



designed by
Steven Higdon

written by
Desiree
Wiercyski



BUILDING BLOCKS

for a Great In-Store Program

There are many basic elements that support a well-developed in-store gift card program—signage, the cashwrap display, physical card design, packaging, and promotions to bolster gift card sales. Additionally, a little innovation, surprise and delight are critical for a thriving gift card program. It's not just about giving the card, but gifting the brand experience, something that looks different for each brand.

A. Signage and Merchandising

Gift card specific: calling out gift cards on the sign specifically draws attention to the gift card as another product. Remember that gift card is one of the most popular products, and consumers expect to have it called out.

Eye catching Images and Language: Treat gift card signage as an advertising campaign. Matching campaigns online or in direct mail can be a way of tying the images together. Utilize giving or consumer benefit language to engage the customer in the reasons to purchase the gift card.

Do not use 'give the gift of': Using "Give the Gift Of" has been used and overused in every aspect of the industry. Consider this the "lazy" language for gift card. Utilize your internal or external marketing and design folks to be original, clever, and on-brand with your messaging.

B. Cash Wrap Display

Display exists: If you don't have a gift card display, you're missing out. Consumers treat gift cards as an impulse item. When they are available and right in front of them, consumers will interact more with the product and will purchase more. Issues with consumers stealing cards? Remember that the cost of the card is tiny compared to the increased sales of putting cards out there in front of the consumer.

Clean and orderly fixture: Remember that gift cards are a reflection of the brand and all the products and services it represents. Making sure that fixtures are well taken care of is as important as making sure the bathrooms are clean. Broken, dirty, or messy fixtures turn off customers, and directly impact gift card sales and consumer impressions.

Availability of small upsell items: We're finding that more and more merchants are creating a "impulse area" with other items that are easy to gift along with the gift card. Socks, lipstick, really anything that the consumer could easily pair with the experience of coming back and shopping later.





C. Card Design Strategy

Variety: You should have a variety of card designs available, including seasonal but not specific card artwork. Please have a “Happy Birthday” as it is the hottest seller outside of holidays.

D. Marketing & Promotions

Include gift cards in product promotions: Bogos are very popular, where a consumer can earn gift cards by purchasing products. This successful promotion has multiple case studies of positive ROI not only on the earning side but on getting the customer back in the store during set time periods.

In-store marketing: Aside from signage near the gift cards, look for places in the store that a consumer might be frustrated by the available colors, sizes, shapes, etc. These, along with places

consumers are forced to wait or hang out areas are great spots for inspiring consumers with gift card ideas.

Store floor display: Some stores have lots of floor space, or dedicated gifting space, and can handle additional fixtures. Consider temporary fixtures during the holidays, which can hold specific designs and can ship direct to stores.

Packaging: Having packaging available is one of the cheapest ways of differentiating, and getting branding included in the card purchase experience. Many people will use seasonal packaging instead of varying card artwork for a cost effective method. Remember that packaging should increase the consumer’s experience of the card and link directly to the brand’s core values.

Innovation and surprise: Gift cards as a representation of the brand can be a startlingly positive thing. Artwork, creative promotions, and integrating gift card functionality to support major company objectives are almost always major wins for both the gift card program and the company’s bottom line. Gift cards are so flexible as a promotional tool, a product, and as a payment technology, there are many ways to make those cards work better for the brand.



Although each brand will

utilize the basic building blocks of an in store program differently, the members of our Think Tank asked for a benchmarking report around industry standards for how the elements are used to support the overall gift card program.

In order to get the best understanding of how brands capitalized on the foundational elements, the GCN team conducted a competitive shopping analysis of over 150 merchants during the holiday season. For most brands, the holiday season is when all of these pieces come together to capture the most sales during such a critical time in retail. GCN team members visited stores all across the country, along the West Coast, East Coast, and partially in the Midwest.

To best capture each store's gift card strategy for the holiday season, the team took pictures at each store visited. This provided significantly more detail and context rather than simply filling out a survey. Once visiting all of the brick and mortar stores was done, we began an internal review of all the pictures and examples. After a thorough review and discussion of the pictures and overall trends we saw, we developed finalists for each key category. After selecting the finalists, we presented the selections to the merchants that joined our monthly merchant forum.

Three finalist brands were selected for each of the following categories:

- Signage
- Cash wrap/POS display
- Card design strategy
- Promotions
- Packaging
- Store floor fixtures
- In store marketing
- Innovation and surprise

Over the course of the first few merchant forum calls this year, we had great discussions about the brands we were reviewing, the pieces that made them great, and took away inspiration from the calls. There was also fantastic conversation

and brainstorming around how to handle the challenges some brands face when trying to implement certain features. Although the discussion was around selecting a brand for the title of Best Of in its prescribed category, it was challenging because every brand has different needs and goals. Trying to objectively weigh each program's features was difficult, not just for the GCN team, but the merchant participants as well. For many categories, the voting was extremely close, and it was clear that all of the finalists had exceptionally developed programs.

Once the winners were selected, we took the project beyond being a benchmarking report and connected it to another initiative proposed by our Think Tank members—developing gift card best practices for industries that don't currently fully harness the potential of gift cards and branded currency.

Using the information from GCN's In Store 101, and inspiration from our In Store Benchmarking winners, we developed a complete gift card program for an independent hair stylist. Many companies in the health and beauty industry utilize gift cards.

However, independent contractors and those outside of larger corporations often opt to not develop gift card programs for a number of reasons; with ease of use (both for the business and the client), lack of benefits, and cost are some of the most commonly cited reasons. Many independent contractors and small business in the beauty industry are still using traditional gift certificates because of the perceived complications with gift cards. In fact, the owner behind our brand case study, Brittany Pursley, style sage and owner of B:Style, expressed an active dislike of gift cards because of the challenges associated with them.

With great examples of industry best practices, the GCN team took inspiration from our competitive shop winning brands and applied the principles to develop a full gift card program for the B: Style brand. Check out the winners, why they stood out, and how we took those elements and applied them to an independent stylist.

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Cash wrap/POS Display Winner: Maurice's

Why they won: Maurice's cashwrap display is a great example of providing choice and guiding the consumer, without being overwhelming. The cash wrap is essentially a small example of their fully developed program. The signage is eye catching and clear. The holiday BOGO promotion is noted. There are a few upsell items to bundle with a gift card purchase. There's a small variety of card designs, both evergreen and seasonal. The packaging is accessible and branded. The whole display is a one-stop-shop for the full gift card experience.

POS Inspiration: Having everything grouped together, without looking cluttered is key. It's hard to get space at the POS, and for some industries such as salons, there may be no POS or cash wrap. Taking some of the work away from the gift giver by refining the number of card designs and combining it with other items can help save space and make the buying process easier. When a customer can package a gift card with a hairbrush, it makes for a more substantial gift.



Card Design Strategy Winner: PetSmart

Why they won: The key to any sort of art is to trigger an emotional connection. This is true even with gift card art and design. PetSmart knows that most people are powerless to resist literal puppy-dog eyes, so they used pet portraits to make an emotional connection with the customer. The idea that "cute sells" played out even in during our Merchant Forum conversations.

Card Design Strategy Inspiration: The best card designs will create an emotional connection in the customer. For some merchants, that means using animals. For others, like stylists, it means using images that connect with aspirations and hopes. The brain is hardwired to connect with other living things, so using either faces or anthropomorphized objects further helps develop an emotional connection.

Signage Winner: West Elm

Why they won: West Elm had signage everywhere! From coffee tables, on high shelves, right next to other products, anywhere people might be looking fruitlessly for a gift. The messaging also stood out, "Got Gifter's Block?" is a quick, simple, fun way to prompt a consumer to think about opting for a gift card.

Our Merchant Forum participants loved representation for gift card throughout the store, and the fun yet straight to the point messaging. Another strength was that the signage was on basic paper, in the standard sign holders used throughout the year. This push was cost-effective and easy to implement.

Signage Inspiration: Gift Card signage should be treated like any other advertising—targeted messaging that appeals to the audience it's meant for, and aware that the target audience has a very short attention span. The sign has to get the message across in just the time someone glances up from other products (or their phone) and engage them.





Packaging Winner: Fossil

Why they won: Anyone who has a Fossil watch knows about the signature Fossil tins the watch comes in. The brand has extended this key piece of the brand experience to their gift card program by creating an assortment of attractive, giftable tins that make the gift card feel like more of a substantial gift.

Because packaging can add significant cost and premium packaging often has an additional cost for the consumer, the GCN team only looked at free packaging options.

Packaging Inspiration: Packaging can make a card infinitely more giftable. Cost is definitely a consideration when developing packaging, especially non-promotional, evergreen options. One way to address this concern is to have a minimum load for premium packaging or offer it at a small cost. Another option is to simply use unique artwork on basic materials. For the B:Style brand, we chose to use a small wallet which can be used after the card has been spent. The choice to go with a premium option was part of the larger strategy to develop the stylist as a luxe brand.



In-Store Promotion Winner: Karl Strauss Brewing Co.

Why they won: Karl Strauss Brewing Co.'s promotion is a great example of a trend we saw throughout our holiday competitive shop—multiple promotion levels. The restaurant developed two levels to their gift card promotion: a genie growler with \$100 load, or a Hydroflask growler with \$300 load. The options provided give the consumer choice and are a bit of a different take on the traditional spend and get promotion. Both bonus options are high value, on brand, and sure to drive traffic.

In Store Promotion Inspiration: If someone needs to give a gift, it's nice to get something extra. This could be a gift with purchase, donation to a charity, or simply an additional small value card with a larger card load. It's important to note the difference between an upsell item next to a gift card and a promotional item for a gift card purchase. One option is to include the upsell items as lower tier bonuses for a minimum load. Don't forget though, having unique promotional items available with a gift card purchase trigger an idea of exclusivity and can be a way to capture the self-use consumer without offering a discount.

Innovation & Surprise Winner: Barnes & Noble

Why they won: This category came about because there were so many programs that had elements we'd never seen before, or standard pieces done in new and creative ways. Selecting a winner was really difficult because the nominees had such different stand out pieces.

After a great discussion during the Merchant Forum, Barnes & Noble was selected as the winner. In addition to standard CR80 cards, Barnes & Noble has gift cards sized to be used as bookmarks, affixed to packaging with full card and carrier art. This makes it easy to gift someone a book with a gift card, allowing them to not only choose their next read, but also keeps the brand present in the recipient's mind if used as the bookmark.

Innovation & Surprise Inspiration: There's always something you can do to set your brand apart and take your brand's gift card to the next level. What items are already being used that are essential to the consumer experience? How can those translate on a smaller scale? For B:Style, we incorporated a mirror in the packaging so her client's could check out their looks on the go, and be reminded of not only the brand but that they have a gift card to use as well.



Store Floor Fixture Winner: Red Robin

Why they won: Like many of our winners, Red Robin was ultimately selected because of they truly understood their customer's experience. Red Robin had a one-stop-shop for gift cards right in the middle of the waiting area. They also capitalized on the fact that people can spend a lot of time in the waiting areas by including signage with a bit more copy than would be utilized on in other areas, as well as pamphlets about their loyalty program.

Store Floor Fixture Inspiration: Place fixtures to take advantage of where customers spend their time, this allows customers to take the opportunity to look at the available options and offerings without feeling rushed at the checkout counter. Because stylists don't have much floor space to utilize, we placed additional gift card messaging right on the mirror. This placement takes advantage of the fact that customers spend a lot of their time in front of the mirror and the fact that messaging isn't always expected on the mirror. By taking advantage of breaking expectations and a customer's time, the information will be read.



In-Store Marketing Winner: Charming Charlie

Why they won: Much like West Elm, everywhere we looked in store, the gift card program was represented. Except Charming Charlie didn't utilize signage, but opted for utilizing the actual physical cards and incorporating them into the merchandise. Charming Charlie sells a lot of wallets, so why not display them with a gift card inside? This keeps gift cards at the front of shoppers' minds. This was a store-level decision, but a great one nonetheless.

In Store Marketing Inspiration: Like the store floor fixture category, this category does not immediately lend itself to be easily developed for stylists and other service providers in the health and beauty industry; for many there's no real store to use for placements. But, with a little creativity, it's easy to feature the gift card program even in the smallest spaces. For B:Style, we considered what types of accessories and upsell items are often seen in salons, and worked in the gift card placement. Simply incorporating a gift card into an accessory pouch allows the gift cards to still be visible even if it isn't possible to capture gift card only space at the POS.



Both the benchmarking study and **B:Style** case study exemplify how each brand's unique goals and requirements inform the development of a gift card program, but it became very clear that small and medium businesses face completely different challenges than larger regional and national brands. Because of this, one of our new initiatives is focused around developing resources specifically for small and medium businesses. Be sure to subscribe to our newsletter, *The Swipe*, to stay up to date on the latest pieces. If you're a merchant (of any size) join our *Monthly Merchant Forum* to connect with others in the industry to chat about your wins, challenges, or general trends in the space.