

# **How Gift Cards Work**

#### **SIMPLE for You!**

- ី Fill out the Gift Card Set Up Form.
- Choose your card design, font style, font color, and desired POS promotional materials.
- Begin selling gift cards to your customers and start realizing revenue!

#### **EASY for your Customers!**

- Painless for the gift giver simply choose the desired dollar amount for the gift card.
- Fun and convenient for the recipient the recipient receives a stylish, durable, flexible card that's easy and convenient to keep in their wallet.
- Personal for the recipient the recipient has the flexibility to choose exactly what they want to buy with their gift card!

## How Gift Cards are Activated/Redeemed

A gift card, in many respects, is just like a paper gift certificate – except that it's a convenient, durable, brandable plastic card. It is very safe and the plastic card is worthless until it is activated at the point-of-sale through your POS terminal.

During the activation process, the terminal electronically transmits the purchase value to the gift card host and associates it with the unique gift card number stored on the magnetic stripe on the back of the card. From that point until the gift card is fully redeemed, it is just like cash...cash that is only recognized at YOUR store!

When the cardholder makes a purchase, the card is again swiped through your credit card terminal and the amount of the sale is deducted from the value of the funds that are stored on the gift card host database. If the amount of the purchase is more than the gift card's value, then the consumer simply needs to pay the difference using another payment method.

# **How to Promote Your Gift Cards**

The best place to promote your program is in your own store!

**76**% of consumers have made the decision prior to entering the store to make a gift card purchase, but... **24**% are influenced by in-store gift card displays and when they actually see the card.

#### **In-Store Gift Card Displays**

CARDSERVICE

INTERNATIONAL®

- Using card displays, poster displays and door decals let your customers know that you sell gift cards!
- Gift Cards are often impulse purchases! They need to be displayed and promoted in your store(s)!
- Since the cards do not hold value until they are activated, you can display your gift cards throughout your store and use them as in-store advertisements.

#### **Customer Promotions**

- Hold special promotions for your customers like gift card days! For example, give your customers that are buying gift cards a \$5 discount at the time of purchase or on a future purchase.
- Keep those gift cardholders coming back! Encourage cardholders to reload their card and come back to your store by giving them a discount to reload the card with value.

#### **Employee Sales Contests**

Hold sales contests for your sales personnel and cashiers – the employee who sells the most gift cards to consumers gets a free gift card of their own!

# It's as easy as 1-2-3 to begin your own "Gift Card" program

## **DESIGN YOUR CARD(S)**

#### STEP ONE: Choose your Gift Card Style(s)

Choose the gift card(s) you would like to use in your store(s). You can choose more than one style; however, there is a 500-card minimum order quantity for each card style.



#### STEP TWO: Choose a Font Style

Choose a font style for your company name or gift card message that will be printed directly onto the front of the card.

ABCDEFGHIJKLMNOPQRSTUVWXYZ abcdefghijklmnopqrstuvwxyz Times New Roman

ABCDEFGHIJKLMNOPQRSTUVWXYZ abcdefghijklmnopqrstuvwxyz\_\_\_\_\_\_Trebuchet MS

ABCDEFGHIJKLMNOP2RSTUVWXYX abcdefghijklmopqrstuvwxyz\_\_\_\_\_Dahling Script SSi

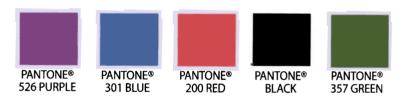
#### ABCDEFGHIJKLMNOPORSTUV**WXYZ** abcdefghijkimnopqrsluvwxyz\_\_\_\_\_

ABCDEFGHIJKLMNOPQRSTUVWXYZ abcdefghijklmnopqrstuvwxyz\_\_\_\_\_ \_ Bazouk

Axiomatic Condensed

#### STEP THREE: Choose a Font Color

Choose the color in which you wish to have your company name or gift card message printed on your cards.



### POS PROMOTIONAL MATERIALS

#### STEP ONE: Request Card Carriers:

Card carriers allow your customers to personalize the gift card they will be giving by providing a convenient "carrier" in which to place the card.



**Card Carriers** Actual Size: 4 1/2"W x 3 1/2"H

#### STEP TWO: Request "Gift Cards Available" Decals:

The decals have an adhesive backing so you can adhere them to your windows, doors, POS registers, etc.



#### STE<mark>P THRE</mark>E: Request POS Acr<mark>ylic</mark> Stand(s):

There are 2 acrylic stand options available. As shown here, the stands include a colorful promotional insert, which is also available for you to order.



Acrylic Stand Actual Size: 8 3/8"W x 11 1/4"H



Acrylic Stand with card holder Actual Size: 8 3/8"W x 11 3/4" H

More than ever before, consumers are flocking to stores of all types to purchase gift cards for their loved ones, friends, co-workers and acquaintances. Gift cards are great for all occasions and they are so easy to purchase and redeem. So why not cash in on some of these benefits at your stores by offering gift cards to your customers today?

## **GIFT CARD BENEFITS**

#### Build Brand Awareness and Customer Loyalty

- Gift cards undoubtedly bring in new customers, new store traffic, increased revenue and incremental sales.
- Build your brand the customer is reminded of your store every time they open their wallet and see your card.
- Your store becomes a destination.
- Customers like plastic; switching from a paper-based to a card-based gift program results in higher customer participation.
- Cards can be reloaded, creating a loyal customer and ensuring repeat business.

# Gift Cards increase revenue and generate **2** to **10** times more sales than paper certificate programs.

#### Gift Cards Keep Money in Your Store!

- Gift Cards can be used as a store credit and refund alternative.
- Minimizes losses associated with paper-based gift certificates.
- Reduces Fraud! Cards are only valid when activated through your terminal.

# Purchases made with a gift card are 20% - 50% higher than the average ticket.

You benefit from "float" where you can invest prepaid dollars into your business.

#### More Benefits!

- Easy for your employees to use.
- Easily accessible daily and monthly Internet reporting!

### GIFT CARD PROGRAM FEATURES

- SIMPLE TO ORDER The gift card program offers a variety of standard card designs for you to choose.
- MULTI-FUNCTION TERMINALS! The gift card application has been developed for many of the most popular and widely used credit and debit card terminals, so chances are you will not have to purchase new equipment to begin accepting gift cards!
- EASY TO TRACK You have access to daily Internet reports so you can keep track of your program's success!
- ACCESS TO THE EXPERTS! Twenty-four hour per day merchant support is available.

**75%** of customers spend **60%** more than the value of the card! REVENUE OPPORTUNITY

#### **Revenue Opportunity**

Revenue from Sale of Gift Cards (1,000 cards x \$30 average gift card amount)	\$30,000
Incremental Revenue from Sales Lift (Customer spends on average \$10 more than original gift card value x 1,000 cards)	\$10,000
Gross Revenue from Gift Card Program	\$40,000
Cost of Goods Sold (Based on a 50% markup)	\$20,000
Gross Profit	\$20,000

Note: Gross Profit does not include Gift Card Program Costs

For more information about starting your own Gift Card Program, please call **(877) 231-0779** or visit us at cardservice.com



#### **Q**: Why should I want an electronic gift card versus a paper gift certificate program?

A: Consumers prefer electronic gift cards versus paper gift certificates. Gift cards are everywhere because consumer demand is so high. And now, businesses of all sizes can implement a gift card program similar to even the largest national retail chain. Plus, they:

- are easy to use and handle
- are convenient to use
- help increase sales and customer loyalty
- help produce new revenue streams
- are fast, very secure and attractive

#### **Q**: How does an electronic gift card work?

A: It's simple. A customer walks in and asks to buy a gift card or brings a gift card to you at the POS. A cashier activates the gift card for the dollar amount requested by swiping the card through the POS terminal and following the appropriate procedures for activating the gift card. The card is then ready to use. To redeem the card, a customer (or receiver of that gift card) visits your store and selects an item(s) to be purchased. The card is again swiped, but now the dollar value of the purchase is debited from the balance amount on the card. The new balance is printed on the receipt.

**Q**: How quickly can a gift card be redeemed at a participating store after it has been purchased/activated?

A: When a card is activated, the monetary value is available immediately and can be redeemed at participating locations.

#### **2**: Will my customers be able to add value (reload) to their gift cards?

A: Yes. This is offered as a convenience for your customers and for your business. It's easy and fast. By having this "reloadable" function, you can build additional marketing opportunities for your program, thus enhancing customer loyalty and building overall awareness of your business. Many customers use their gift card as a "budgeting tool" and simply reload value as their needs and budgets allow.

#### **Q**: How will I benefit from this program?

A: There are many benefits to offering a gift card program. One of the main benefits is that your store gains instant brand recognition from consumers. One consumer purchases a "small walking billboard" and gives it to another customer – that's the best form of marketing and consumer endorsement. Your bottom line also benefits from what is called "float", which means you receive the cash upfront before goods leave the store. This allows you to invest the money received on gift cards and earn interest.

#### **Q**: What type of gift card reporting is available to me?

A: You receive daily and monthly reports. These reports are available via the Internet, or if you do not have access to the Internet, we can fax or mail them to you.

**Q**: How do I get my employees to participate in promoting and selling gift cards?

A: Engage your employees to promote gift card sales by giving them gift cards to the store when they sell a certain amount of cards. Once they use the card or give it to a friend as a gift, they will see how easy it is to use, which will increase their promotion efforts.

#### **Q**: How do my gift card customers access customer support?

A: Your customers have access to an automated Voice Response number 24 hours a day where they can check their gift card balances.



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