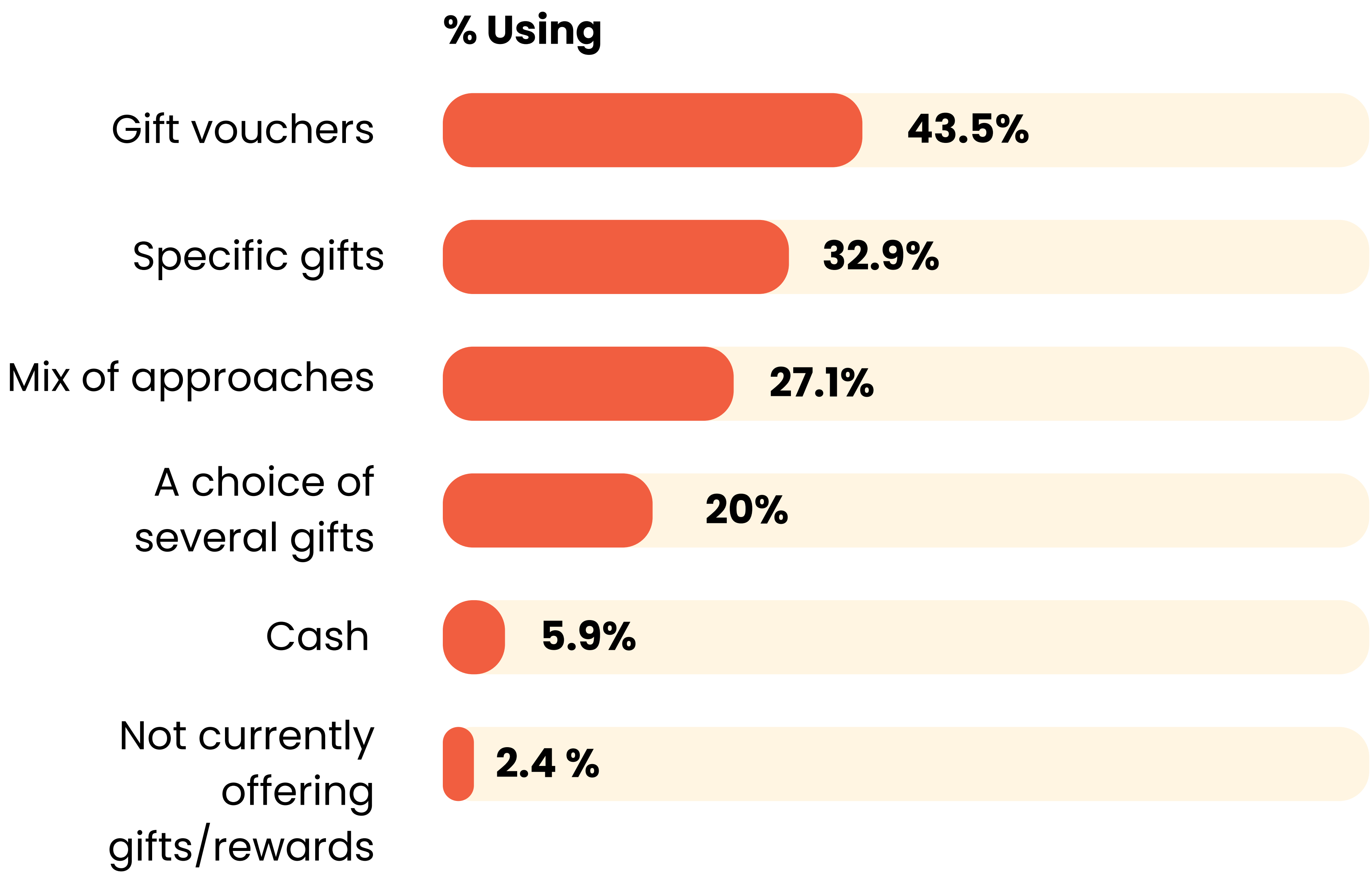
Teams that spread their budget across all three areas are the most likely to say "inconsistent manager participation" is their top problem (62%). Makes sense. Once you move beyond autopilot birthday gifts and start asking managers to recognise people in the moment, **the human element becomes the bottleneck.**

62% of balanced teams say inconsistent manager participation is their #1 challenge.

What gifts are being sent

04

Gift types people are sending



43.5%

are still using vouchers as the default option, followed by "we pick something and send it" (32.9%). Only 20% give recipients an actual choice that feels personal, and not transactional.

Gift type vs. perceived retention impact

Cash performs worst

Retention Impact

20%
Cash

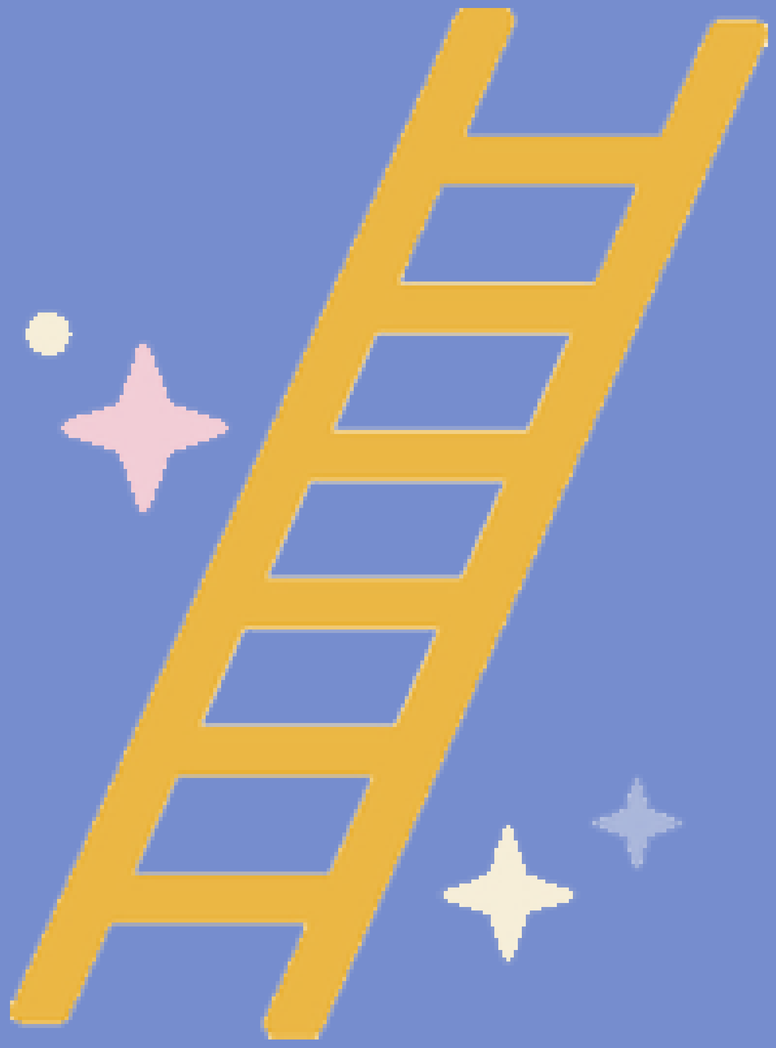
vs

49%
Gifts and vouchers

20%
of organisations giving cash report a meaningful retention impact, versus around **49%** for gifts and vouchers.

This aligns with research from Kube et al. (2012, American Economic Review), which found that gift exchange creates stronger motivation in the workplace than cash equivalents.

CONTEXT: Research from the Journal of Consumer Psychology (Steffel & LeBoeuf, 2014) found that **recipients consistently prefer gifts they can choose themselves**, even when the pre-selected option is objectively "better."



The biggest challenges around gifting

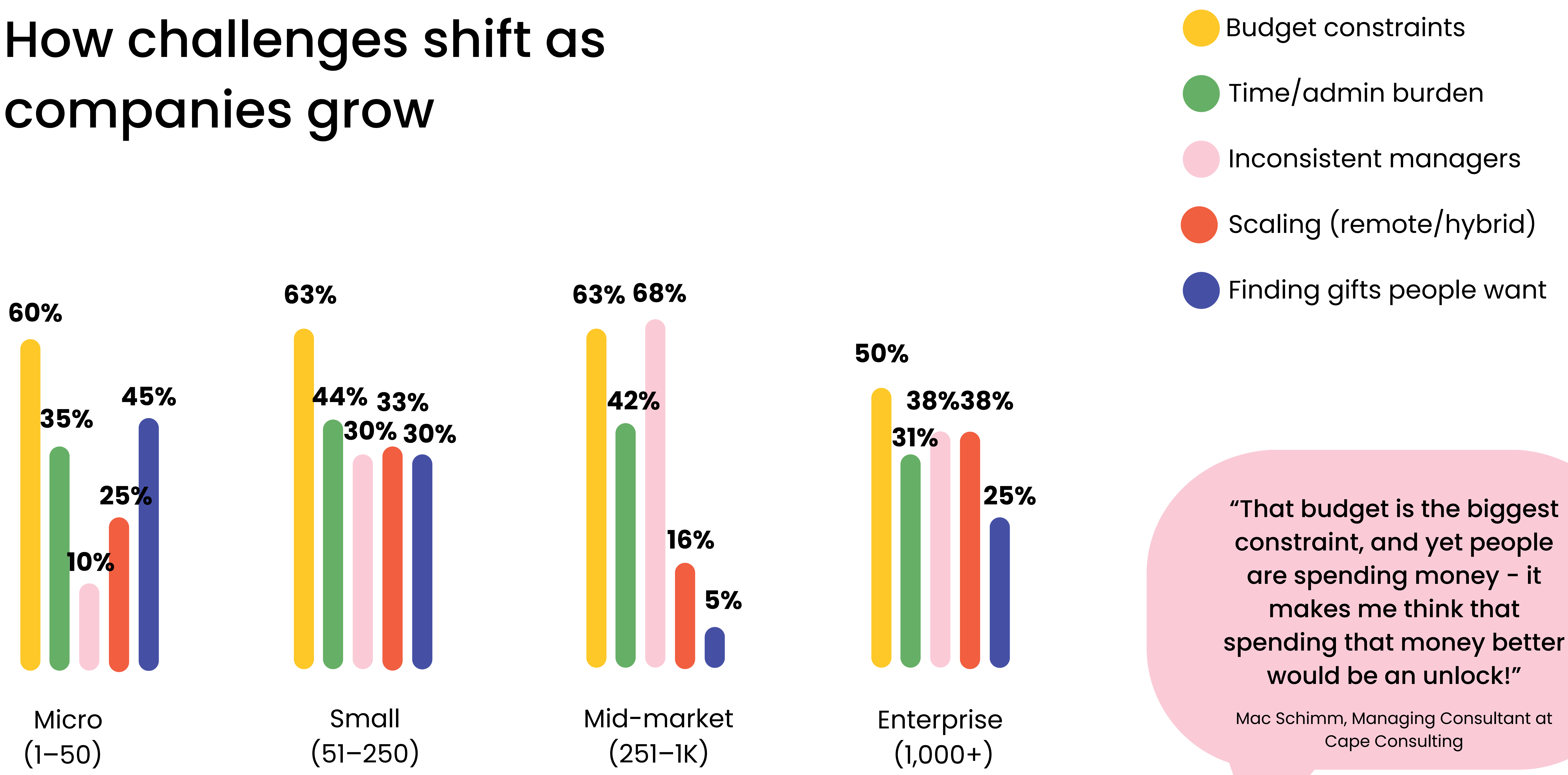
05

Top 13 gifting and recognition challenges (ranked)

1. Budget constraints — **58.8%**
2. Time/admin burden — **38.8%**
3. Inconsistent manager participation — **36.5%**
4. Scaling across locations (remote/hybrid) — **29.4%**
5. Finding gifts people actually want — **25.9%**
6. Tax and compliance — **20%**
7. Proving ROI to leadership — **15.3%**
8. No formal program yet — **15.3%**
9. Lack of employee engagement/appreciation — **14.1%**
10. Getting leadership buy-in — **11.8%**
11. Tracking and reporting — **9.4%**
12. Collecting addresses — **8.2%**
13. Integration with other systems — **5.9%**

Budget is the biggest challenge. No surprises there. But the really interesting data comes when you break it down by company size.

How challenges shift as companies grow



"That budget is the biggest constraint, and yet people are spending money - it makes me think that spending that money better would be an unlock!"

Mac Schimm, Managing Consultant at Cape Consulting

KEY FINDINGS BY SIZE:

"The biggest challenge is ensuring fairness, i.e. that all managers are using the budget to purchase gifts for their direct reports"

Lauren Wheeler, People Operations Specialist

Micro companies care most about finding gifts people actually want (45%). These are teams where the founder or office manager is literally browsing the internet trying to find the right gift. It's not that they don't want to do it well. There's just no process yet.

Mid-market companies have a manager problem. Inconsistent manager participation spikes to 68% - nearly seven times higher than micro companies. This is the scale where you can't rely on one person doing all the gifting. You need managers to participate.

Small companies have the most balanced challenge profile. Budget (63%), time (44%), managers (30%), scaling (33%) all rank roughly equally. They're big enough to face operational complexity but too small for enterprise tools that could solve their issues.

Enterprise companies feel the pain of geography. Scaling across remote and hybrid locations is their standout challenge (38%). Budget pressure actually eases slightly at this size, as you might imagine. The problem isn't money. It's logistics.

05

What changes when you use a platform?

We also compared what genuinely manual gifters and platform users (free and paid) struggle with. Free platform users share more in common with paid users than with manual gifters, so we've grouped them together here.

The challenge profile shifts significantly. Manual gifters struggle to find the right gifts. Platform users have solved that - but now the problem is getting managers to actually use the tools they've been given.

Genuinely manual gifters (n=16)

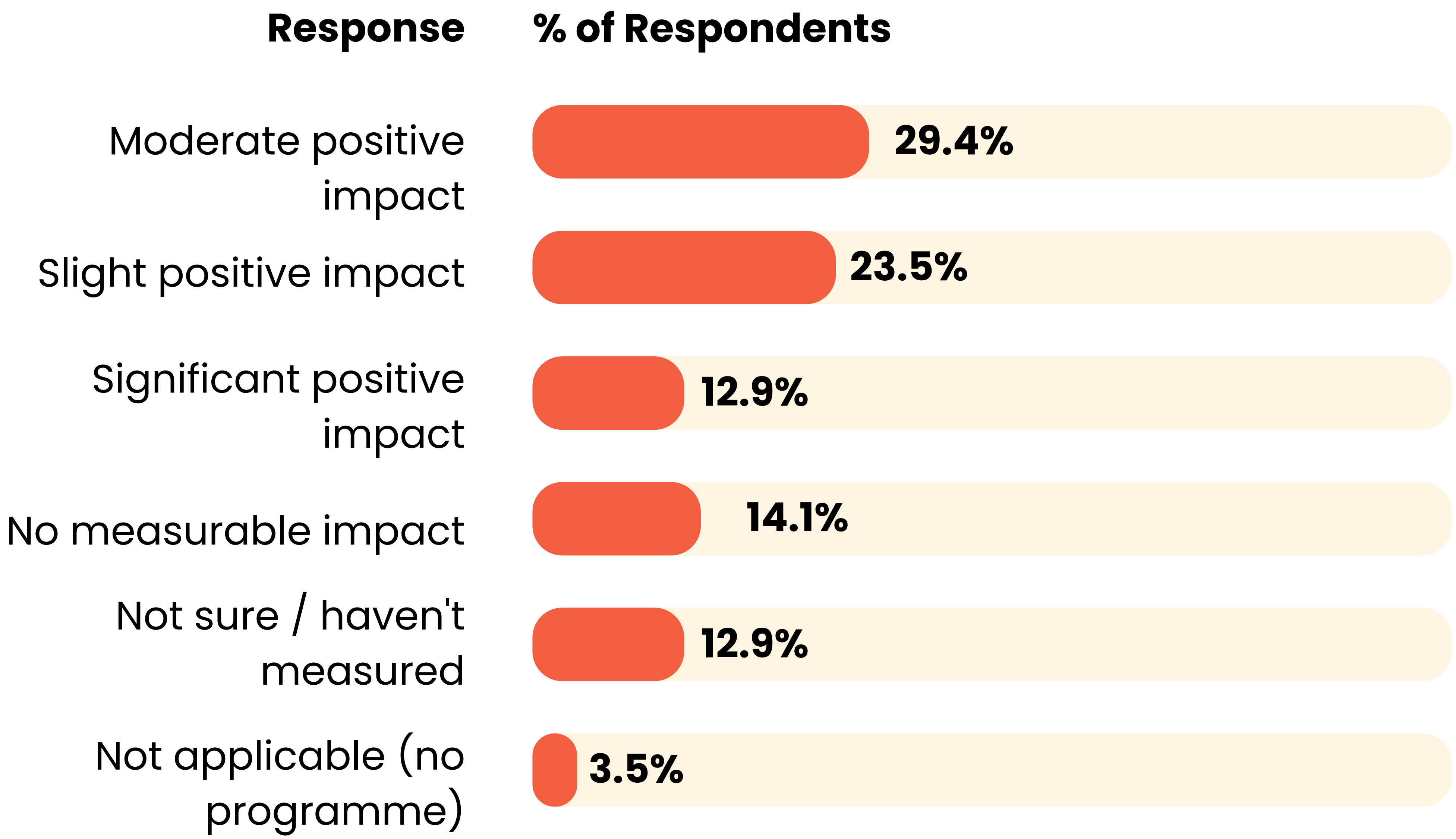
1. Budget constraints **61%**
2. Time/admin burden **39%**
3. Inconsistent manager participation **34%**
4. Scaling across locations (remote/hybrid) **30%**
5. Finding gifts people actually want **36%**

Platform users - free and paid (n=55)

1. Budget constraints **48%**
2. Time/admin burden **33%**
3. Inconsistent manager participation **56%**
4. Scaling across locations (remote/hybrid) **30%**
5. Lack of employee engagement **30%**

The retention paradox

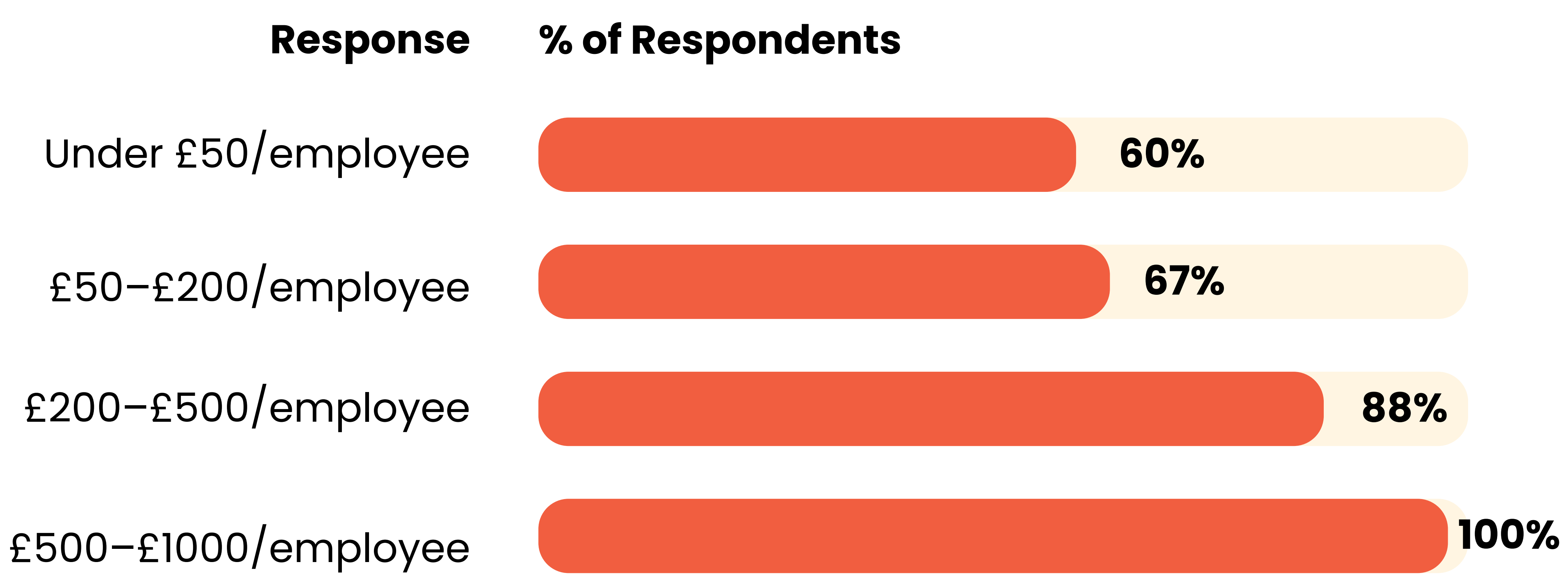
"Do you believe your gifting/recognition programme impacts employee retention?"



65.9%

of HR professionals believe gifting has a **positive impact** on retention. 42.4% say that impact is significant or moderate.

Retention belief by spend level

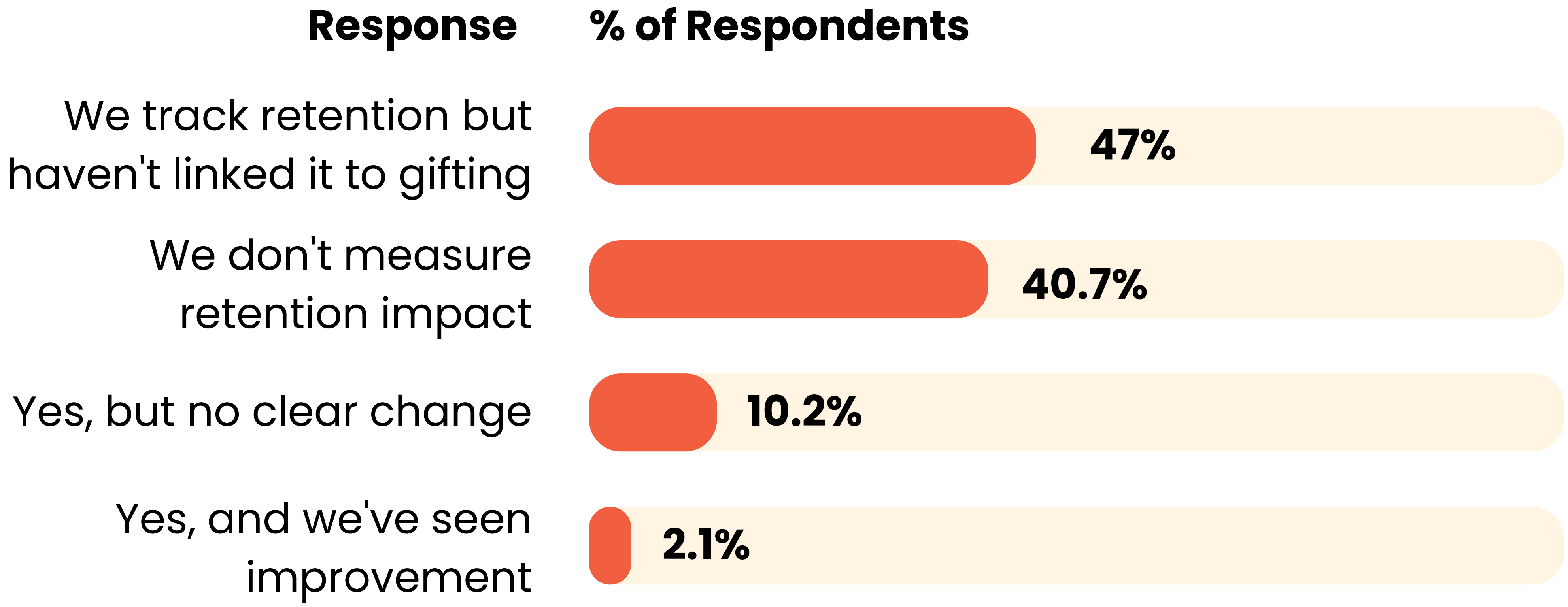


There's a clear pattern here.

The more businesses spend, the more they believe it's working.

But here's the paradox.

"Have you measured retention improvement since implementing your programme?"



66% believe gifting works.
Only 2.1% can prove it.

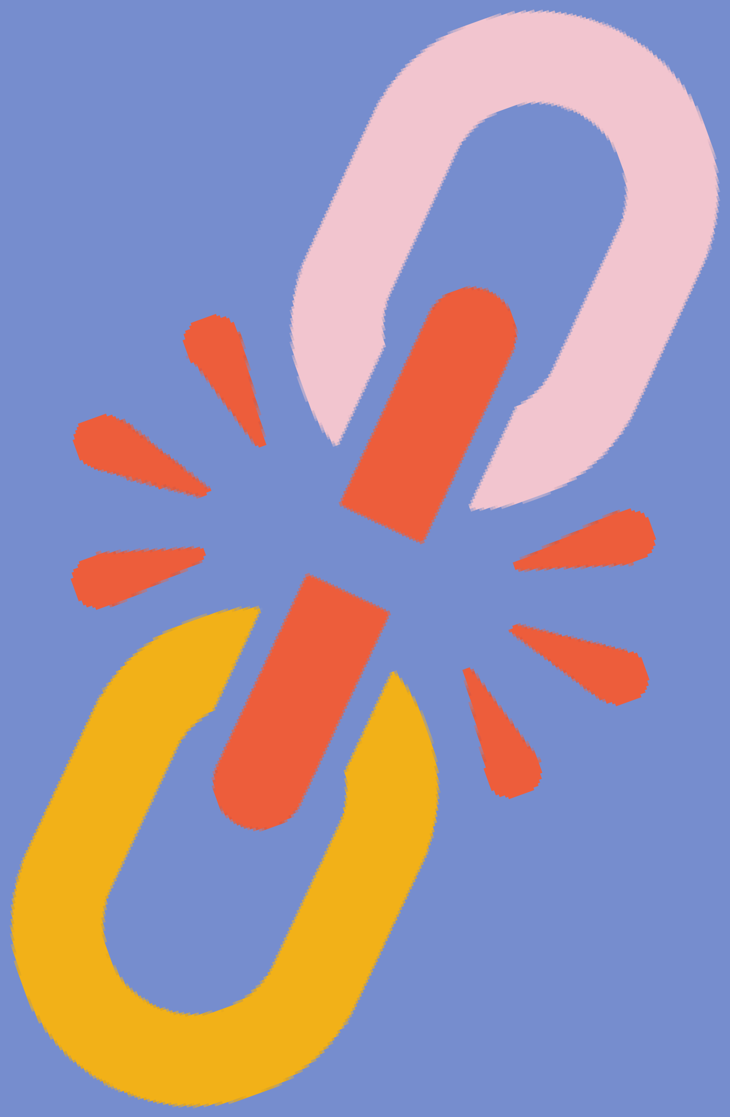
"We don't measure the impact of our gifting, primarily because I'm not sure how we'd actually go about that."

Lauren Wheeler, People Operations Specialist

2.1%

of respondents with a gifting programme can point to measured, demonstrable retention improvement.

This mirrors findings from the CIPD's 2023 Reward Management Survey, which found while 89% of organisations offer some form of employee recognition, only 34% evaluate the effectiveness of their reward strategies.



The ROI measurement gap

"Do you track ROI on your gifting/recognition programme?"

Response	% of Respondents
No, we don't track ROI	56.4%
We want to but don't know how	17.7%
Informally (we track some indicators)	16.2%
Not a priority	8.1%
Yes, formally (we have clear metrics)	1.6%

1.6%

of organisations **formally track ROI** on their gifting programme.

ROI tracking maturity vs Perceived impact of gifting

> "My advice for measuring the impact: go beyond the numbers!"
>
> Mac Schimm, Managing Consultant at Cape Consulting

83%

of the people who **believe most strongly** that gifting works are also the ones who **want to track ROI** - but **can't**.

They see it working. They just don't have the tools to prove it to anyone else. That's a **frustrating** place to be.

Key insights & implications

01
Most organisations have already taken the first step

Only 18.8% of organisations are gifting by hand.

The biggest group (36.5%) has adopted a free platform, and at mid-market and enterprise level, not a single respondent is truly manual.

The barrier to getting started is lower than ever - the real question is whether you're making the most of the tools you already have.

02
Calendar gifting dominates, but shouldn't stand alone

Nearly 40% of budgets go towards scheduled events - birthdays, Christmas, etc.

But layering on frequent, in-the-moment gifting can have a big impact on engagement and retention.

Even shifting a chunk of your Christmas budget to in-the-moment "thank you" moments could make a real difference.

03
Cash is the least effective choice of gift

When it comes to perceived impact on retention, cash only scores 20%. Every other gift type scores 47-52%.

If cash bonuses are your main recognition tool, the data suggests they're actually the least effective option.

Why? It feel transactional, and it's hard to see it as seperate from your total compensation.

04
The mid-market has a manager problem

At 251-1,000 employees, inconsistent manager participation is a problem for 68% of respondents.

That's nearly seven times the rate at micro companies.

At this scale, gift-led recognition can't come from one person. It has to come from managers. And they need tools that make it easy.

05
Small companies need a range, not tricky software

45% of micro-companies say their biggest challenge is finding gifts people actually want.

They're not looking for enterprise software. They need access to a good selection of gifts that removes the guesswork.

06
The belief-measurement gap is enormous

66% believe gifting impacts retention. Only 1.2% can prove it.

Even at enterprise level, 50% don't track ROI.

This creates a vicious cycle: HR can't build a business case for more budget, and leadership can't see the value of what's being spent.

07
Enterprise hasn't cracked this either

31% of enterprise businesses have no gifting programme.

Of those that do, scaling across locations (38%) and inconsistent managers (38%) are top challenges.

Just because you're big, it doesn't mean you've got everything sorted.

08
Tax confusion is a real barrier

20% say that tax and compliance concerns are a challenge.

The UK trivial benefits exemption (gifts under £50 with no cash alternative) should simplify things, but a lot of HR teams clearly don't feel confident applying it.

Our advice to People Teams

> "Buy in is a challenge - when it's hard to measure success, or have people feel empowered to recognise employees in a meaningful way, it often falls to the wayside"
>
> Kristy, Talent Acquisition Manager

Start measuring, even informally

Track three things

01

How many gifts were sent this quarter

02

Retention rates of recipients vs. non-recipients

03

Manager adoption rates of your gifting programme

*That alone puts you ahead of **82.2%** of organisations in this survey*

Who we surveyed

We received 85 verified responses from HR professionals. Here’s the breakdown

09

Response and data quality

Tech & Software 27 (31.8%)

Professional Services 20 (23.5%)

Hospitality & F&B 11 (12.9%)

Healthcare & Pharma 7 (8.2%)

Real Estate & Construction 5 (5.9%)

Financial Services 4 (4.7%)

Retail & Ecommerce 4 (4.7%)

Other (energy, education, manufacturing..) 7 (8.2%)

Company size distribution

Micro (1-50 employees)
20 respondents
23.5%

Small (51-250 employees)
27 respondents
31.8%

Mid-market (251-1K employees)
19 respondents
22.4%

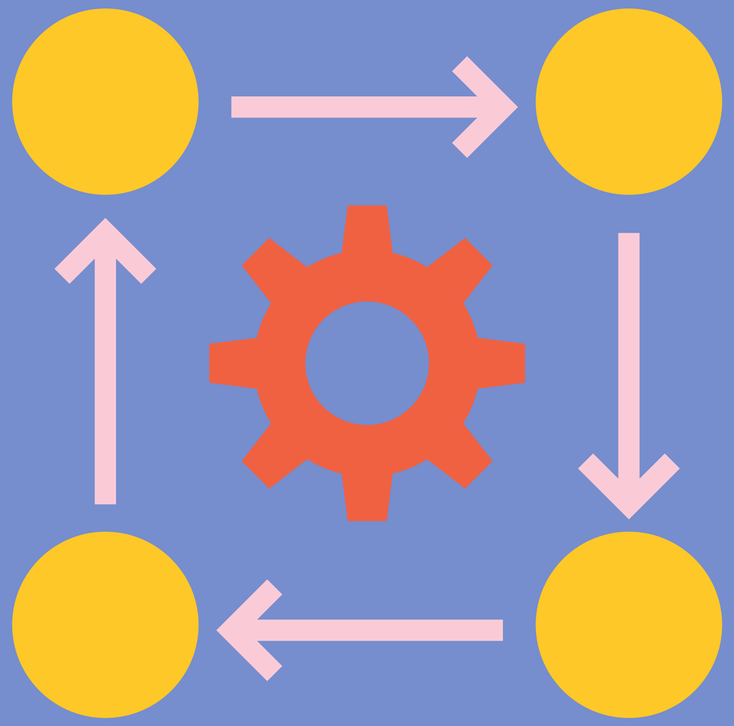
Enterprise (1K+ employees)
16 respondents
22.4%

Unknown
3 respondents
3.5%

Respondent seniority

Respondents include: Chief People Officers, Heads of People, VPs of HR, Senior People Business Partners, Reward Managers, People Operations Managers, HR Business Partners, Talent Acquisition Managers, and Heads of Employee Engagement.

Be reassured: this report covers a broad, credible, and senior cross-section of UK businesses - from bootstrapped startups, to FTSE-listed enterprises.



Methodology

10 Methodology

01
Data Collection

- Survey distributed via Typeform between January 26 and February 10
- 90 raw responses received
- Data quality audit removed 5 responses: 1 student, 1 personal email (unverifiable), 3 temporary/disposable email addresses
- Final dataset: 85 verified responses from HR professionals at 80+ unique UK organisations

02
Data Enrichment

- All respondent emails cross-referenced against LinkedIn profiles
- Company data enriched with company name, employee count, industry, LinkedIn profile URLs
- Company size categories: Micro (1-50), Small (51- 250), Mid-market (251-1,000), Enterprise (1,000+)
- Industry clusters aggregated from 27 granular categories into 8 reportable clusters

03
Analysis

- Frequency counts, cross-tabulations, and derived insights produced by Huggg
- Supporting research sourced from: Gallup, CIPD, SHRM, Deloitte, and peer-reviewed academic journals
- All percentages rounded to one decimal place

Supporting Research References

1. Gallup (2024). State of the Global Workplace Report; 2. Gallup ‘Employee Retention Depends on Getting Recognition Right’; 3. CIPD (2023). Reward Management Survey; 4. SHRM (2016). Employee Recognition Survey; 5. Deloitte (2023). Global Human Capital Trends; 6. Kube, S., Marechal, M.A. & Puppe, C. (2012). "The Currency of Reciprocity: Gift Exchange in the Workplace." American Economic Review, 102(4), 1644- 1662.

About us

Huggg makes it easy to **send thoughtful gifts to employees, clients, and teams** - without addresses, the risk of getting it wrong, or hefty platform fees.

More personal than a voucher, more meaningful than points.

Because gifting (and recognition) doesn't have to be complicated.

Learn more at **huggg.me**