



Even in Digital Age, 3 Out of 4 Redeem Loyalty Points for Plastic Gift Cards

National Gift Card Annual B2B Gift Card Report Highlights Most Popular Options in Loyalty, Rewards, Employee and Incentive Gift Card Programs

CRYSTAL LAKE, Ill., May 8, 2018 – [National Gift Card Corp.](#) (NGC), one of North America's largest, independently-owned gift card companies serving the B2B loyalty, rewards and incentive marketplace with over 500 physical and digital brands across the U.S., Canada, UK and Europe, released its annual gift card report detailing redemption statistics for B2B programs in 2017.

Key findings include the following:

Big Box Stores Are Still King: The big box category tops the list for the third consecutive year with 27 percent of the total volume in gift card programs tied to Amazon, the leader in the eight-company category. Category rankings for gift card sales are:

1. Big Box Retailers - 26.8%
2. Open Loop - 21.8%
3. Entertainment - 17.4%
4. Department Stores - 6.8%
5. Quick Service - 5.1%
6. Gas/Automotive - 5%
7. Casual Dining - 4.4%
8. Home Improvement - 3.8%
9. Specialty - 3.5%
10. Apparel - 2.2%
11. Canadian Program Cards - 1.9%
12. Grocery/Pharmacy - 1.3%
13. Sports & Wellness - 1.2%
14. Travel - 0.7%

Consumers Prefer Physical Gift Cards: Although decreasing by 3 percent over the past year, 75 percent of the volume in gift card program redemptions is still in physical cards versus 25 percent for digital gift cards (eGift cards).

Top 10 physical gift or reward cards (by load volume):

1. Visa

2. Amazon
3. Walmart
4. iTunes
5. American Express
6. Target
7. Starbucks
8. TJ Maxx
9. Macy's
10. The Home Depot

Biggest Category Increases: The Entertainment and Travel categories grew the most with B2B card sales growing by 139 percent and 97 percent, respectively, between 2015 and 2017. While still representing the smallest increase of overall gift card reward value (less than 1 percent of reward load issued to the B2B marketplace), the travel gift card category saw sales of brand-savvy cards such as Hotels.com picking up popularity as a reward redemption option in B2B incentive and loyalty programs.

Top 10 physical gift or reward cards (by quantity) are:

1. Amazon
2. iTunes
3. Walmart
4. Starbucks
5. Target
6. Visa
7. American Express
8. Subway
9. The Home Depot
10. Panera

Reflecting on the results, NGC President Eric Thiels observes, "The agencies and corporations looking for a best in class [gift card provider](#) stress four similar requirements that affect their ability to run successful programs."

Thiels outlined the requirements:

- 1) **Brand Choice** - The most successful loyalty programs have a targeted gift card catalog that provides options across multiple merchant categories to match reward redemption options with stage of life and age demographic relevancy.
- 2) **Delivery Method** - Whether it's physical gift cards mailed to home or business, or digital gift cards sent in real-time via a [gift card API](#), programs that offer the option of either physical or digital gift card delivery have a better chance of engaging participants as lifestyle, urgency, re-gifting and other considerations drive how users want to receive their gift card rewards.
- 3) **Quality and Security** - Companies now rate potential gift card suppliers to ensure the cards and codes they supply are not only secure, but delivered with the highest level of quality oversight and capacity. Nobody wants to receive a gift card reward that a) doesn't work, b) doesn't arrive on time, and c) arrives poorly packaged or delivered.
- 4) **Speed** – No one will wait 2-3 weeks for a gift card to arrive – it needs to be there ASAP.

"Managing the sourcing and fulfillment of gift cards for the B2B industry is not an easy task," continues Thiels. "In an age when automation, security, and program choice/flexibility are

requirements, you've got to stay ahead of the trends to ensure you're prepared to meet today's consumer expectations.”

Other 2017 findings include:

- Open Loop prepaid reward cards from VISA, Mastercard, and American Express are the second biggest sales category, accounting for 22 percent of B2B incentive volume.
- Entertainment is in third place with total sales of 17 percent, with iTunes gift card sales leading the bulk of that category.
- Starbucks is one of the leading card redeemers from a quantity standpoint, due to the low denomination and frequency of use; e.g., everyday spend product.

The above statistics were derived by monitoring gift card purchases from thousands of corporate clients in the loyalty, rewards and incentive markets that generated nearly half a billion dollars in B2B gift card volume through NGC's client programs.

A specific breakdown of gift card category sales for 2017 can be found in the graphic that accompanies this article.

About National Gift Card Corp.: NGC operates across the U.S. and Canada. NGC also operates in the United Kingdom and across Europe as NGC Corp. Europe, Ltd. NGC is headquartered in Illinois. To learn more about NGC, visit <http://www.ngc-group.com> or call +1.888.472.8747