



**The Voucher Association has valued the gift card market in the UK at £3 billion a year. Healthy growth, between 5% and 15%, has been reported over the past 5 years and looks set to grow rapidly over the next few years.**

With this increasing use of gift cards in the UK market, Commidea has enhanced its industry leading Ocius card payment software to enable it to accept e-Gift and loyalty transactions from a choice of leading providers.

As well as e-Gift, Commidea's Ocius card payment solutions also accept e-Top Up and contactless payment transactions, making it the most advanced Chip & PIN system available today.

## e-Gift & Loyalty Cards

- Supports both gift and loyalty card services
- Integrated solution – no need for a standalone system
- Added revenue stream in addition to existing retailer activities
- Gift card market maturing in the UK
- An average incremental spend above the value on the card is 40%
- Improve customer loyalty and retention with reward points
- Increase footfall in store and impulse purchases
- Secure, easy to use and better than paper vouchers
- Pre-certified by the e-Gift provider
- Accurate, real-time information on customer purchasing e.g. ability to track redemptions across multiple locations or environments
- Improved opportunities for targeted marketing campaigns
- Reduces the risk of fraudulent vouchers as the card must be activated in-store before use
- Reduced administration costs compared to paper based vouchers
- Branded gift and loyalty cards increases brand awareness
- Integration with returns ensures that refunded value of goods can be spent at the same retailer



# e-Gift & Loyalty Cards

Electronic gift cards have been designed to overcome many of the limitations and difficulties retailers have experienced with the use of paper-based voucher schemes. Along with the associated problems of paper vouchers including issues with shrinkage and the fact they can be easily damaged, there is a real lack of any simple means of tracking redemption. In comparison, the introduction of electronic gift cards into the UK market has helped drive out shrinkage and fraud costs. In addition, electronic gift cards can be quickly processed in the same way as any other form of plastic card and provide real-time information on customer purchasing.

This integration of e-Gift with Commidea's card processing solutions allows leading and independent retailers to take advantage of a fully integrated payment architecture, offering faster transaction times and consolidated management information, as well as avoiding the need for duplicate systems.

Over the last few years, the experience of the UK market has demonstrated that electronic gift cards carry a number of value-added benefits, including employee incentive schemes, use for staff discount programs, credit notes and refunds. E-Gift cards have a higher perceived value than paper vouchers or cash incentives leading to increased store footfall and higher impulse purchasing. To aid commercial awareness, electronic gift cards can be branded to retailers own requirements to reinforce brand awareness and perception, including supporting one-off marketing campaigns.

Commidea's generic e-Gift interface will support e-Gift services from all the leading providers, be pre-certified by these providers and available as an off-the-shelf product, significantly reducing time and costs when compared to a bespoke solution. Gift cards are only activated at the time of purchase, and the transactions processed in real-time from the Point of Sale. This allows the card to be widely displayed throughout the store and at the paypoint without risk of theft. Each time the customer wishes to use the card, it is simply processed in the same manner as other cards. The transaction details and authorisation request are then passed by the retailer's PoS systems to Ocius, which handles all communications with the appropriate e-Gift acquirer service. A response is then sent to authorise or decline the transaction, as appropriate.

Depending on your choice of e-Gift provider, Gift cards can be issued with either pre-set or variable load values and can be either re-loadable or disposable. In addition, as with paper based vouchers, a conditional expiry date can also be set.

As well as supporting gift cards, Commidea's Ocius solution has also been developed to support loyalty services. Loyalty services enable merchants to reward customers with points that can be redeemed for products and services in the future. These reward points can be added to the loyalty card during the payment process and encourage repeat business and customer retention.

Promotional codes can be set-up by the merchant and use the transaction amount and unit value to calculate the amount of points to be added to the loyalty card. This enables merchants to operate a loyalty scheme based on their particular business strategy. Secondly, it also enables merchants to operate adhoc in-store marketing campaigns to promote certain products and services to encourage customers to purchase certain items or visit the store.

Overall, electronic gift cards provide a higher return on investment than traditional paper-based vouchers and increase footfall and brand awareness. Not only are they more secure, they also reduce administration and increase transaction times. Loyalty cards focus on customer retention and are an important element in establishing a growth strategy for high street retailers.

To keep track of both the gift and loyalty scheme, a reporting system also provides information on activations, registers, redemptions, increments, cancels, adjustments, balance transfers, points issuance and points redemption.



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