



About Gift & Loyalty

What Are We Talking About

- Gift Cards
- Loyalty / Rewards Programs
- Marketing Programs
(Coupons & Mobile Marketing)

Target Market for Loyalty, Reward, & Gift Card Programs

- Big-Box Retailers
- Specialty Retailers
- Restaurants
- Coffee Houses
- Spas/Salons
- Hotels
- Golf Courses
- Auto Shops
- Car Washes
- Sporting Good Stores



Typical Big-Box Loyalty Programs

- Kohl's Cash
 - Expiring future cash rewards based on current purchase amount
- Dunkin Donuts
 - Buy 9 cups of coffee, get one free
- Best Buy Reward Zone
 - Earn points based on purchases toward gift certificates
- Famous Footwear
 - Birthday coupons

Five Most Popular Reward Programs

- Club Programs
- Discount Programs
- Punch Card Programs
- Cash Back Programs
- Custom Programs

Club Reward Programs

Chocolate Bar offers 5 glasses of martini for a pre-purchase price of \$60 versus individual glasses for \$15 each

(Savings of \$15)



Discount Reward Programs

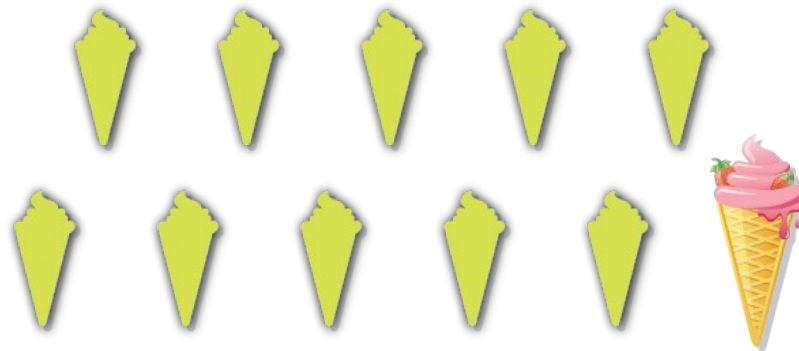
A promotion states if you spend:

\$500 you get \$150 off,
\$250 you get \$75 off,
and \$100 you get \$25 off



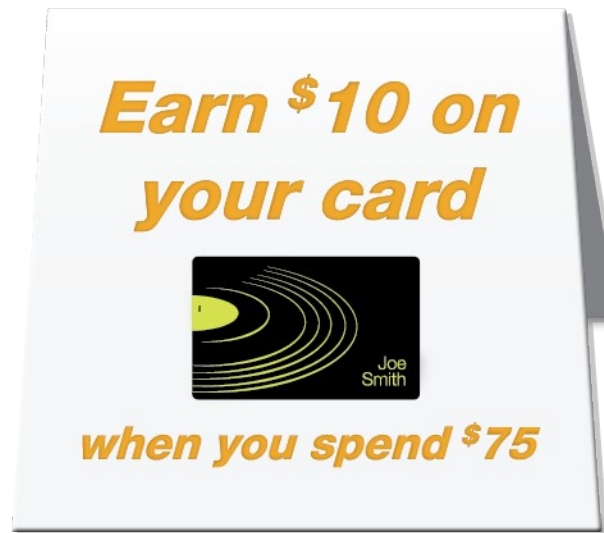
Punch Card Reward Programs

When you buy 10 ice cream cones at an ice cream parlor, your **11th** is free



Cash Back Reward Programs

When you spend \$75 you get \$10 loaded back on your loyalty card



Custom Reward Programs

When you spend \$100 on merchandise you receive a free karate lesson



Consider A Hypothetical Merchant



**Sole
proprietor**

**SMALL
BUSINESS**



Merchant's Profile

- Small business - restaurant
- Owner works many hours; night & weekends
- Monthly revenue \$30K (\$360K annual sales)
- Not tech savvy
- Worried about churning through perishable food items

Merchant's Standard Marketing Plan

- Email marketing (Constant Contact) \$15/month
- Text Messaging (Street Savings) \$40/month
- Coupon Circulars (1/4 page ad) \$300/month
- ValPak (10,000 homes) \$350/mailing
- Yellow Pages (online) \$500/month
- Local Newspaper (1/4 page ad) \$200/week

What's On Merchant's Mind

■ Growth!

- Keep current customers coming back
- Acquire new customers
- Persuade them to come back
- Persuade them to spend more

■ Costs

- Limited time
- Limited expertise
- Limited Money

Can gift & loyalty solutions help our merchant achieve its growth objectives? **ABSOLUTELY!**

Gift & Loyalty Programs Deliver Growth

- By increasing marketing effectiveness
- By increasing number of visits per customer
- By increasing average sales per visit
- By identifying and rewarding loyal customers
- By creating a customer database
- By promoting the business via email, text, and coupons

Gift & Loyalty Programs Increase Sales and Retain Customers

- Increase same store sale: **4.5%**
 - If your business has an average annual revenue of \$360,000, you should be able to increase sales by \$16,200
- Increase customer retention: **14%**
- Increase average purchase and visits: **24%**
 - Customers that carry a loyalty card will spend 24% more per visit i.e. if your average purchase per visit is \$50 today, You should be able to increase this to \$62.

Gift & Loyalty Programs Encourage Customer Spending

- Average gift card load: **\$28.54**
- **75%** of gift card shoppers spend **60%** (**\$17.13**) more than the value of the gift card
- Breakage: **18%**
 - Cardholders will not spend 18% (\$5.14) of the value on their gift card

Gift & Loyalty Programs Increase Marketing Effectiveness

- Save time and money by consolidating email, text messaging, and gift card programs
- Capture customer information at the point-of-sale to build a database
- Reward customers at point-of-sale rather than at another time, avoiding fulfillment costs
- Instantly trigger messages/offers to individuals based on activity

And All This Can Be Achieved With No Up-Front Costs

- Gift & loyalty programs pay for themselves by increasing customer retention by 14%, transactions by 24%, and customer spending by 4.5% pre transaction
- With our self-service platform, you can implement gift & loyalty solutions quickly, easily, with no upfront costs