

Plastic or eCodes? By Samantha Goldstein

As the industry evolves, we are slowly seeing the shift from plastic, physical gift cards to virtual eGift cards, or eCodes. Having trouble deciding on the right solution for your program?

Offer both.

Depending on your recipient profile, it may be beneficial to offer both, a virtual and a plastic solution. It is not safe to assume that all of your recipients are familiar with eCodes or would be comfortable using eCodes. Most cards that are available in a plastic form have a virtual counterpart and both are easy to administer either through an email or by mail. By offering both options, your recipients' satisfaction with their reward will remain higher by being able to choose the medium that they prefer.

In a 2012 white paper, B2B Gift Card Market Study, from the Incentive Research foundation, a poll of businesses utilizing gift cards for incentives and loyalty programs found that "14% of businesses are now using virtual cards" and that number has continued to grow.

While the trends for eCodes are on the rise, there is still demand for plastic cards according to First Data, in which research found that 43% of consumers were unlikely or highly unlikely to buy an e-gift card, and another 68% of consumers preferred a traditional plastic card. "(Another) positive trend is growth of the e-gift card segment, especially among younger and more tech-savvy customers...The pace of e-gift cards sales is expected to rise as consumers become aware of this option and its benefits."

Something else to consider is the number of locations that a retailer has near your recipients as well as what type of gift card it is. If it is for a retail store and there is only one store within a hundred mile radius, it would be worthwhile to offer the eCode instead of the plastic card so they can easily redeem it online and have their merchandise shipped to them. If it is a dining card, the eCode will be difficult to redeem and their customer experience will be highly impacted.

Choosing one option for your program does not exclude the other. So give your members the freedom of choice, and try offering both eCodes and traditional gift cards to appeal to all of your recipients.

If you're looking to enhance your gift card program by adding eCodes or plastic gift cards, give us a call. National Gift Card is fully equipped and staffed to service all of your gift card fulfillment needs, whether it's through our gift card API solution or our direct-to-recipient fulfillment capabilities.



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