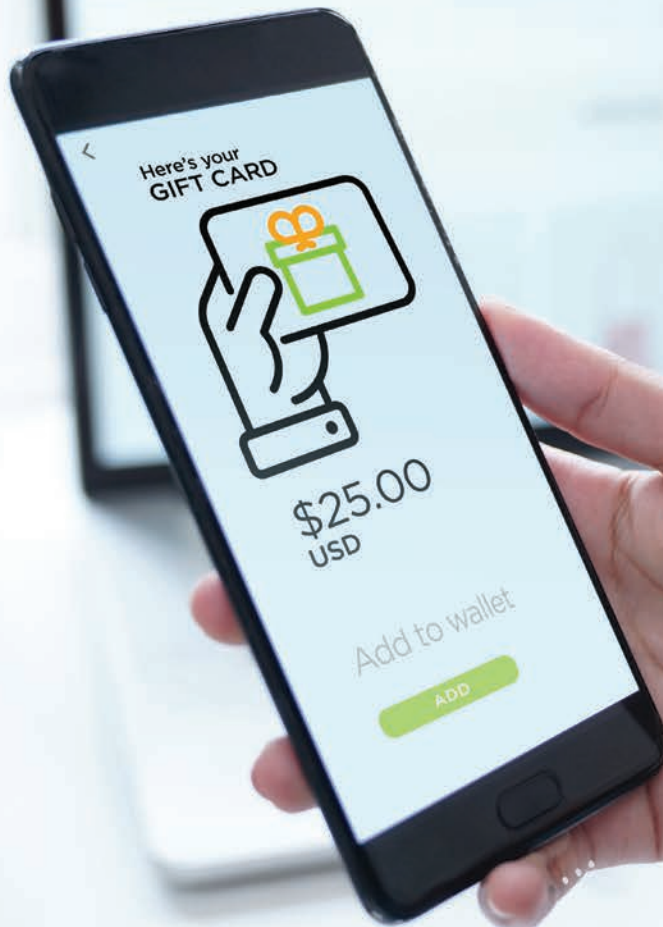


2022

MULTINATIONAL
MERCHANT
GIFT CARD
OMNICOMMERCE
EVALUATION



Who We Are

ABOUT OUR SPONSOR



Blackhawk Network delivers branded payment solutions through the prepaid products, technologies and network that connect brands and people. We collaborate with our partners to innovate, translating market trends in branded payments to increase reach, loyalty and revenue. Serving partners, we reliably execute security-minded solutions worldwide. Join us as we shape the future of global branded payments.

Consumer insights are so much more than facts and figures. It's about emotional intelligence and understanding the thoughts and feelings that drive their actions. **Blackhawk Network EQ helps brands build lasting relationships through payments.**

Learn more at blackhawknetwork.com.

ABOUT US



NAPCO Research crafts custom, data-centric solutions that leverage our highly engaged audiences across the markets in which we operate, our industry subject matter experts and in-house research expertise. We partner with our clients to identify their unique business problem and create solutions that enable deeply informed decision-making. NAPCO Research can help with:

- Business goal prioritization
- Opportunity discovery
- Market segmentation
- Landscape insight
- User needs and wants
- Product features and functionality
- Content marketing strategy
- Sales strategy and tactics
- Market conditions
- Benchmarking
- Industry trends
- Brand awareness

Contact research@napco.com to talk with our analysts to find out how we can help you with your research needs.

Table of Contents

CHAPTER 1: Why Read This Report	4
CHAPTER 2: Key Tips for Merchants	5
CHAPTER 3: Methodology	6
CHAPTER 4: Gift Card Program Strengths by Country	8
CHAPTER 5: Optimizing Your Digital Gift Card Program	10
CHAPTER 6: Optimizing Your In-Store Gift Card Program	12
CHAPTER 7: Optimizing Your Mobile Gift Card Program	14
CHAPTER 8: What to Consider Next	16
CHAPTER 9: Appendix	18

Why Read This Report

For the fifth time, NAPCO Research, in conjunction with Blackhawk Network, has undertaken a comprehensive review of the state of merchants' gift card offerings. The 2022 review included an assessment of retailers' e-commerce/digital, mobile, and in-store gift card offerings, providing a holistic view into the consumer gift card purchase and recipient experience, similar to [last year's U.S. omnichannel gift card evaluation](#).

Why is this benchmark data so valuable to merchants? It gives them an in-depth perspective of the multinational gift card market, which is a growth opportunity for their businesses. According to the [Gift Cards - Global Market Trajectory & Analytics](#) report, the global gift card market is forecast to reach

\$1.4 trillion (USD) by 2026,
growing at a compound annual growth rate of 11%
over the analysis period (2020 to 2026).

Furthermore, the report will be a valuable resource for merchants as they look to profitably grow their omnichannel gift card programs in a global environment that's transitioning from pandemic to endemic.

What can merchants do to capture their piece of the sizable global gift card market?

Key Tips for Merchants



Ensure that gift cards are easily discovered across all selling channels (in-store, digital, and app). You can't sell gift cards if consumers can't find them. Make it as easy as it is to find other products you sell.



Offer flexibility within your gift card program, including types of cards (physical and digital); cross-channel purchasing (e.g., the ability to buy physical cards online, digital cards in-store); selling of own brand's gift cards as well as multibrand cards; multiple payment and delivery options; denomination flexibility (i.e., consumer can choose the amount of card value); and advanced personalization features (e.g., personal messages, ability to upload photos, different faceplate designs).



Provide a quick, easy and secure purchase experience, including offering multiple payment options and giving the purchaser notification when their gift card has been shipped and/or received.



Optimize the gift card recipient experience. Make it easy for the recipient to add their gift card to a digital wallet as well as redeem it, including in multiple channels; check their balance; add more money to their card; and access their gift card securely.

This year's report has expanded upon its previous four iterations by extending the assessment to a multinational audience, adding U.K.- and Australia-based merchants along with U.S. brands. In addition, for the first time our evaluation included a pared-down digital assessment of an additional 25 small to midsize (SMB) brands in the U.S. This was done to better capture the total gift card market. These 30-million plus businesses provide a distinct suite of services in contrast to their larger counterparts.



Methodology



Objective

To provide a holistic assessment of the omnicommerce gift card programs of leading retailers in the U.S., U.K., and Australia, using publicly accessible information.



Assessment

More than 175 criteria were designed to evaluate expected and emerging capabilities for merchants' digital and physical gift card offerings through desktop e-commerce/digital, mobile website, mobile app, and brick-and-mortar stores, with a focus on the consumer and recipient experience, as well as the B-to-B bulk gift buyer experience. Merchants could earn 340-plus points within the evaluation.



Retailers

200 retailers were assessed in the full multinational omnicommerce assessment, representing a wide range of product verticals. Each retailer had a physical store presence and a digital/e-commerce presence.

 100 U.S. merchants

 50 U.K. merchants

 50 Australian merchants



Dates

Assessment conducted from November 2021 to February 2022.

Total Omncommerce Score



Digital Score

e.g., ease of discoverability, payment and delivery options



In-Store Score

e.g., checkstand and fixture stock levels, how helpful was staff and signage



Mobile Score

e.g., mobile payment options and functionality

All steps possible were taken to ensure that gift card purchases typified actual consumer transactions, both in-store and online. Our analysts went through the research and buying experience, purchasing physical and/or digital gift cards from each of the 200 retailers evaluated.

This multinational report is the first in a series of assets related to the evaluation of merchants' omncommerce gift card programs. Still to come are regional reports with scoring specific to each market evaluated, including, Australia, U.K, and the U.S. In addition, the regional reports will include individualized merchant scoring.

Gift Card Program Strengths by Country

US 

STRENGTH
In-Store Gift Card Experience

US merchants' in-store gift card program performed the strongest of the three countries



UK 

STRENGTH
Mobile Gift Card Experience

UK merchants excelled with their mobile gift card programs



Australia 

STRENGTH
Desktop Gift Card Experience

Australian merchants provided the strongest desktop gift card purchasing experience



Total Omncommerce Scores, Multinational Average



66% MULTINATIONAL
AVERAGE

X% Digital Score ■ Strengths □ Opportunites

AUS



69%

Digital and mobile, including site search, personalization options, and payment options.

Take their mobile efforts to the next level by engaging, marketing to, and selling to their best customers via an app. Just two of the Australian merchants had a mobile app.

UK



66%

Mobile experience. Merchants would be wise to double-down on those strengths, particularly as more consumers opt to shop via their phones.

Improve the digital and in-store experiences, where each of their averages trailed the multinational averages for those criteria categories, including site search and gift card landing pages.

US



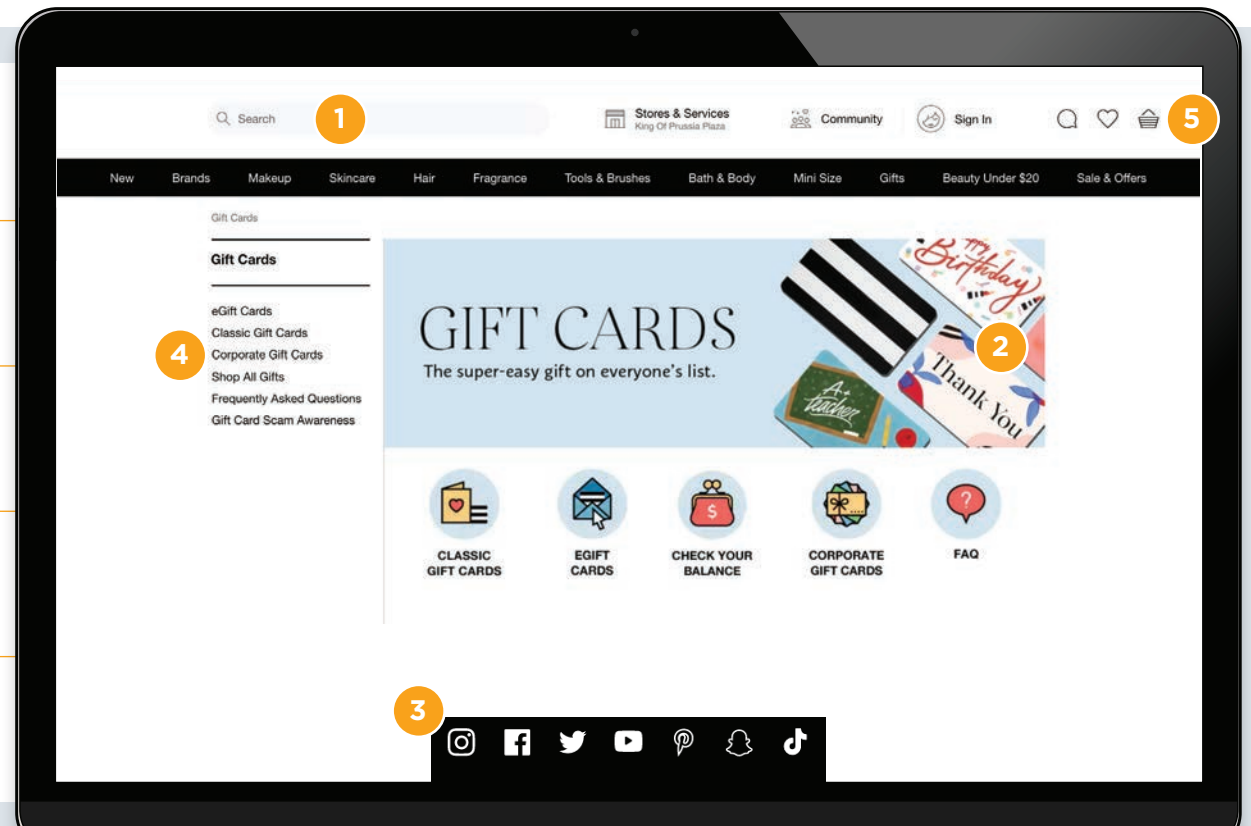
64%

In-store performance, including well-stocked and tidy fixtures and checkstands.

Digital and mobile experiences were lacking, particularly the checkout/post-purchase experience. Create an omncommerce gift card program that provides the same positive shopping experience no matter the channel.

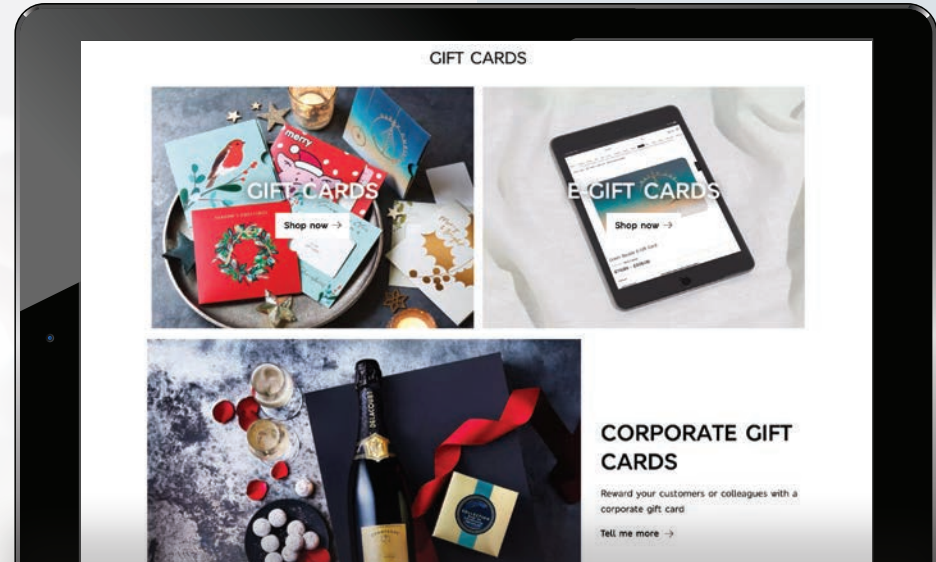
Optimizing Your Digital Gift Card Program

- 1 **DISCOVERABILITY**
Make it easy to find your gift cards online - on your homepage, gifting section, and through search.
- 2 **PERSONALIZATION**
Provide a variety of card design options and allow customers to include a custom message.
- 3 **MARKETING**
Be sure to take advantage of social media platforms to market your brand's gift card programs.
- 4 **B2B**
Don't overlook the opportunity to sell gift cards to corporate customers.
- 5 **PAYMENT OPTIONS**
Give your customers the flexibility to pay how they want to pay when buying your gift cards online.





Digital Scores and Trends



X% Digital Score ■ Strengths □ Opportunities

AUS



68%

Effective site search, with Australian merchants earning nearly full credit for this criteria.

Deliver on consumers' expectations for personalized and custom shopping experiences.

UK



62%

UK provided the best recipient experience between the three countries, earning nearly three-quarters of the possible points in that criteria category.

Marketing of gift card programs. The merchants earned just 17 percent of the available points within the Marketing criteria, which was assessed across their websites, Facebook pages, Google search results, email programs, apps, and promotions.

US



60%

Targeting B2B gift card buyers. The merchants earned, on average, half of the available points for this criteria category, which was the highest of the three countries assessed.

Strengthen the checkout/post-purchase experience, including offering multiple payment options, integration with the merchant's loyalty program, and purchaser notifications.

Optimizing Your In-Store Gift Card Program

CROSS-MERCHANDISE

Make sure gift card fixtures are located near relevant product categories.

SIGNAGE

Eye-catching signage to help customers locate gift card fixtures and drive impulse purchases.

FIXTURES

Provide a wide variety of design options for your own brand's gift cards as well as other brands' gift cards, if you sell other cards.

CHECKSTANDS

Make sure to keep checkstands tidy and well-stocked.



In-Store Scores and Trends

Fixture Types

CHECKSTANDS:

Gift card displays located in the store's checkout area.

FIXTURES:

Gift card displays located throughout the store, not including the checkout area.



In-Store Score Strengths Opportunities

AUS



58%

Marketing their own gift cards more prominently than other brands' gift cards in-store, both within fixtures and checkstands.

A lack of variety for merchants' own gift cards at checkstands, collecting just 34 percent of the available points, on average. Get attention for your brand's gift cards by including offering a wide variety of design options (e.g., packaging, faceplates, occasion-specific designs, such as Happy Birthday, Mother's Day, Father's Day, etc).

UK



60%

Marketing signage (e.g., POP displays, digital signage, endcaps) for non-checkstand fixtures.

Give more real estate to in-store checkstands and fixtures, as they generate high average sales per square foot.

US



65%

Accessibility of in-store fixtures and checkstands, making it easy to find and purchase gift cards in-store.

Out-of-stock pegs on non-checkstand fixtures. Fixtures and checkstands need to be well-stocked and tidy, with gift cards cross-merchandised (i.e., located near relevant items/product categories).

Optimizing Your Mobile Gift Card Program

1 MOBILE PAYMENTS IN-STORE

Give your customers the convenience they want by accepting mobile payments in-store.

2 RECIPIENT EXPERIENCE

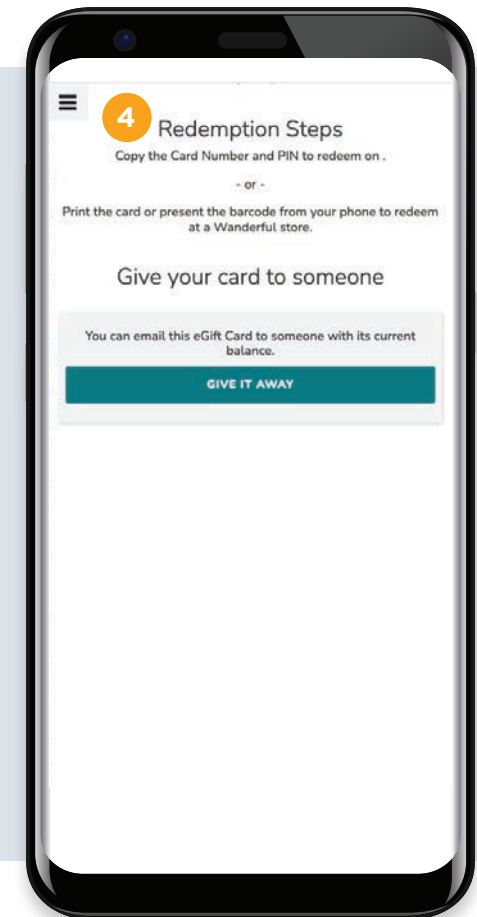
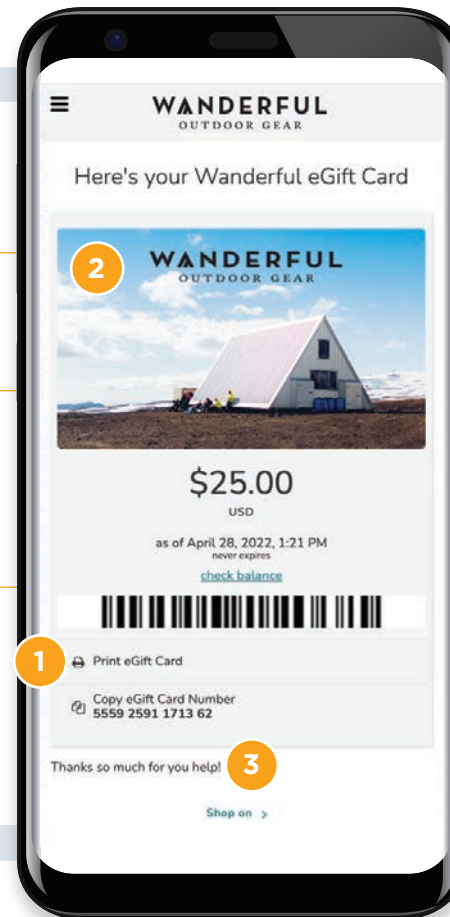
Digital gift cards should be mobile optimized and easily added to a mobile wallet/payment app.

3 PERSONALIZATION

It is important to give your customers options to personalize both physical and digital gift cards on your mobile app, not just on desktop. Allow customers to choose from a variety of faceplate options and to include a custom message.

4 DELIVERY TIMELINE

Delivery timelines for digital and physical gift cards purchased on mobile app should be messaged to customers via their preferred communications channels, including email and SMS. It's also important to provide an option for immediate delivery of digital gift cards and make it easy to leverage for self-use or gifting needs.





Mobile Scores and Trends

Merchants are adopting a mobile-first approach for both gift card purchasers and recipients. The multinational average for the mobile component of the assessment was the highest of the three channels evaluated. Mobile frequently acts as the bridge between customers' digital and in-store experiences, making it a critical part of an omncommerce gift card program. The merchants' mobile scores were determined based upon in-store and digital (i.e., e-commerce) performance on mobile devices.

X% Mobile Score ■ Strengths □ Opportunities

AUS



81%

Accepting mobile payments (PayPal, Apple Pay, Venmo) and processing mobile payments, as well as communicating to consumers that they accept mobile payments.

Make gift cards easy to find in all channels, including mobile, by adding a Gift Cards link to your navigation bar and optimizing site search.

UK



75%

Mobile payments being processed quickly and easily in-store. Clearly communicating the delivery timeline, both for physical (days till delivery) and digital cards (seconds or minutes till delivery), and across both mobile web and mobile app.

Delivery timelines are important information for both gift card purchasers and recipients, and should be messaged via email, SMS or other preferred communication channels.

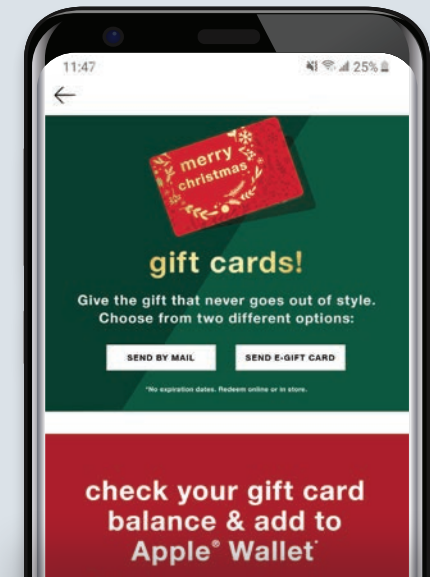
US



65%

Having multiple faceplate options (four or more, with multiple occasion-specific designs, including for birthdays, holidays, thank-yous) that enable the customer to personalize the gifting experience.

Offer in-store mobile payment options to give consumers the ability to pay their preferred way, which can in turn increase the likelihood of conversion.



What to Consider Next

Our first ever multinational omnicommerce gift card report reveals that merchants across multiple continents are taking the right steps towards optimizing their gift card programs, meeting the needs of endemic consumers seeking everywhere commerce across physical, hybrid and online experiences. In order to have a successful omnicommerce gift card program, retailers must excel in several fundamental areas, including providing a smooth in-store gift card shopping experience, particularly with the integration of mobile in-store services such as payments; providing aesthetically pleasing and information-rich gift card landing pages; providing clear delivery timelines for both physical and digital cards; and offering flexibility for the gift card purchaser, including both open loop (can be used anywhere that brand of card is accepted) and closed loop (can only be used with a specific merchant) gift cards.

For merchants looking to take their gift card program from average to good or, better yet, good to great, start by simply making sure more people know about your program. Marketing related to merchants' gift card programs is lacking. Leverage communication channels such as email, SMS, social media, websites, etc., to promote your brand's gift card offerings. Furthermore, tie in promotions (e.g., buy a \$100 gift card, get \$20 added to it for free) to help drum up consumer demand for gift cards, especially outside of the Q4 holiday season. Lastly, test using gift cards as credit for in-store product returns as well as tools to help appease and settle customer service disputes. Gift cards offer more versatility to merchants than just a Q4 gifting product.

In addition, merchants should seek to tap into the B-to-B gift card market to drive bulk gift card sales. Develop a corporate gift card program, including a separate landing page (on desktop, mobile web, and mobile app) with all of the pertinent details on why businesses should buy gift cards (e.g., employee rewards programs, product exchanges, customer care appeasement), both physical and digital, in bulk.

Lastly, personalizing the gift card purchase and recipient experience is becoming a must. Whether it be the cards themselves, the packaging they come in, or the messaging a recipient receives, there should be a personal touch to the gift card experience. That extends to other innovative ways to think about how your company can sell, use and deliver gift cards. Ideas to think about include:

- **Customization options:** Make it feel like a gift (e.g., offer the ability to upload your own photo, personal messages)
- **Self-Use:** Offer flexible purchase options for the growing number of consumers buying gift cards for personal use. For example, sell physical cards online for gift-givers that want to give a physical token, and sell digital cards in-store to capture self-users that often prefer that delivery method.
- **Accept new/additional forms of payment,** including mobile wallets (PayPal, Apple Pay, Google Pay, Venmo); cryptocurrency, with an eye toward selling gift cards in the metaverse; and buy now, pay later (BNPL).
- **E-gift delivery methods:** What's next beyond email? SMS? Social media?

And remember, following this multinational report will be complementary regional reports with in-depth scoring specific to each market evaluated. Those regional reports will include individualized scoring for the merchants assessed within that market, as well as real-world examples.

TALK TO Blackhawk Network

Need some help with your gift cards?

Contact Blackhawk Network
to learn more today.

**Call 866.219.7533 or visit
blackhawknetwork.com**



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Appendix

DIGITAL ASSESSMENT:

126 Evaluation Criteria, 211 Max Points (164- w/out App*)

<p>DISCOVERABILITY/AWARENESS 45 POINTS (30 POINTS W/OUT APP)</p> <ul style="list-style-type: none"> • Findability – home page/menu • Findability – search • Landing page info/aesthetics • Availability of digital and physical cards • Carrying other brands' gift cards 	<p>CHECKOUT/POST PURCHASE 34 POINTS (30 W/OUT APP)</p> <ul style="list-style-type: none"> • Integrated cart • Loyalty program support • Payment options • Checkout and order completion • Post-purchase communication 	<p>B-TO-B PROGRAM 8 POINTS</p> <ul style="list-style-type: none"> • B-to-B program findability/details • B-to-B program registration • B-to-B available card types <p>CREDIT CARD REWARDS (US ONLY) 5 POINTS</p> <ul style="list-style-type: none"> • Card availability in top credit card loyalty programs
<p>GIFT CARD OFFERING FLEXIBILITY 61 POINTS (42 W/OUT APP)</p> <ul style="list-style-type: none"> • Faceplate options • Personal message • Advanced personalization (BONUS POINTS ONLY) • Denominations • Delivery time • Self purchase flow (desktop only) • Physical card form factors / packaging options (BONUS POINTS ONLY) • Upsell • eGifting (BONUS POINTS ONLY) 	<p>RECIPIENT EXPERIENCE 42 POINTS (34 W/OUT APP)</p> <ul style="list-style-type: none"> • Delivery • Brand experience • Redemption options • Mobile friendly (digital) • Security (digital) • Balance check • Reload • Regift (BONUS POINTS ONLY) 	<p>MARKETING 12 POINTS (11 W/OUT APP)</p> <ul style="list-style-type: none"> • Marketing of gift cards (retailer website, email, social media, Google search results) • Sales promotions leveraging gift cards <p>CUSTOMER SERVICE 3 POINTS</p> <ul style="list-style-type: none"> • Self-service customer service • Email (responsiveness & accuracy) • Facebook (responsiveness & accuracy) <p>INNOVATION 1 POINT</p> <ul style="list-style-type: none"> • Innovative concepts

*Merchants that did not have an app were not scored on app-related criteria, and were therefore scored out of only 164 points, while retailers with an app were scored out of 211 total points

IN-STORE ASSESSMENT: 50 Evaluation Criteria, 129 Max Points

MOBILE IN-STORE 11.5 POINTS	IN-STORE: GENERAL 10.5 POINTS
<ul style="list-style-type: none"> • Transaction completion • QR code payment & signage (BONUS POINTS ONLY) • In-app mobile wallet payment & signage (BONUS POINTS ONLY) • NFC payment & signage (BONUS POINTS ONLY) • Innovation: other methods to enhance customer mobile experience (BONUS POINTS ONLY) • Buy merchandise in-store with digital card on mobile device 	<ul style="list-style-type: none"> • Custom amounts for store cards • Gift wrapping options • Re-load physical card in-store • Buy card with loyalty points • Staff knowledge/helpfulness • Gift card included as part of a sales promotion (BONUS POINTS ONLY) • Gift card marketing related to theme or season (BONUS POINTS ONLY) • Carrying other brands' gift cards
IN-STORE: CHECKSTAND 51 POINTS	IN-STORE: FIXTURE 56 POINTS
<ul style="list-style-type: none"> • Number of checkstand fixtures • Impulse purchases • Variety of cards • Number of pegs • Variety of store cards • Number of out-of-stock pegs • Tidiness of checkstand • Size of gift card marketing signage • Eye appeal of gift card marketing signage • Store cards marketed over other brands • Square footage of checkstand • Informative signage 	<ul style="list-style-type: none"> • Number of non-checkstand fixtures • Impulse purchases • Variety of cards • Number of pegs • Visibility of fixture • Variety of store cards • Number of out-of-stock pegs • Tidiness of fixture • Size of gift card marketing signage • Eye appeal of gift card marketing signage • Store cards marketed over other brands • Organization by category (BONUS POINTS ONLY) • Fixture near relevant items (BONUS POINTS ONLY) • Square footage of fixture • Informative signage