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## Offering an Electronic Gift Card is Your Next Growth Opportunity

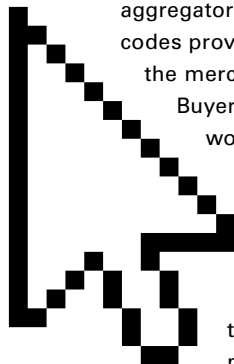
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*Merchants—if your brand offers an Electronic Gift Card (eGift Card) to B2B and/or B2C Buyers and is integrated with a number of digital aggregators, congratulations—you're ready for the newest expansion opportunity in gift cards! If not, read on, and I'll cover the basics you should know about the recent focus in these channels on eGift Cards.*

eGift Cards have grown in popularity over the past five years thanks in great part to digital aggregators such as CashStar, InComm Digital Solutions (IDS), Transaction Wireless, Buyatab, Epay, National Gift Card, and Blackhawk Network. These aggregators act as technology solutions that enable B2B Buyers to purchase bulk and fulfill quantities of eGift Cards without having to build their own internal infrastructure to fulfill these eGift Cards to the end user. In most cases, the B2B



Buyer can obtain the eGift Cards via the digital aggregator's API or via pre-loaded eGift Card codes provided to the digital aggregator by the merchant. In either scenario, the B2B

Buyer does not need to do any technical work on their end. They simply make a purchase and settle accordingly with the digital aggregator or directly with the Merchant. This makes for a more cost-effective and streamlined approach to both the purchase and fulfillment process of bulk eGift Cards. Thus more and more eGift Cards

have been added to incentive, points-based, scrip, and other programs that already feature physical Gift Cards.

From a consumer or end user perspective, the growth of eGift Cards has provided more options when looking to purchase or redeem a gift card. More and more gift card brands have become available in points-based programs, online gift card malls, scrip programs, consumer and employee incentive programs, and more. In addition to the proliferation of eGift Card brands available, innovative new sites and apps have popped up utilizing eGift



# BUY



Cards. Some great examples would be Gyft, eGifter, Viggie, and Jifiti. Whether it's more eGift Card brands or more programs utilizing eGift Cards, consumers are finding they have more and more options.

Some of these digital technology solutions also enable merchants to offer an eGift Card directly to the consumer. Once again, this gives the consumer more choices. Similar to B2B Buyers, some merchants do not have the technical means or budget to build an infrastructure to sell or fulfill an eGift Card. By partnering with an outsourced technical solution, a merchant can sell and fulfill an eGift Card right on their own website without affecting their IT resources. That's a win-win because it provides incremental sales for the merchant and a new purchase option for the consumer, especially when shipping cut-off dates for physical product have passed.

Whether the eGift Card is purchased directly from a merchant's website, via a mobile app on a cell phone or tablet, or via an online gift card mall, it can be purchased and sent instantly. This helps procrastinators give a great last minute gift and helps the cost-conscious consumer give a more price friendly gift. For example, if someone wants to send a gift to a friend or relative in another country, an eGift Card has no added costs or shipping fees and can be emailed instantly.

We are just starting to see more advanced experiences linked to the gift card receipt. Consumers can customize their eGift Card with a specific card design, photo, video, or audio recording. Many merchant websites offer multiple designs of eGift Cards such as special occasions, holidays, or multiple generic designs. Since eGift Cards do not need to be printed, it is cost effective for merchants to offer consumers multiple designs at any given time. In addition, eGift Cards can be further customized with photos, video and/or audio thus adding an additional personal touch to an already thoughtful gift. This makes the eGift Card purchase process more exciting for the consumer as well. Merchants can typically get these types of customized eGift Cards from one of the digital aggregators.

Finally, eGift Cards provide a way for consumers to buy and give Gift Cards via social media. The most common

platform that has offered eGift Cards in recent years has been Facebook, where consumers can directly purchase an eGift Card on a merchant's Facebook page and then gift it to a Facebook friend by posting it on their wall. In some cases, the eGift Card can also be purchased on a merchant's website and then delivered via Facebook. In addition to Facebook, merchants have been using Twitter, Instagram, and Pinterest as additional sales channels for Gift Cards. A consumer can simply click on a link within a post, shop, and hopefully send a Gift Card instantly. Disney and Delta in particular have done a great job of using different social media platforms to promote their Gift Cards.

It has been very exciting to watch the growth of eGift Cards over the past five years and it will be even more exciting to watch them continue to grow and evolve over the next five. For merchants or B2B Buyers who do not already work with eGift Cards, now is a great time to add them to your existing Gift Card program.