

Introduction

By Rich Killian, Executive Vice President, Incentive Gift Certificate Council

Promoting the Trophy Value of Gift Certificates

Gift certificates are a popular choice for consumers seeking an easy, convenient way to give the gift of choice. Instead of crossing their fingers, hoping that the recipient will like the gift they've picked out, consumers can give a flexible present that allows users to buy what they want, when they want.

What some people don't realize is that a gift certificate or "gift card" usage extends beyond a trip to the department store during the holidays. Businesses utilize gift certificates and cards to recruit, recognize, and motivate employees; reward workplace safety; forge relationships with dealers and distributors, build trade show traffic and spur consumers to buy their products.

Numerous studies point to the efficacy of gift certificates and cards in achieving business results. They have been shown to increase sales, improve employee performance and build loyalty, foster teamwork and create new markets, among others.

The fact that gift cards have become so popular for corporate use isn't surprising, based on the advantages they have over monetary incentives. The cards can be branded, personalized and customized, and they offer administrative benefits such as usage tracking and a variety of redemption options.

They also possess "trophy value" that most other cash-based incentive programs can't touch. Workers who receive a \$50 gift card for running a department for three months without an accident, for example, will not only enjoy receiving the monetary reward, but will also enjoy the product, meal or service that it affords them. Whereas cash can be spent quickly on day-to-day items, a gift certificate from a favorite restaurant, store, online merchant or hotel will be remembered and appreciated for months, and even years, to come.

Gift certificates also stand out on their ability to create "buzz" within the workplace. That buzz radiates out to family and friends, making the award that much more special and memorable. For employers, that value translates into a safe, productive workplace that truly values its employees.

Over the last few years, the gift certificate industry has become much more user friendly. Prominently displayed in checkout lanes, advertised on in-store signs and made with the consumer in mind, gift cards can be picked up, "charged up" and paid for within just a few minutes. Making them even more attractive are personalized options such as holiday-oriented cards and creative packaging.

In the business arena, those efforts are helping gift certificates displace cash as the incentive award or spiff of choice. A 2005 Incentive Federation survey found that four out of five people feel that merchandise incentives and travel incentives are more compelling than cash, while two-thirds of the respondents felt that cash awards are remembered for the shortest time.

The survey also found that more than 50 percent of respondents agree that employees tend to look at bonus payments as something they are due as part of their compensation package, while 75 percent felt that they could build a more exciting, memorable program around travel or merchandise than cash.

That's why two out of three incentive programs today include at least one gift card offer. Because they represent the perfect vehicle for corporate initiatives of quality, safety, suggestion systems, referrals, loyalty, sales and productivity, these awards have staked their claim as the employee award of choice.

The gift certificate and card industry continues to grow, both in consumer and business-to-business markets. In fact, according to the 2005 Incentive Federation Study, buyers of incentives say that gift certificates and cards will be their "number one" choice for sales incentives in the future.

Isn't it time you integrated a gift card campaign into your company's incentive program? To learn more, visit the IGCC online at www.usegiftcertificates.org or call (630) 369-7780.