



## **Greeting Card Association (GCA) Response to the Government's Industrial Strategy Green Paper**

**November 2024**

### **1. Introduction and Positioning**

The Greeting Card Association (GCA) is the not for profit independent trade body for the greeting card industry, our 500 members include large and small publishers, retailers and specialist suppliers across the country.

The greeting card industry is not just a significant economic player; it's woven into the cultural fabric of Britain. Cards are a symbol of the UK's unique spirit, connecting people in times of celebration, commiseration, and community. They support mental well-being, deepen social bonds, and at an average price of just £1.89, are a gateway purchase driving footfall to high streets across the nation, not least through Post Offices.

As Britain crafts its *regional growth strategy*, the Government is right to back those strategically important industries, including the creative industries, identified as having a real chance of transforming our economic future. Concurrently, such a strategy must not neglect these local hubs of connection that shape our national identity and bind communities together.

Supporting the greeting card sector with proposed policies outlined below maximises the government's potential to champion an industry that drives *social cohesion* and *economic resilience*, particularly in towns and rural areas where high streets are the economic backbone preventing decline.

Failing to support these high streets could fuel political discontent and regional disparities, echoing many of the frustrations that led to the national division over Brexit, as well as the increase in political extremism in recent years. Whilst the Government's highlighted industries are undoubtedly strategically important to our national growth

story, our proposals are equally about balance; ensuring no community gets left behind whilst our nation prospers.

## **2. Direct Domestic Economic Contribution of Greeting Card Publishers:**

The greeting card industry contributes over £1.5 billion annually to the UK economy, and sustains over 100,000 jobs in retail, manufacturing, and logistics. These are not abstract figures—they're jobs in towns from Cornwall through to Caithness, jobs that support families and keep our communities strong.

We have a large number of members in West Yorkshire and Manchester, long areas of creative industry. Every season, the demand for cards drives millions in high-street spending, particularly during holidays like Christmas and Mother's Day, it connects people across the country with 94% of the population sending cards each year. We also support UK manufacture, with many of our publishers opting to print and manufacture in the UK, and many UK based printers among our members.

The greeting card industry is also frequently a launchpad for entrepreneurs, with many publishers starting as back-bedroom businesses fuelled by creativity and a desire for flexible working. This makes the sector particularly accessible to individuals re-entering the workforce, such as parents returning after childcare or those seeking to balance caregiving responsibilities. With low barriers to entry and the ability to scale gradually, the industry provides opportunities for creative people to contribute to the economy while accommodating personal commitments. These businesses often grow to support local jobs, invest in design and production, and become integral to their communities, exemplifying the inclusive and entrepreneurial spirit the government seeks to promote through its Industrial Strategy. Supporting this sector means empowering countless individuals to transform ideas into thriving small enterprises, fostering both economic growth and social mobility.

### **Resultant Policy Recommendations:**

- 1. Continued tapering of benefits/income to encourage back-to-work progression is key to maintaining the supply of fresh talent.*
- 2. Whilst, for reasons outlined above and below, a policy that centralises all greeting card jobs into Regional Hubs would be counterproductive, as an identified strategically important creative industry, the greeting card industry should be included in any incentives the government is proposing to companies locating in the proposed regional hubs.*
- 3. The Government will be aware of the public reaction to the recent Minimum Wage rises. Whilst recognising the Government's goals in raising the Minimum Wage, our members would respectfully remind the Government of the*

*inflationary pressures the <20% rise in Minimum Wages over the past 24 months has already caused. We trust the politically-expedient narrative previously heard ‘that the private sector wage rises are fuelling inflation’ will not be repeated should these new increases drive the further wage and price inflation many predict.*

### **3. The Industry’s Wider Role in Regional Development and High Street Resilience**

**AT AN AVERAGE RRP OF JUST £1.89 AND WITH MORE THAN 80% OF GREETING CARD SALES STILL MADE THROUGH BRICKS-AND-MORTAR RETAILERS, GREETING CARDS ARE A GATEWAY PURCHASE NECESSARY FOR THRIVING HIGH STREETS**



Greeting card shops serve as vital anchors on high streets, particularly in small towns and rural areas. With over 80% of greeting card purchases made in physical stores, they attract consistent foot traffic, resulting in an increasingly wide variety of shops stocking cards and generating revenue for other nearby businesses. This isn’t just commerce; it’s community. People who come to buy a card stay to shop locally, creating a ripple effect that benefits the entire area.

High street retailers provide a vital lifeline to parts of the country often ignored by larger chains. By supporting the greeting card industry, the government can bolster the very communities that fuel our national economy—and avoid the alienation (perceived and actual) of smaller towns and regions often overlooked in growth plans.

#### **Related Policy Recommendations:**

- 4. We urge the government to accelerate existing plans to rebalance business taxation away from high street SMEs, recognising that the Business Rates system is no longer reflective of where 21<sup>st</sup> century businesses generate value. A thriving high street sector provides a strong foundation for economic resilience, essential to the government’s regional growth mission as well as more widespread political and social stability.*

- 5. In line with regional development goals, we recommend targeted grants (including further business rate reductions) for small businesses in underserved areas to help sustain their role as high street anchors and local employers.*

#### **4. Maximising the sector's Export Potential**

The UK greeting card industry is the global leader in creativity, with British consumers sending more cards per capita than any other nation.

Known for innovative designs and high quality, British cards are exported worldwide, serving as a powerful ambassador for our creative industries, contributing significantly to the UK's reputation as a global cultural leader and providing evidence of what can be achieved with appropriate government support, for example

<https://www.gov.uk/government/news/loughborough-stationery-firm-secures-stateside-success> ).

However, this success is under threat as businesses face heightened barriers to trade following Brexit, particularly with Europe, which remains a key export market.

The urgency of supporting exporters has recently increased significantly with the news that the USA may potentially impose 20% tariffs on UK imports, adding further strain to greeting card publishers seeking to compete internationally. Access to international trade shows, historically supported by government funding, has previously been vital for small and medium-sized publishers (e.g. to showcase their work, build global connections, and drive export growth, yet this funding became more intermittent under the last administration.

#### **Policy Recommendations:**

- 6. Notwithstanding an appreciation of the political complexity, we need the Government to continue to strengthen trade ties and alignment with Europe in order to reduce the increasingly complex procedures and barriers UK exporters are facing post-Brexit. There is a specific need for further support for small business grappling with new incoming product safety and EU environmental legislation such as the EU's General Product Safety Regulation (GPSR).*
- 7. Further consideration should also be given to the barrier small businesses face in needing an EU located and registered importer. Within the constraints of state-aid guidelines, Could the UK Government take a more creative, proactive role in this space – sourcing and vetting ideal partners, perhaps, or even subsidies to ensure such costs are not significant hurdles.*
- 8. It is also critical that the previous financial support for international growth e.g. trade show attendance and local international support, is reinstated to enable greeting card publishers in the strategically important creative industries sector to reach global audiences and secure new business opportunities.*

These measures would safeguard the industry's export potential, allowing British creativity to thrive on the international stage while countering the challenges posed by increasing trade barriers, such as the new US tariffs.

## **5. Adaptability, Opportunities for Growth, and Challenges in the Digital Age**

Greeting card businesses are predominantly SMEs, many of them family-run, employing people who live and work in their communities. AI is also fundamentally transforming the nature of the design process, requiring evolution on the part of established businesses and creating opportunities for new entrants, some with business models we don't yet even know.

The challenge for greeting card businesses is to thrive by retaining the tangibility consumers love relating to our physical product, and marrying this with the possibilities which digital evolution presents. Despite advances in technology consumers still want to send cards as they mean more – after all, you can't put a Whatsapp/text on the mantelpiece!

Similarly, new and evolving sales channels to market – for example, the evolving social media landscape – mean there are new ways for our existing businesses to sell.

The demand is there: For many years commentators have been predicting the death of the card, yet our sector is growing and younger consumers, often buying online, have shown a growing interest in purchasing cards in both the UK and the US:

The resurgence of analogue photography, vinyl records, and greeting cards as forms of nostalgia, tactility and personal exploration has not only been catalysed post pandemic but also an insurgence in the younger generations' vision of individuality. Cards are a great, tangible way of keeping in touch and mean more than a social media message which are sent all the time. For many cards become important keepsakes.

However, without investment in digital skills and infrastructure, many small businesses may not adopt emerging technologies in time. Providing access and subsidised e-commerce, digital marketing, AI and tech adoption training will mean the government can unlock new growth opportunities for greeting card businesses, helping them reach more customers and adapting to modern demand.

Conversely, the rise of AI and interconnectivity means our publishers are facing increasing threats from plagiarism which erode our national competitive advantage, with overseas companies stealing and selling our members designers at lower prices.

### **Related Policy Recommendations:**

- 9. There is a need for a clear link between a national curriculum for AI and digital training aligned to workplace needs within design schools and colleges.*

10. Consideration should be given to grants towards SME-specific digital training and infrastructure support within the Industrial Strategy to enable rapid adoption of these new design, and sales, technology – specifically targeted at our strategically important sector.

11. There is an urgent need to clarify the role the Directorate of Enforcement and IP Policy will play in protecting British creative intellectual property in the face of an evolving situation.

## 6. Request for Inclusion of Royal Mail as Critical National Infrastructure within the Government's Industrial Strategy

All of this modern-facing creativity and traditional connectivity is wholly dependent on an ability for Brits to send and receive cards, with 50% of cards being exchanged in the post.

For our industry to be truly secure, the government must view Royal Mail and the Post Office collectively as *essential national infrastructure*. The greeting card industry is particularly vulnerable to disruptions in postal services, and current Royal Mail price hikes and service issues disproportionately harm small businesses and high street retailers.

Recognising it is just a decade since privatisation, if Ofcom cannot effectively regulate postal pricing and service, (either because their postal remit is too narrow, or their wider remit too broad), and Royal Mail now prefer to continue down the doom spiral of service cuts, price rises, and further regulatory relief, rather than pursuing more creative revenue growth strategies, the government must urgently give further consideration to the regulatory regime that is required to ensure consistent and affordable postal services, which in turn are a key to high street sustainability.



**Policy Recommendation:**

*12. The Government is urged to consider Britain's postal service as critical national infrastructure required for community cohesion, and to consider the formation of a new regulatory body overseeing end to end postal services, including Post Offices.*

**7. Conclusion and Summary of Recommendations**

The greeting card industry is much more than an economic contributor. It is a stabilising force for high streets, a champion of regional growth, promotes mental wellbeing and is a linchpin of cultural identity, and that helps define what it means to be British. By supporting our sector in the ways outlined above, the government can point to an investment in a symbol of British resilience, ensuring that every community—from the smallest village to the biggest city—remains connected, vibrant, and economically strong.

In conclusion, we urge the government to embrace a balanced industrial strategy that preserves the traditional high street sectors alongside emerging industries, and meaningfully consider the related policies we have proposed above. This approach will create a more inclusive, resilient, and thriving economy for all, ensuring that no community is left behind.