

% voucherify

DIGITAL GIFTS CARDS

W H I T E P A P E R

WHO IS THIS GUIDE FOR?

This white paper corresponds with marketers and product managers which are on the lookout for new ideas to build or sharpen up their gift cards system. For any type of marketplace be it C2C, B2C, or B2B, we found that gift cards have enough flexibility to promote your product/services efficiently in the scale as you grow model.

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DIGITAL GIFT CARDS – BEST PRACTICES

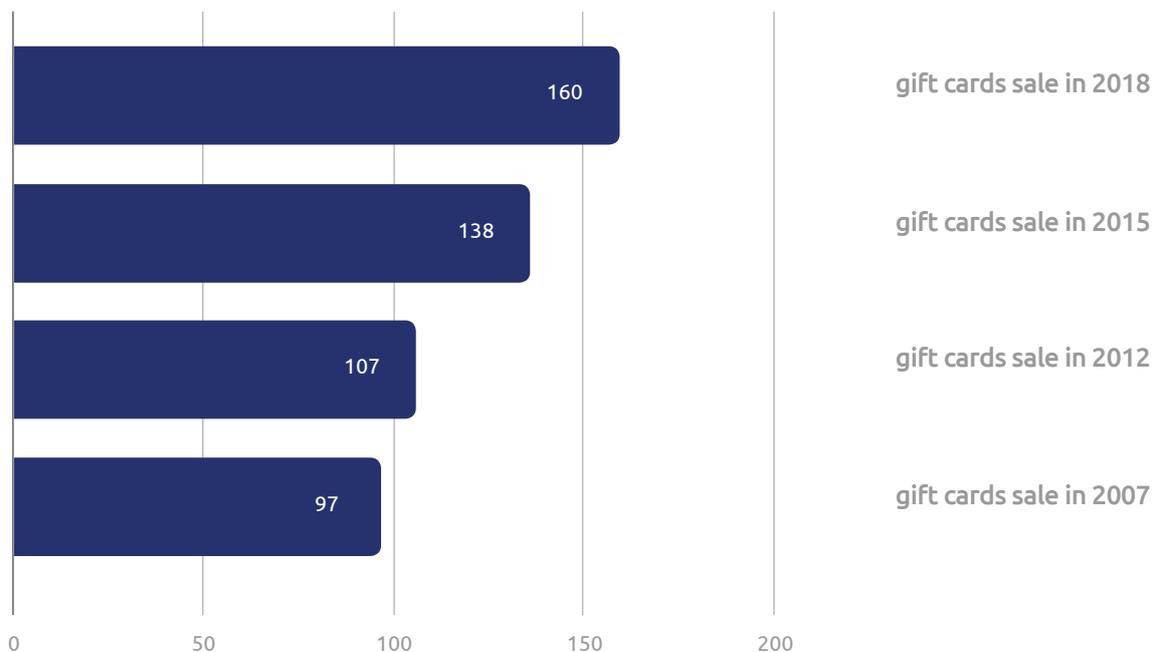
ABSTRACT

If you'll be able to combine a personal character of traditional gifts with convenience and possibilities of digital infrastructure you'll be close to the gift cards' perfection. In this guide, we are going to bring you closer to a collaboration between gifts and a digital world and its influence on your promotional strategy.

THE NUMBERS

Estimated sale of digital gift cards has reached \$15 billion in 2017. Since 9 years in a row, they are one of the most requested gifts which incessantly reduce the number of mismatched choices found in a secondary market. Moreover, if you look from the retailers' point of view, even unwanted card generates revenues. Only in 2013-14, \$1.750 billion loaded on gift cards went unused, what made the market has earned almost \$2 billion without a sale of any real goods.

● A BILLION GIFT CARDS SALES



The huge numbers standing by gift cards market prove not only their marketing power but also show how common tool they have become in marketers' hands. To stand out from the marketers crowd you need something more than a nice piece of plastic. In this work, we will show you how to combine marketing power of gift cards with a modern e-commerce environment. With this approach, we want to demonstrate affordable and easy to maintain marketing infrastructure which allows you to make the most of each bought gift card.



YOUR GIFT CARD STRATEGY

- IDEAS, PERSONALIZATION AND SCHEDULING

MARKETING PARAMOUNT

Before we lay campaign ideas on the table, we want to share some of our marketing insights right at the beginning. After analyzing consumers habits and modern e-commerce data, we discovered there are 2 major directions that need to be considered in order to start every gift card project:

- *Consumers value the most personalized and well-targeted offers.*
- *As e-commerce goes digital, more and more customers choose online gift cards service over a traditional in-store practice.*

With this in mind, let's see how to jump into a gift cards train and primarily, how to finish the journey with a growing ROI.

HOW DO I START

Plan for a plan- define your marketing goals.

Your aims and expected benefits from launching a gift cards campaign may vary depending on your role and business maturity:

- *Increase of sales in general*
- *Cross and up-selling - product-oriented sales*
- *Increase of a brand awareness*
- *Acquisition of new customers*
- *Building long-term relationships*
- *Involving your customers into measuring a client product/service satisfaction*

Whatever your goal is, you need to schedule your strategy ahead. Good plan decides if you'll be ready to manage expectations of your customers during the entire season. If you look at the calendar you'll see plenty of events which give your cards time to shine. All you need to do is being ready when the time comes



Involving your customers into measuring a client product/service satisfaction

Whatever your goal is, you need to schedule your strategy ahead. Good plan decides if you'll be ready to manage expectations of your customers during the entire season. If you look at the calendar you'll see plenty of events which give your cards time to shine. All you need to do is being ready when the time comes.

Near holiday be prepared for a growth of sale and do not forget about personalization. Even if it's something as universal as a mother's day allow your buyer to make a gift card tailored for one person (mother) only.

Majority of businesses notes big lulls after the hottest periods and find their sales results look like sinusoid. If you can analyze your revenues amongst the year, gift cards campaigns planned ahead, can be a cure for these gaps.



How can you acquire new customers and build long-term relationships

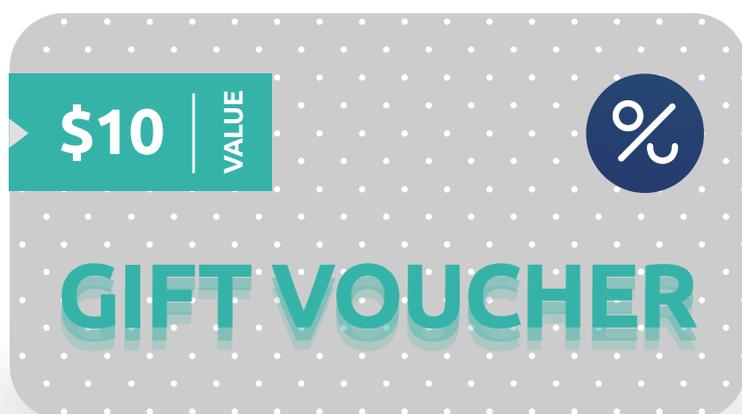
There are many people who would never walk into your store if not a gift card. With nice cards, give a sense of money in hands, people start to interact with your brand and make you a chance to turn them into regulars.

TO GAIN MORE TRAFFIC, TRY A REFERRAL PROGRAM WITH GIFT CARDS

A gift card can be a reward for a referrer or a new customer as well. In the simplest scenario, you can offer a \$5 gift card as your appreciation for endorsement and encourage new customers to purchase with another card or a discount. The key to making it works at every scale boils down to details:

- *Set minimum order value to upsell*
- *Add expiry date to each card and create a sense of urgency*
- *Use gift cards to collect customers' data (name, location, email address) and prepare more personalized, exclusive offers in the future*

Treat each coming back customer with unique, personal gift card. Combination of targeting and customization creates feeling of something extraordinary, far from the standard.



To keep newbies and turn them into regulars, launch campaigns with exclusive gift cards for the most loyal customers.

To increase brand awareness, leverage geo-oriented gift cards and local events.

Geo-located gift card campaigns can be used to promote your brand with local events and contests. Memorable events enable you to grab the attention of a local audience and drive real marketing results. Many giant brands (Zalando, McDonald) use events entertainment as an alternative to the traditional marketing and advertising. This tactic works not only as a way of promotion but also helps to build a long-term brand image.

As you can, see there is a huge margin for your creativity. Personalization, targeting, and catchy ideas give you a chance to leave your competition behind but also, make their maintenance more demanding. Let's go to the next paragraph and see how to face this challenge - even when the scale is growing.

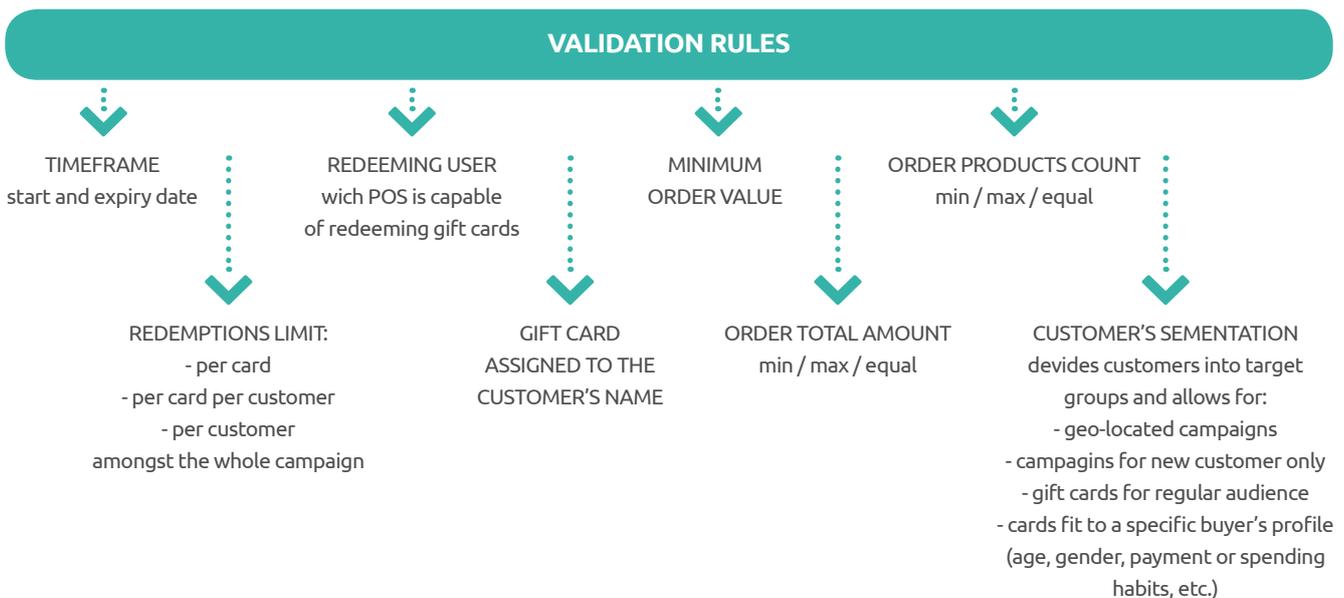


SET THE RULES

Most consumers make purchase decisions based on service quality. If you want to ensure a good customer experience you need to be up to date with a current cards' performance and their metrics. In response to customer complaints and unexpected situations, you should be able to react immediately by deactivating the card or changing the balance.

To manage the maintenance follow the rule that prevention is better than cure and set some predefined validation rules which keep an eye on the cards and ensure customization, tracking, and safety at once.

A flexible rules engine is a heart of your gift cards system. It allows you to personalize gift cards for diversified occasions and secure them against fraud.



Once you set all limits and target your cards, you need to figure out which channels will be the most effective in reaching customers and schedule entire distribution



SALES AND DISTRIBUTION

All efforts would be in vain if you weren't able to reach customers efficiently. That's why a **well-fitting distribution is a key to ending your campaign with profits.**

People are increasingly choosing to go online to purchase gift cards, although there are still many who prefer classic, hand-to-hand gifts. Aiming for a better appeal to customer's preferences actually, demands both distribution channels.

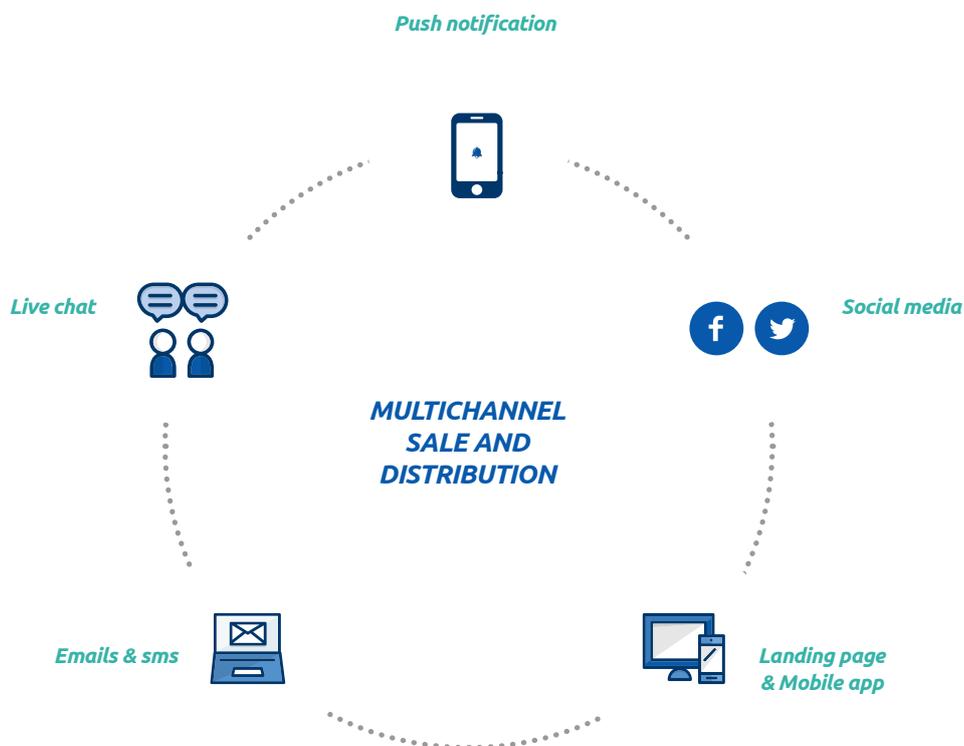
IN-STORE SALE

If you choose to sell gift cards in store, here are some worth noting tips:

Make them eye-catching, efforts put in design may decide if a customer will notice your card and consider a purchase. Put them on a display- in other words, put them everywhere and make them impossible to overlook. Ensure mobile redemptions and allow customers to redeem gift card displayed on a mobile device. Consider launching local campaigns in your POS, usage of local holidays is a great way to increase customer's' loyalty and drive sales results at the same time. And finally, don't stop here and go online.

ONLINE SALE AND DISTRIBUTION

A major advantage of a digital gift card over a traditional one is the possibility of designing each gift card's aspect and receiving something unique. That means introducing another level of personalization which doesn't have to ruin your budget. The point is to ensure ready, predefined templates and allow your customers to add their individual compounds (private message, dedication, etc.), which make their cards personal and unique. In the picture below, you can see how one of the European ecommerce giants creates personalized, online, gift cards:



AUTOMATICS HANDLE EVERY SCALE

If you base your gift card process on excel sheets and a hand-made distribution, it is hard to ensure personalization and keep up with your audience once scale starts growing. With a modern gift cards provider, many operations can be entirely automated and a campaigns management won't require constant bothering your developers. You can set automatic series of emails and SMS messages which are going to take care of your regular and new customers by sending gift card when a customer match predefined criteria. For example, you can launch:

- **Abandoned cart series** - *action is triggered automatically once a client leaves a cart. Gift card sent instantly encourages him/her to get back and finalize a purchase.*
- **Re-engagement series** - *this kind of campaign is based on a specific timeframe. You can define a time window for a customer's absence, and when the time for re-engagement comes, the workflow will be triggered automatically.*
- **Best promoters/loyalty series** - *automatic message with a special gift card is triggered once a new customer appears on your bests list. It allows you to show appreciation and effortlessly look after the most loyal customers.*

As you can imagine, automatic, well-targeted distribution requires efficient customer tracking and appropriate segmentation. Together they allow you to send gift cards which really appeal to buyers and receivers tastes. To learn more, follow to the next section which precisely covers accounting and tracking aspects of your gift cards campaigns.



TRACKING & ACCOUNTING – HOW TO KEEP UP WITH THE SCALE

Marketing strategy is a combination of clever ideas, endless testing, efficient customer tracking and constant adjustment to the target. Assuming that you already have some ideas in hands let's go to the tracking and accounting issues.

EACH IDEA IS A TEST

Before we start tracking your gift cards, let's say a few words about how A/B testing works and why it is vital to build your gift cards strategy?

- *It starts with your ideas put into multiple gift card campaigns with various attributes and then, comparing the results. This includes testing different gift card features like the value, the minimum amount to spend, expiry date, etc. as well as different customer segments like locations, marketing channels, gender, or age.*
- *The way it works is that you first roll out to a small customer segment to figure out what converts best. Then, you expand the campaign (country- or channel-wide).*

With this approach, you know which products are the most desired and which types of gift cards would bring the greatest yield. Though, to catch these clues in daily practice, you need a software which tracks and collects data round-the-clock. In the next paragraph, we put a set of parameters which should be included into tracking to give you a comprehensive overview of a gift card's performance.



TRACKING THE NUMBERS

Let's start with analyzing one type of gift cards only (one campaign); what would you like to monitor to find out if they work?

- *Number of sold cards*
- *Redeemed amount*
- *Amount left to spend*
- *Information about cards' owners/buyers*
- *Which products/services were the most desired among orders paid with gift cards*
- *Staggered sale results*



Of course, to leverage the potential of these data you need a software which allows you to run multiple gift cards campaigns at the same time and compare their performance. Only in this condition, you'll be able to improve targeting and estimate expected ROI.

Management of distribution network When considering large scale marketing campaigns, implementation across a distributed organization that spans multiple business partners may easily become the elephant in the room. This is why your collaboration with affiliates should be well planned and secured during the entire season. Gift cards provider should allow you to include partners into your gift cards system with limits on their data access but without cuts on gathered data for your tracking and analytics. On the other hand, multiple campaigns run in parallel with gift cards at wholesale may be a real headache without appropriate management. To be ready for a growing number of projects, try to automate as many operations as it's possible and find solutions which reduce the amount of software or excel sheets. Modern gift cards providers ensure automation features which bring up a simplicity to your gift cards system and saves plenty of your marketers and developers time.

Finally, when your scale grows enough, it may be worth to consider affiliates collaboration and build your first distribution networks.

Promotion	Status	Start Date	Duration	Gift Vouchers	Discount Vouchers	Amount to go	Redeemed amount
Predefined Gift Cards for Custom...	Active	05/01/2018	∞	1	1	100,00 €	0,00 €
TestCampaignBen	Active	04/01/2018	∞	1000	7	0.02%	
ChristophCampaign	Active	04/01/2018	∞	1000	1	0.02%	
CampaignOfBarcodes	Active	03/01/2018	∞	0	-	-	
Test50Codes	Active	03/01/2018	31/01/2018	50	-	0.60%	

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PROFITABLE IF MEASURABLE

No matter if global or local, gift cards system has to provide you with tracking features. If you are able to track your customers efficiently, your gift cards will more likely meet their expectations and turn into measurable results. Growing audience involves ongoing expansion of your database but doesn't mean heavy-software investments, instead of choosing different app to create, track and distribute cards, choose one which allows for all of these operations and additionally can be integrated with your existing infrastructure (CRM, POS). You'll find out more about designing modern gift cards system from scratch in the next section.

TECHNOLOGY & MAINTENANCE DESIGN YOUR GIFT CARDS SYSTEM

While designing a gift cards system, you'll probably start from a gift cards provider which fits your existing infrastructure. If you search the market, you'll find many companies which can deliver designed gift cards at wholesale ready for selling. Though, what with a tracking then? Personalization and flexible campaign rules? Customer service or team management scheme? To avoid confusing and heavy puzzle with many apps and service providers, choose gift cards platform which builds a solid framework and contains most of your gift cards system compounds. Moreover, before choosing a gift cards provider, remember to check its capability of integrating with your existing infrastructure (CRM, POS, email provider, etc).

MARKETING VALUE

Personalization & Targeting



SOFTWARE FEATURE

- Customer segmentation
- Sophisticated email designer
- Integration with CRM and POS
- Flexible rules engine
- Tracking customers data
- Virtual inventory with your products/services
- Bulk generation

Multilevel management



- Capability of assigning roles to team members
- Capability of limiting users data access

Scalability



- Automatic gift cards distribution
- Capability of creating gift cards at wholesale and automatic data tracking
- User and developer-friendliness
- A/B testing

Multi-channel distribution and sale



- Integration with email/SMS provider
- Export tool
- Mobile app
- Online/offline redemptions

Fraud protection



- Capability of defining redemptions and usage limits, gift cards assigned to the one client only and engine which validates gift card during each redemption
- Unique gift cards (codes)



High-quality of a customer service



- Current overview of a campaign's performance and a capability of deactivation/activation a gift card, tracking redemptions and details of an order
- Each customer assigned to the unique ID viewable in their profiles in the dashboard
- Balance settings (rechargeable cards)

Tracking sales results and estimating ROI



- Gathering redemptions and customers data,
- Current overview of campaigns' performance, metrics, and stats with gift cards performance updated dynamically with every change (redemption, expiration, etc.)

KEY FINDINGS AND CONCLUSION

Make personalization paramount and let your customers create something unique.

With personal data, targeting becomes more accurate, and consumers are more likely to use gift cards if it includes their favorite products/services:

"(...) more than three-quarters of US business-to-consumer customers saw the benefit of trading personal information for more relevant discounts and offers."

Use the digital environment to extend gift cards sales and facilitate their management.

In-store sale is only one of many channels which interact with your audience. If you want to keep up with a today's buyer profile, online sale and service is a must.

"56% of surveyed consumers would like to keep gift cards stored on their phone. This makes the card easily accessible and decreases the chances of it being lost."

Choose comprehensive gift card provider which allows you to achieve your marketing goals without long hours spent on rebuilding your current infrastructure:

Check its tracking and accounting features

Test its rules engine and personalization possibilities

Choose from API platforms to ensure developer-friendliness

Search documentation for integration capabilities

Ensure your gift cards system use automations and a dynamic customers' segmentation.

Do not invest on things that don't scale; software should make things easier to manage and maintain, no matter system growth.

"The future of commerce is digital. Even if your brick and mortar storefront is thriving, don't miss the opportunity to establish your brand online."

Forbes



THANK YOU FOR READING.

If you're interested in having a consultative talk to help you decide how you should implement coupon email campaigns, let us know at

sales@voucherify.io