



Best Practices for Small Business

Clover Gift Cards



Welcome.

Let's get started.

This guide will get you started with everything you need to know about the Clover Gift Cards app on your Clover device, as well as the merchant web portal.

Gift card program advantages	03
Boosting the transaction	04
Gift card program basics	05
How to track your growth	06
Creating promotions	07
Customer rewards	08
Merchandising store basics	09
Employees are the secret to success	10

Gift card program advantages

A well-run gift card program connects you to your customers in ways like no other product can. This allows you to run the same kinds of marketing and promotions as national retailers to grow your sales at a minimum cost.

Key benefits:

- Deliver consumer demand for convenience
- Promote product and service awareness
- Drive foot traffic into existing locations
- Acquire new customers
- Drive sales and revenue growth
- Generate repeat business
- Increase average ticket spend
- Build brand recognition and loyalty
- Reduce cash returns
- Reduce fraud
- Use as a simple, powerful marketing tool

72%

of consumers give gift cards to provide the recipient with flexibility to purchase what they want

Source: Fiserv proprietary consumer insights survey

Boosting the transaction

Accepting gift card payments can mean great profitability for your small business, because there are two sales tied to each gift card transaction (one for the giver and one for the receiver) and you can simultaneously reward loyal customers while bringing in brand new ones.

We'll help you answer some key questions:

- Which "occasions" should I include in my assortment?
- How many different card designs should I offer?
- What style of design will appeal to my audience?

79%

of consumers spend more than a gift card's worth at a retailer

51%

of gift card recipients become repeat customers

\$59

average amount that consumers spent over the original value of a gift card

79%

of consumers prefer to receive a gift card as a store credit

Source: Fiserv proprietary consumer insights survey

Gift card program basics

Always remember that your card designs should reflect your brand and customer base.

60/40 Rule

Sixty percent of your gift cards stock should be Birthday and “Everyday/All Occasion” cards. Forty percent of the space should be allocated to occasion cards, including Wedding and Congratulations.

The importance of new designs

Gift cards are no different than other merchandise in your store, your customers want fresh new looks and options. We recommend refreshing your assortment at least once a year.

Here is what we know:

61%

of consumers turn to gift cards for milestone celebrations

72%

of consumers cite Birthdays as the most popular occasion to give a gift card

Source: Fiserv proprietary consumer insights survey



Tips

Cards can be dual purpose

Consider creating a gift card that is dual purpose to increase shelf life. For example, instead of offering a Valentine’s Day card with a heart message, create a card with “Love” or a simple heart.

Watch it grow

Your gift card program should be growing at the same rate as your revenue.

How to track your growth

New program?

Document the performance of your prior program (For example, gift certificates, bonus dollars) prior to launching.

Is your program delivering the right percentage of sales?

Your gift card program should generate 1%–4% of your revenue. New gift card programs need 1–3 years to reach this range.

What category opportunities are there?

Make a list of all the occasions that your customers might celebrate with cards. A florist may have a different set of designs and incentives than a quick service restaurant.



Creating promotions

Customer loyalty is something you earn over time. While a variety of factors influence whether or not a consumer becomes a loyal customer, we have found that gift cards are excellent tools to help build loyalty because they encourage customers to:

- Visit your stores more frequently
- Try new products
- Try more expensive or higher margin items
- Spend more money
- Choose a particular brand

For example, by offering gift cards as “Incentive Cards,” you can reward customers who perform certain desirable actions, such as purchasing a specific product.

Here is what we know:

49%

of consumers say a gift card promotion will drive them to purchase a gift card

Source: Fiserv proprietary consumer insights survey

61%

percent of respondents said that they prefer to receive a gift card over coupon or bonus bucks. Reward them for their loyalty and frequency

Source: Fiserv proprietary consumer insights survey



Show appreciation

Use gift cards as a “Thank You” for social media shout outs.

Customer rewards

Use gift cards as a way to drive spend and specific consumer behaviors.

Friends and family

Use gift cards to reward customers who bring friends and family to your business (For example, Bring five friends and get a \$10 gift card). Your sales from five new customers will far exceed your investment.

Spending incentives

Run promotions that include gift cards as incentives (For example, Buy a \$25 gift card and receive a \$5 card free; Spend \$200 and receive a \$20 gift card).

Merchandise offers

Offer a gift card for purchases over a certain amount or for buying multiple products. Use them as gift-with-purchase incentives to drive sales of specific products when you are trying to move products.

Customer engagement

Use them as social media contest prizes. Engage customers with quizzes and contests and use gift cards as a reward. It will help drive frequency to your page and help you build a larger fan base.

Customer rewards

Use them as a reward for consumer behavior (For example, If a customer provides a great social media “shout out” to you).

Foot traffic

Use them to drive behavior on low-traffic days (For example, “Come in on Tuesday and get a \$5 gift card with purchase”).



Merchandising store basics

In addition to keeping displays neat, organized, and full at all times, and having plenty of visual signage that promotes your gift card selection, here are some tips:

Create visual cues

Remind your customers throughout the in-store experience that you sell gift cards. Place gift cards at the POS, in changing rooms, on trays or a carry-out bag.

Provide value options

Allow customers to choose the gift card value either by enabling them to activate any amount on their gift card at the register (\$5 to \$500) or offering numerous value increments within a specified dollar range (For example, all \$5 increments between \$5 and \$500).

Include a free carrier

Offer a few options of branded paper stock gift card carriers, so that customers can choose their favorite. Your carriers can be very inexpensive (For example, a paper sleeve) or if you are a luxury merchant, offer a nicer, more elegant carrier, like a gift box or tin that reflects your brand well.



Tips

Say yes to packaging

Packaging for gift cards can be a great incremental sale and gives you additional opportunities to create brand awareness.

Do it with flair

Providing employees buttons, signage, and bag stuffers that promote your business helps ensure that gift cards become a part of each and every sale in your store.

Employees are the secret to success

The success of any program is based on adoption. It's just as important to get each of your store employees' excited about the program as it gets your customers to participate.

- Appoint a "Gift Card Ambassador" for your store(s)
- Make sure employees understand the benefits of gift cards for customers (For example, Convenience, allow the customer to choose what they want)
- Offer small incentives to employees based on executing your gift card plan (For example, Setting the goal of selling 50 cards this week)
- Keep gift cards handy and promote them (For example, Asking customers if they would like to buy a gift card alongside another purchase)
- Ensure your employees know about digital gift card options, if available





For additional support,
contact us at 1-855-290-7262 or
support@giftcards.clover.com