





# Gift Cards Ultimate Guide

 Birthday Gift Card Campaign  18400  17300  7800


• ACTIVE

Validation rules

Customer = Only for the birthday today segment

Other discounts do not apply Expires within 7 days

```
Request
1 await
2 voucherify.distributions.publications.create
3 ({
4   campaign: {
5     name: "Birthday Gift Card Campaign",
6     count: 1
7   },
8   customer: {
9     source_id: "cust_183124",
10    name: "Kate Morgan"
11  },
12 })
```



**Happy Birthday, Kate!**

We wish you all the best. To celebrate, here is a little gift from us.

A **25\$ gift card** for your next order.

Place the code at the checkout: **HAPPY783492**

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# What are gift cards?

A gift card, also known as a gift certificate, gift voucher or gift token, is a prepaid stored-value money card, usually issued by a retailer or bank, to be used as an alternative to cash for purchases within an issuing store.

Gift card campaigns are campaigns where you give (not sell) gift cards to customers. For example, you could give 5\$ gift cards to all new customers to encourage them to make their first purchase with you. You can send gift cards to customers on special occasions, like birthdays or anniversaries. You can also offer gift cards as a part of a loyalty program, referral program or giveaway rewards. The options are limitless.

There are two special gift card campaign trends worth paying attention to:



## Corporate gift cards

Many companies order corporate gift cards as a present for their employees or clients. You could take advantage of this trend and offer branding options on your gift cards and market them to the B2B segment as well.



## Group gifting

Group gifting is a relatively new trend in sales. For example, Home Depot lets customers chip in on the higher-value gift cards. Gift card contributors get a special message by email encouraging them to contribute to the gift and the recipient receives the final gift by email.







# The benefits of using gift cards



## Increase cash flow

A gift card is paid in advance for the product or service being rendered. You have the cash until the consumer redeems the card. This is why they are a great way to refund your customers as you defer the actual costs for your business.



## Higher margin sales

Gift card receivers say are more likely to buy a full-price item rather than an item on sale when using a gift card.



## Promote impulse purchases & increase order size

Shoppers are more comfortable investing in additional goods or services when part of the purchase is covered. Gift cards also increase the average cart size, especially if you put a minimum order value as a condition to use the gift card.



## Decrease returns

According to the National Retail Federation, 8.8% of holiday gifts will be returned. Because recipients choose their own gifts, gift cards may lower the costs associated with returns.



## Reduce fraud

Contrary to publicly available promotions, gift cards are personalized and you can track who redeems them and allow redemptions to be done only by the gift card holder. If you have a promotion system, gift cards also offer real-time tracking and reporting allowing you to notice shady activity sooner than later.

# How can you use gift cards?

Gift cards can be sold as a separate product as people buy them as gifts for family and friends. They can be also used as an incentive in a promotional campaign, for example:

## Acquisition campaigns

By offering gift cards to new customers who can use them on their first purchase, you leverage the endowment effect and increase the chances of the first purchase.

## Win-back campaigns

Gift cards work great for re-engagement campaigns, where you offer them to customers who have not come back to your store for a long time.

## Customer milestones campaigns

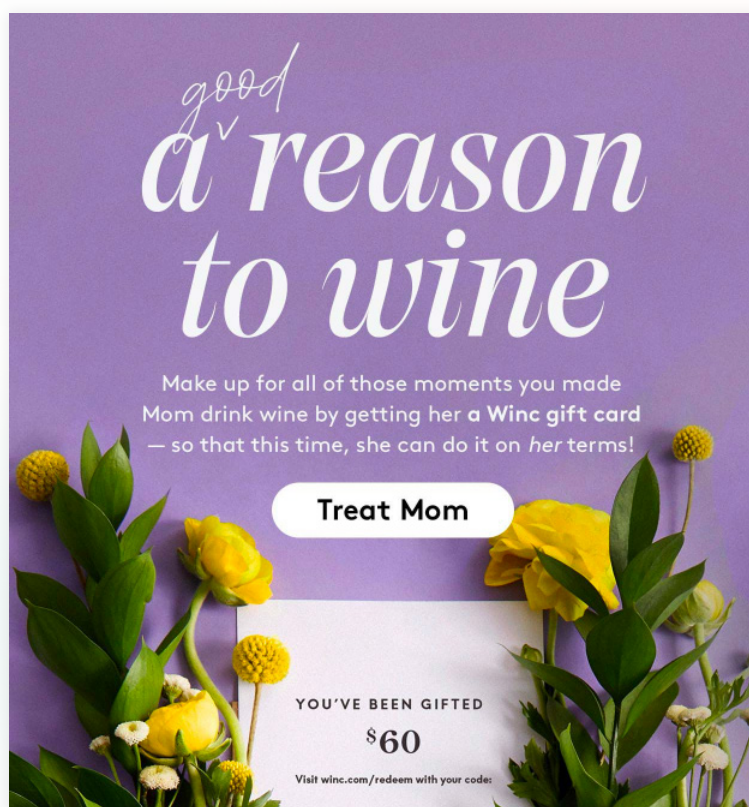
Brands that send personalized birthday and anniversary emails generate more revenue than brands that don't. You can celebrate your customers' or your brand's birthdays and anniversaries with gift cards. Keep in mind though, birthdays and anniversaries only happen once a year. If you interact with customers on their birthday only, you won't get the ROI you're looking for.

## Sorry campaigns

Gift cards say more than a simple "we're sorry." Every company sooner or later needs to schedule an emergency strategy to tackle such fires.

## Referral or loyalty incentives

By combining gift card campaigns with your loyalty and referral programs, you ensure that customers will use the reward (gift card) in your store, ensuring continuous revenue and steady cash flow.



# Digital versus paper gift cards

You can offer e-gift cards, paper gift cards or a mix of both (paper gift cards that can be used online as well and are available on the mobile app). Digital gift cards have a couple of major advantages:

- ✓ They are easy to track, so you can easily keep track of the number of valid and expired gift cards, the redeemed amounts and your current liabilities.
- ✓ Customers will not lose them and they are also less susceptible to theft.
- ✓ They are harder to duplicate and abuse.
- ✓ They are easily available, especially if you offer an offline and online redemption mode.
- ✓ They have more delivery options (email, SMS, push notifications, PDF).

However, some businesses still choose to offer paper gift cards, for a couple of reasons. First of all, there are customers who prefer to use paper cards or are not familiar with technology and simply cannot use the digital ones. Think of the elderly or people with disabilities without quick access to technology. Second of all, printed gift cards make a nicer gift than a digital ones. They can be nicely wrapped up or carry a hand-made personalized message with best wishes.

We generally recommend to offer a mix of both, paper gift cards that can be accessed and tracked electronically and purely digital gift cards, if someone purchases them online or does not request printing them specifically. An example of such a mixed strategy is Zalando.

## How to Print Your Gift Card at Home

Design your gift card just the way you like it.

Get it via email as a PDF, or view it in your account.

Print it out. Preferably in colour.

Fold it into a card. Voila.




# How to personalize gift cards?

There are a couple of ways you can personalize gift cards:

- ✓ Add the name of the recipient to the gift card.
- ✓ Personalize the gift card code.
- ✓ Add wishes to the gift card message (whether it is an email message or a paper card). You can have a prepared message that the customer who buys the gift card can modify.
- ✓ Enable full personalization of the gift card design. Let customers upload their images.
- ✓ Personalize what the gift card can be spent on.
- ✓ Personalize the channel of delivery (print, in-store, email, SMS, and other).
- ✓ Personalize the message attached to the gift card by adding the customer name and occasion.
- ✓ Allow customers to specify when the cards should be delivered.

Personalization starts with collecting customer data and data crunching so we recommend getting a CDP or CRM in place and collecting the relevant data first. Then, you can use that data to personalize your gift card promotions using your promotion software. PrettyLittleThing lets customers personalize the cards in multiple ways – by selecting the design, uploading a custom balance and customizing the message that accompanies the card.



**AMOUNT:**

£20   £50   £100   £150   £200   £: Or type another amount...

**THEIR DEETS:**

To:\*

Please Enter Recipient's Email Address:\*

# Which limits to use?

If you are planning to use gift cards as an incentive in a campaign (promotion, referral, loyalty, give-away) you should think of setting up limits. This will help you protect yourself from fraud and abuse. Here are some ideas of the limitations you could implement:



## Expiration dates

Do your gift cards have an expiration date? It can be a certain date or a certain time period, for example one year from issuing. **Note!** Some countries or states do not allow setting an expiration date to gift cards.



## Number of redemptions per customer

Define how many times a customer can use the card. Usually, gift cards can be redeemed until there is positive balance left. You can treat gift cards as a payment method, not a promo voucher. This option is great if you use rechargeable gift cards. Then the balance on the card is dynamically calculated, and the credits are used as a payment method. If you opt for this solution, you need to make sure that the gift cards have no expiry date on them (or a very long one).



## Excluded products

You can select which products and categories the gift card can be used to pay for and which should be excluded. For example, a gift card cannot be used to pay for another gift card.





### Order value & volume

You can define the minimum order volume and value the gift card can be used on, for example only on orders above \$30.



### Stacking

Can the gift card be combined with any other offers or promotions? For example, can you pay by gift card on Black Friday when there is a site-wide promotion of 20% off?



### Overall limits

You can limit the whole campaign budget, for example setting the maximum of 200 gift cards issued and then shutting down the campaign. You can also limit the number of gift cards to one per customer and make them non-transferrable to ensure only the person who got the gift card can use it.

What's also important to note that the **5th Anti-Money Laundering Directive** that came into force in 2020 lowered the transaction limit on prepaid cards. After the 4th AMLD cut the monthly transaction limit on anonymous prepaid cards to €250, the 5th AMLD set an even lower limit of €150– this limit also applies to the amount that can be stored or topped-up on the gift cards. The 5th AMLD limit means that it will be required to carry out identity checks on customers using prepaid cards worth more than €150. Similarly, anonymous, remote or online transaction limits are reduced to €50. This is why it's key to always assign the cards to specific customers who are identifiable by their name or email address.

# How to promote gift card sales?

First of all, choose whom you are going to promote your gift cards to. Your loyal customers are a great place to start. Happy customers are a logical target to be your gift card giving ambassadors. If you want to sell gift cards as a standalone product, here are some ideas on how to promote them:

- ✓ **Special promotion** – for example, for example pay \$50 get a \$60 gift card or buy 2, get 10% off.
- ✓ **BOGO offer** – for example, buy one gift card, get two (or get double the balance).
- ✓ **Seasonal promotions** – for example, run promo campaigns around major holidays, like Christmas, Mother’s Day, or Easter. Create a holiday gift card design, beautiful advertisements (emails, banners, POS displays) and promote your cards as an ideal gift for that specific holiday.

When running such campaigns, here are some best practices to follow:

- ✓ **Extend expiration dates** – the longer the dates, the bigger the chance that someone will purchase them.
- ✓ **Make them eye-catching** – invest in their design and change it regularly. You can also A/B test a couple of designs, to see what sells best. A great example is Amazon who has plenty of designs for every occasion.
- ✓ **Ensure they are visible** – place them in visible locations in your brick-and-mortar stores, usually the checkout is the most popular place.



# Where to distribute cards?



“The marketing channels that you use to send your offers need to be based on the channels that are most often frequented by your core buyer personas. Your most important kinds of ideal clients must be the ones who dictate how you allocate your resources for sending offer.”

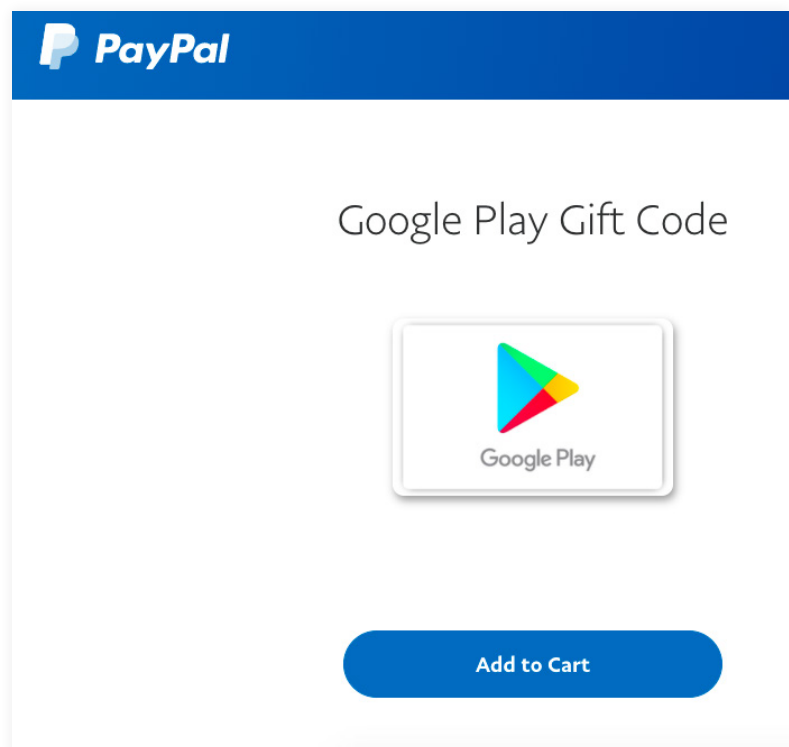
Joshua Feinberg, Data Center Sales & Marketing Institute

Whether you want to promote your gift card sales or distribute your cards as part of a promotion, referral, loyalty program or a giveaway campaign, there are many channels available. You should investigate where your customers spend the most time and then try those channels. You can also try different channels, measure the success and change if needed. Of course, the preferences will depend on the customer segment so you should use different channels for different segments.

## Partner stores

You can expand your sales by offering gift cards in other stores, not only your own. Make sure you negotiate where they will be displayed as this can make or break your strategy.

Work only with partners whose clients would be interested in purchasing your gift cards (similar audiences or complementary products).

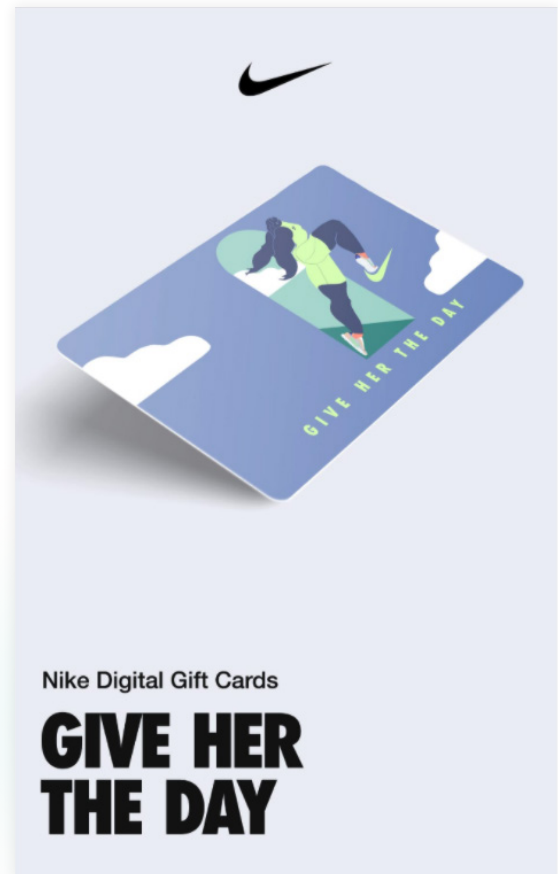


## Affiliates & influencers

You can use your affiliate network or influencers to sell gift cards. If you sell e-gift cards and have tracking enabled, you can check who sold how many gift cards and then you can remunerate them for the sales done.

## Emails

You can inform customers about gift cards via email. You can send it as part of onboarding for new customers, add a small ad in your newsletter or run special promotions on the gift cards (sales, limited edition designs etc.). Options are limitless! It is better to send emails or other communication regularly. Someone may not want to buy a gift card this month but when the holiday season comes they may be into it. Pre-holiday season is the best time to promote your gift card sales, think Easter, Christmas, Valentine's Day and other holidays.



## Social media

You can promote gift cards on social media, especially if they have a holiday design and can fit into your content strategy. Instagram is a great place for eye-catching designs and Facebook ads can help you bring in more sales. You can even run ads among your current customers, before the holiday season. There are many possibilities and platforms, get creative and try different options to determine which works best for you.

## Separate landing page

Your landing page should clearly explain the available gift card options. It should show different card designs and present different delivery options. It is also recommended to place some FAQ or T&C there to offer additional information to potential buyers. You can use the landing page not only to showcase your offer but also to allow customers to check their current card balance. Some companies also use this space to let users reload the cards they already own.



## Banners

Especially if you are running a promotion on the gift cards, you could place that information on your website or mobile app banners.

## Checkout

You should definitely offer gift cards at checkout, both in brick and mortar stores and in the cart on e-commerce sites. Gift cards are often an impulse purchase, especially around holiday season when everyone is running out of ideas for presents. Use it to your advantage.

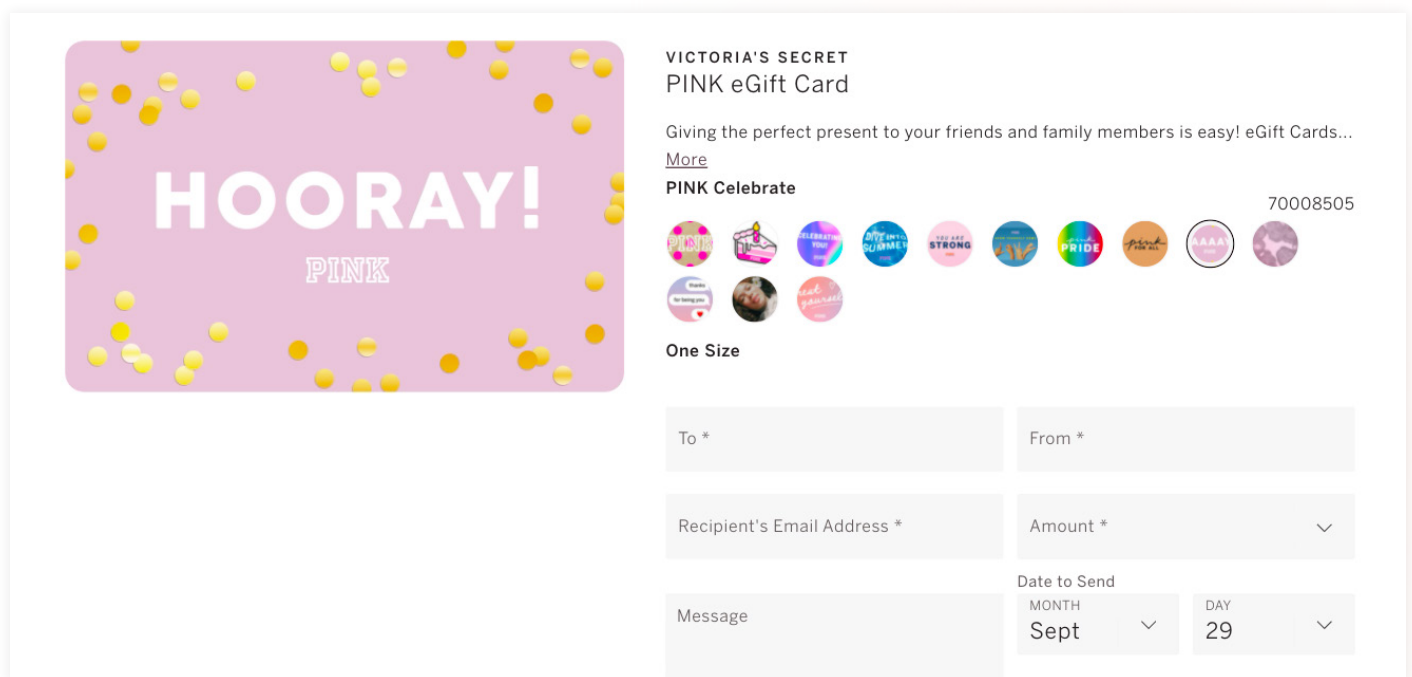
Whatever channels you decide to use, keep in mind that people strive for genuinely omnichannel experience these days. It means they want a seamless journey when changing from online to offline mode. Ensure that your gift certificates work both in online and offline mode.



# How to improve gift cards UX?

## ✓ Design a separate path-to-purchase for gift cards

Path-to-purchase for gift cards can widely differ from the standard customer journey, especially if you offer digital gift vouchers. This is why it should be designed as a separate module of your site.



## ✓ Provide a separate section for customers to check gift card status

It doesn't matter if you offer gift cards as an incentive or a purchasable product, it is still recommended to provide a separate space for users to verify their card status. You can allow customers to check card validity, current balance or even recharge the card or transfer credits to another card. Make sure that set up proper security checks, like Captcha to protect this section against brute attacks.

## ✓ Let customers choose the gift card amount

Here, the combination of suggested and clickable values and custom input fields works best. This way, you give users a clue as to what the gift value should be and make it easy to select, and at the same time offer a field for customization.

### ✓ Allow users to choose the delivery date

To boost the UX of your gift vouchers, you can add a bit more personalization by allowing users to choose when the card should be sent. It makes sense from the usability perspective as cards are usually sent as gifts – it sucks to send a birthday gift five days before the big date.

### ✓ Personalize the gift card code

If gift cards are a big part of your business, you may think of further enhancing their personalization potential. Your gift card software should allow you to customize the gift card code to match the recipient's first name or include the special occasion the card is connected to (e.g., HAPPYBIRTHDAY7593). This simple trick will make the card more memorable. The unique pattern will also make it easier to apply the card code at the checkout due to the exclusion of confusing characters or proper length.

### ✓ Let users upload their own designs

A bonus UX quick win would be to allow users to upload their photos to personalize the card. Note, however, that adding this feature requires you to come up with terms of use for photographs to protect yourself from violating any 3rd party intellectual property rights.

### ✓ Design the gift card input field

Gift card recipients want to use them as soon as possible. To deliver on this need, you should provide an input field early in the purchasing process, preferably in the cart before checkout. This approach enables customers to check if the card is valid early on before entering personal information. Moreover, the input placement should be the core part of the checkout process and be properly displayed in the website or app structure. Make sure to make it long enough to contain the entire gift card code.

The screenshot shows a form titled "THEIR DEETS:" with the following fields and options:

- To:\***: A text input field containing "Julie".
- Please Enter Recipient's Email Address:\***: An empty text input field with a light red background.
- Send Date:\***: Three dropdown menus for day, month, and year, showing "09", "October", and "2021" respectively.
- Scheduled Time:\***: Two dropdown menus for hour and minute, showing "19" and "00" respectively.
- Your Name (From) :\***: A text input field containing "Mark".
- Get Personal:\***: A text area containing "Happy Birthday, Julie! Hope you like it!".
- ADD TO BAG**: A dark grey button at the bottom.

# Gift cards toolbox

You already know that gift cards are an incredibly powerful strategy for attracting new customers, driving revenue, and building positive associations with your brand. But what you probably don't know is how to make gift vouchers the most powerful part of your sales strategy and incorporate them into your business. So what exactly do you need to start an adventure with gift card marketing?

If you want to run open-for-all gift cards with limited personalization, gift cards are like child's play. The problems begin to pile up as you try to restrict their use, personalize them with customer data, track redemption rates, and calculate the ROI. What elements do you need to have in place in order to succeed?

- ✔ Gift codes generator that ensures the uniqueness and security of codes.
- ✔ Tool for creating restrictions and limits (e.g., number of redemptions or redeeming party).
- ✔ Tool for automatically assigning codes to customers.
- ✔ Infrastructure for sending out the gift vouchers or 3rd party integrations.
- ✔ A method of handling redemptions efficiently.
- ✔ Analytical tools for tracking redemption rates and campaign ROI.

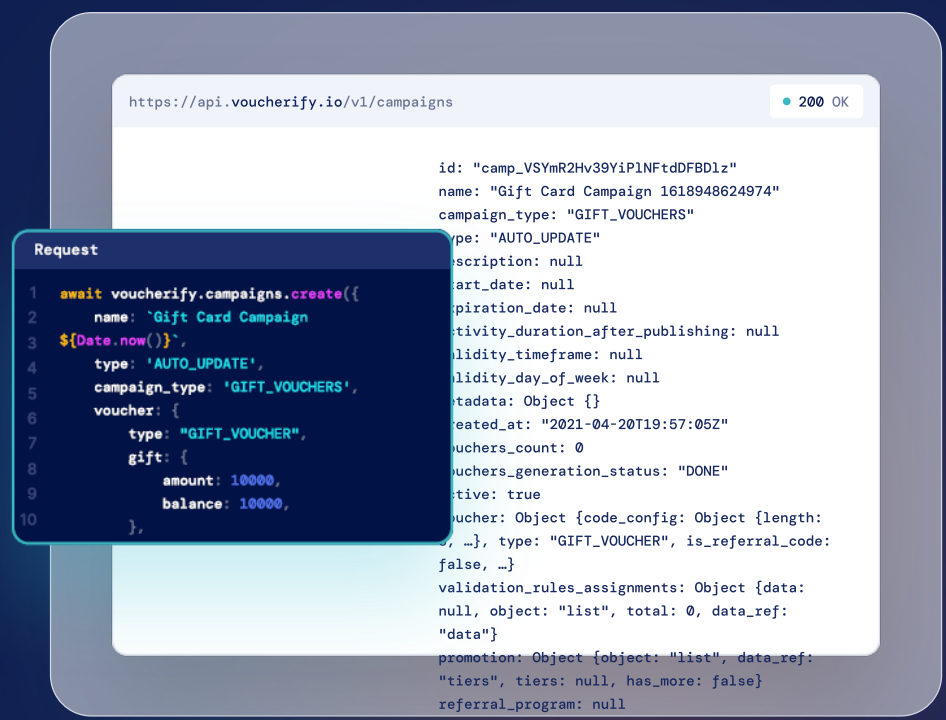
This set of tools is the minimum developmental effort you need to make in order for your gift card campaign to run smoothly and bring you the expected results. A lot, right?

You can take three approaches when deciding on gift card infrastructure – you can create your own software, you can use SaaS providers which offer many out-of-the-box solutions, or you can use SaaS providers based on API and geared towards customization.

The first approach offers the ultimate freedom, but it requires a lot of IT effort, resources, and time. The second method will be the fastest, yet it will fail to provide you with the customization your campaigns might require in the long run. The third strategy requires some developmental work at the beginning yet eventually it will bring you almost ultimate freedom with designing your campaigns at the end.

Even if you have a substantial team of software engineers at your disposal, achieving a high level of flexibility can take ages. This is where the headless commerce or API-first approach comes in. It gives your team programmable building blocks that make business logic development faster, but you still get the freedom of choosing the technology of the customer-facing applications and can connect your backend to other ecommerce/CRM systems to ensure data integrity. In a nutshell, it takes out the cons of both rigid eCommerce platforms and the legacy in-house promotions implementations, making gift cards management easier.

Developers' time is not cheap. There are a lot of more important projects in your backlog than changes to the gift card strategy, which could be potentially done by your marketing team. You should ensure that the solution you implement will reduce maintenance and running costs to the minimum. The best way to do that is to go for an API-first solution. This approach will make implementing all necessary features faster and cheaper as well as allow for plenty of customization.

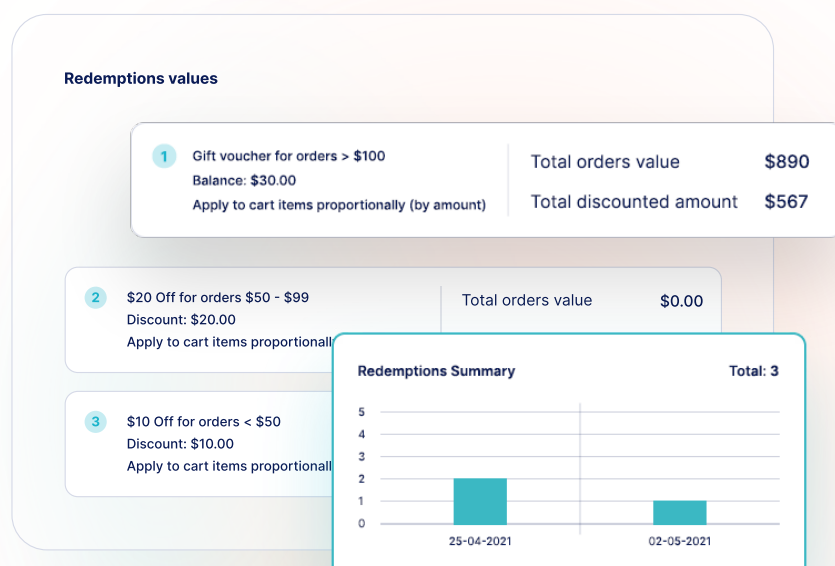


# What to measure?

There are a couple of measurements you should implement to measure the success of your gift cards campaigns.

- ✓ Number of sold cards.
- ✓ The number customers who have used from their gift cards already.
- ✓ Successful and failed redemptions (crucial for troubleshooting and fraud prevention).
- ✓ Amount left to spend, so your current liability, both on the customer and campaign level.
- ✓ Which products were the most desired among orders paid with gift cards.
- ✓ Staggered sale results, so how much additional sales did the gift cards bring?
- ✓ Average basket value & size of the transactions where a gift card was used.
- ✓ All order details of each order where a gift card was used.
- ✓ Distribution reports of all channels used to deliver gift cards as part of a campaign.
- ✓ Per channel sales results of gift card sales.

You should also pay special attention to year-on-year sales growth attributed to gift cards and the card sales during holidays or promotional periods. Slowing gift card sales may be a sign that you need to revisit your strategy or refresh your designs.





# How to optimize your strategy?

There are a couple of ways to optimize your gift card sales. First of all, there are two main approaches to testing what works what does not:



## Launching smaller campaign experiments

Doing a test run with smaller segments can help you determine which strategies are the most effective. This can also help to keep you from offering gift vouchers that are too big and cut into your profits. In the beginning, you could run small campaigns with diversified parameters, such as card amount, expiration date and extra limits. You must be patient and aware that it will take some time and numerous experiments to figure out what works best for your business.



## A/B testing

If you have or can afford software for A/B testing, this is a more foolproof way of testing what works. When it comes to what to test, you can try different channels for your gift card sales, different gift card amounts, various checkout experiences for purchasing cards, and gift card designs. You could test different product descriptions or promotional messages for advertising your gift cards. You can play around with different limits, for example minimum order value or products it can/cannot be applied to, different channels on which the gift cards can be used (for example, excluding offline channels and seeing if it affects your sales or not). There are plenty of things you can try and test, remember to only test one change at once, otherwise the results will be mixed up.

# Campaigns library

For the complete library of ideas for engaging gift card campaigns, visit our Inspirations section.

[Go to library](#)

## Retention

Split gift cards

Suggested channels:

Email

SMS

Push

### Example

Create a gift card campaign for clients who have placed their first order with you. The card is available for for their second and third order. It has a three months validity timeframe and has to be used in two different transactions with \$15 usable for each transaction.

### Main benefits

By forcing your customers to use their gift card balance on various occasions you gain two things – they will need to come back to your store to buy something again, thus creating more attachment to your brand and that they may spend more overall than if they used it for just one transaction.

### Best practices

- ✓ Inform customers about the conditions to avoid confusion.
- ✓ Alternatively, you can create one gift card that will be re-charged when the customer meets certain criteria, to ensure that they can use smaller amounts over more transactions.



#### Welcome spring with flower power!

We have a \$30 gift card for you! Use it on two separate orders, maximum \$15 can be used each time.

[Get the code](#)

## Upselling

Temporary free balance

Suggested channels:

Email

SMS

### Example

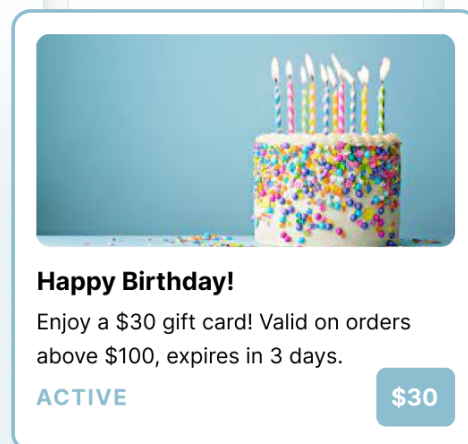
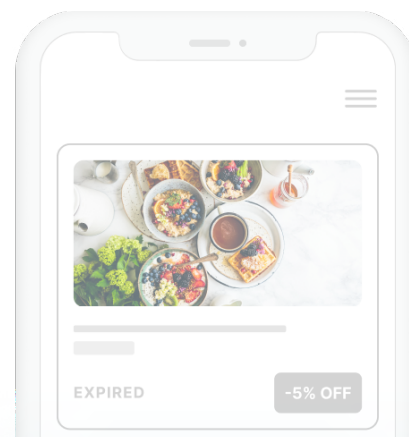
Offer a \$30 gift card for a customer's birthday that expires in three days after their birthday, for orders above \$100.

### Main benefits

Adding a temporary free balance drives the customer into the loss aversion behavior. People endowed with unexpected gains usually try very hard not to lose them. In the case of a sales promotion, this means they are very likely to make a purchase due to saving the balance for themselves before it's gone.

### Best practices

- ✓ You can offer the free balance in multiple ways
  - gift card, loyalty points, custom currency, or rechargeable gift card.
- ✓ Allow the card to be used only by the original holder, that will prevent people from swapping or reselling gift cards.
- ✓ You can gift the free balance for a special occasion or based on other customer milestones. Think of your goals with this campaign and base your trigger on that.



## Retention

### Refunds to gift cards

#### Suggested channels:

Email

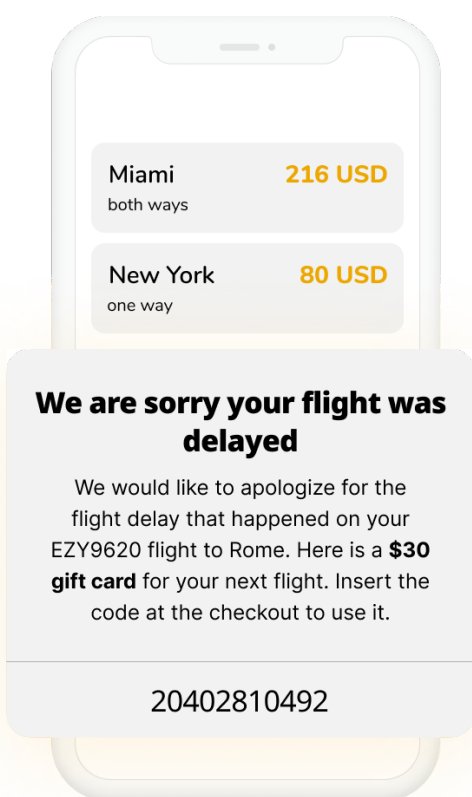
Customer portal

#### Example

If you need to cancel a trip, offer an automatic refund in the form of a gift card valid for an extended time (minimum 365 days).

#### Main benefits

Gift cards are a perfect tool to keep revenue flowing and stay liquid in bad times. It is an easy way to automatically refund many customers at once for canceled flights, trips, or other events that failed to take place.



#### Best practices

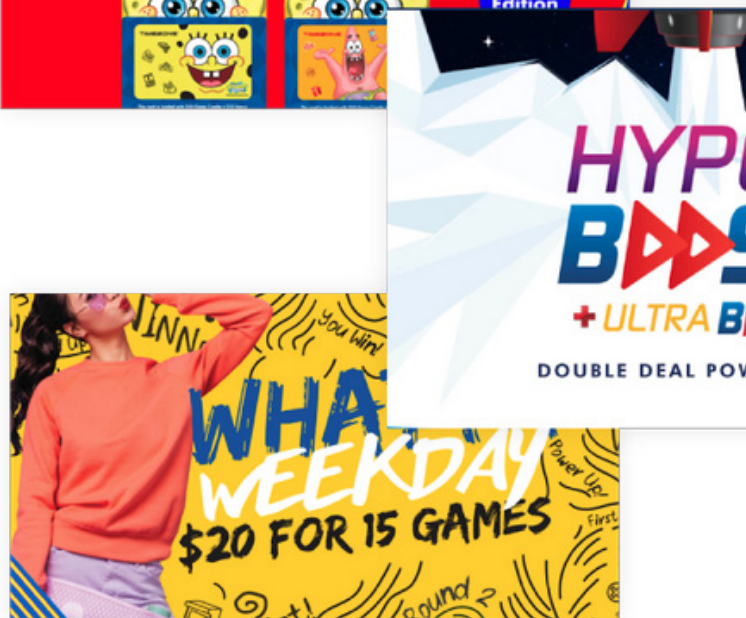
- ✓ Offer a long gift card expiration date, especially if the cancellations are due to governmental restrictions and people are not sure when they can travel again.
- ✓ Ask your customers if they accept this type of refund or if they would prefer to get cash. Incentivize the gift card refund by offering some (for example, 5%) extra cash for that type of refund versus getting direct cashback.

# Customer success story

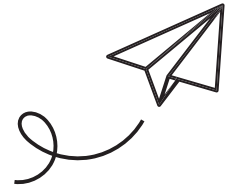
An example of a company who used gift cards as part of their marketing strategy successfully is Timezone. Timezone is a chain of family entertainment venues in Asia Pacific, established in 1978 and operating in Australia, India, Indonesia, New Zealand, the Philippines, Singapore, and Vietnam. Timezone venues provide a fun and unique gaming experience for families through video games, virtual reality, bumper cars, bowling lanes, birthday parties, and more. Timezone Singapore was looking for a new promotion management software. They chose Voucherify because it provided a simple and secure system that made incentive delivery and redemption an easy process for both Timezone guests and their venue team. They used Voucherify-generated gift cards and discount vouchers as rewards in their loyalty program, for example offering an annual birthday benefit which value depends on the tier of the membership. Gift cards were an essential part of their strategy during the COVID-19 pandemic.

## Results

- ✓ Easy to use promotion engine enabling quick campaigns set-up and pivoting on scale (100+ campaigns).
- ✓ Reduced time to market for multi-region and multi-currency promo scenarios.
- ✓ Plenty of data collected on incentives for further offer personalization.







# We are here to help

Contact sales for a personalized demo or sign up for a free trial and give Voucherify a try. You have 30 days to test your unique ideas for gift card campaigns and feel the power of a new cross-channel experience created with incentives. No strings attached, no credit card needed.

[Book a demo](#)

Current & future e-commerce leaders choose Voucherify:

