



**give**x<sup>®</sup>

**GIFT CARD  
MARKETING  
GUIDE**



# INTRODUCTION

**GIFT CARDS REMAIN ONE OF THE MOST USED AND SUCCESSFUL TOOLS THAT WE'VE BEEN PROVIDING SINCE 1999.**

Over time, we've learned from our clients how they've managed to get the most out of their program and would like to share that knowledge through our Best Practice Guide.

The information within the Gift Card guide is meant to provide tips and guidelines that will aid in achieving a successful gift card program. There are many benefits that come from implementing and acquiring a gift card program.

- ACQUIRE NEW CUSTOMERS
- ELIMINATE EMPLOYEE AND CONSUMER
- FRAUD PERTAINING PREVIOUSLY TO GIFT CERTIFICATES
- COLLECT CUSTOMER DATA
- DRIVE CONSUMERS TO YOUR WEBSITE



## **GIFT CARD INDUSTRY**

**IN THE EARLY 2000S THE TRANSITION FROM PAPER CERTIFICATES TO PLASTIC CARDS CREATED A LARGE DEMAND AND SHIFT FOR GIFT CARDS.**

Retailers began implementing the plastic card and through this transition they saw a 50-100% increase in sales.

People love the convenience that gift cards provide. The main issue that came with paper certificates was their inability to be used multiple times. Customers were forced to use the entire value whereas now, they have the ability to use the gift card multiple times.

- **GIFT CARD INDUSTRY IS EXPECTING TO PROJECT \$698.2 BILLION IN TOTAL VALUE BY 2024.**
- **ESTIMATED SALES BY THE END OF 2019 ARE \$300 BILLION.**
- **65% OF GIFT CARD RECIPIENTS SPEND AROUND 38% MORE THAN THE FACE VALUE OF THEIR CARDS.**
- **73.4% OF ADULTS DECIDED TO PURCHASE AT LEAST ONE PREPAID GIFT CARD FOR HOLIDAY SHOPPING.**
- **75% OF THE VOLUME IN GIFT CARD PROGRAM REDEMPTIONS IS STILL IN PHYSICAL CARDS VERSUS 25% FOR DIGITAL GIFT CARDS.**
- **10% AVERAGE ANNUAL GROWTH RATE.**
- **91% OF PEOPLE SURVEYED HAVE PURCHASE ONE, EITHER FOR THEMSELVES (69%) OR FOR SOMEONE ELSE (87%).**

# THE FINANCIAL BENEFITS OF GIFT CARDS

## THE GIFT CARD PROGRAM HAS MANY SHORT TERM AND LONG-TERM IMPACTS UPON ONE'S BUSINESS AND THE FINANCIAL BENEFITS THAT IT CAN PROVIDE.

Benefits that the gift card program can deliver are enhanced sales, revenue generation, increase in brand awareness, increase in customer convenience, more customer satisfaction and more customer traffic.

### ENHANCING SALES

- Gift cards act as an incentive to get consumers to purchase high value items. For example, a customer has a gift card valued at \$50. They don't see it as a budget limit of \$50. They see it as a \$50 discount off a \$200 item.
- 72% of customers spend more than the value of their gift card. On average, recipients will spend 20% more than their gift card value. 90% of gift cards are used within the first

### GENERATING REVENUE

- There is never a wrong time to sell gift cards. It is an all year long business. 81% of consumers purchase gift cards for birthdays. It can be said that it's always the perfect time to purchase a gift card.
- 61% of gift card holders spend more than the value of their gift cards. 75% of those individuals spend more than 60% over the original gift card value.

### BRAND AWARENESS

- Plastic gift cards act as a marketing and promotional tool. By placing a gift card in our wallet, it acts as a reminder to make a purchase.
- Gift cards are cost-effective advertising that gives a business free promotion.

### CUSTOMER CONVENIENCE

- The shift from paper certificates to plastic card has increased the sales of gift cards. 97% of top retailers are selling their gift cards online.

### GENERATING TRAFFIC

- The gift card encourages repeat visits from the customer. 55% of gift card recipients required more than one shopping trip to spend the entire balance on their gift card. This creates traffic to a business website/store.





## CONCLUSION

Our clients have found that they reap the greatest benefit from their gift cards when they invest in internal support, long-range planning, and adequate resources for the program. With the right strategies, best-in-class companies are leveraging their gift card programs to get new customers, gather customer data and create powerful incentives to keep customer coming back.



## MORE ABOUT GIVEX

Givex is a global cloud-based operations management solution designed to streamline business efficiencies and generate valuable and actionable customer data. Since its founding in 1999, Givex has provided operational intelligence across a wide of variety of industries, from restaurant and retail to hospitality and the service sector, offering a fully integrated suite of customizable products, including gift cards, loyalty, GivexPOS system, tableside ordering and analytics. Givex's Uptix™ ticketing solution transforms traditional sports or event tickets into a mobile interactive platform, providing event managers with new insights into their customer base and the ability to elevate the fan experience. With more than 16 billion transactions conducted across more than 55 countries, Givex is at the forefront of how brands will compete for customers now and in the future. For more information about Givex please visit [www.givex.com](http://www.givex.com).



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