

Sealed with a click

While the number of gift cards in the UK has soared, advances in technology are slow to percolate through to allowing vouchers and cards to be used online

John Lewis started the ball, or rather the mouse, rolling in the UK four years ago when it launched new vouchers that could be used for shopping online for the first time. After something of a lull, other companies are now starting to overcome the technology challenges to let their customers redeem virtually.

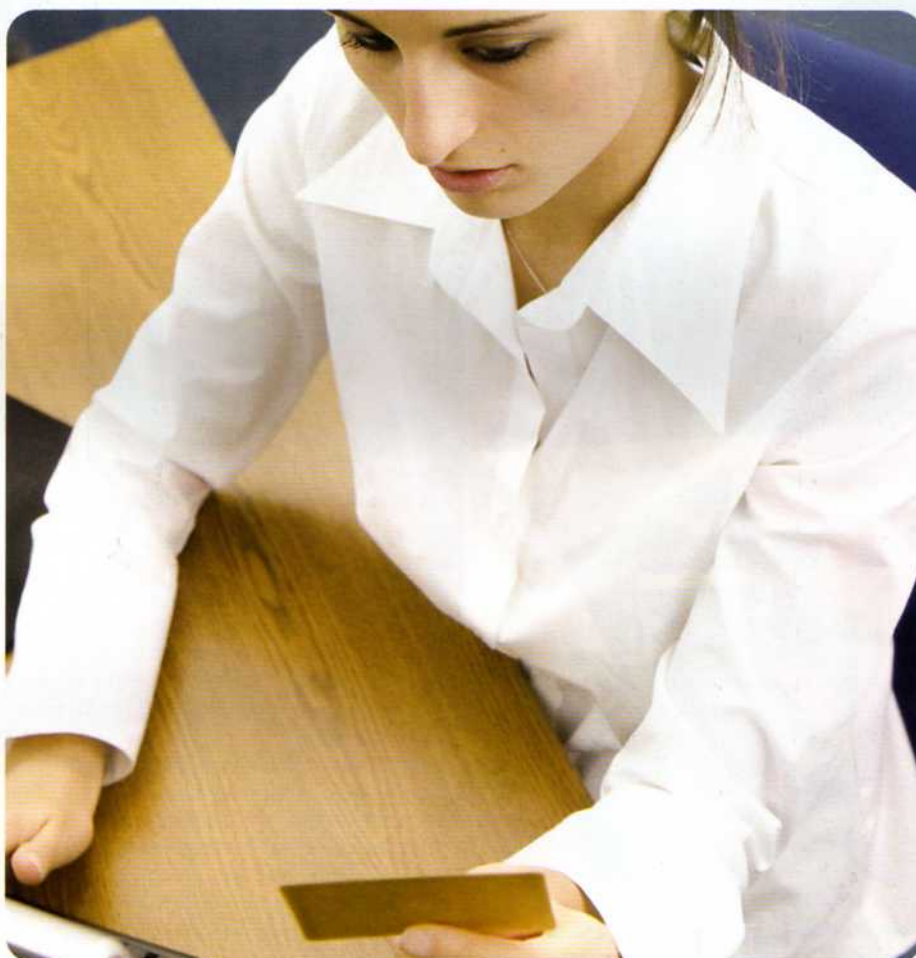
High-street retailer Early Learning Centre is on the verge of making its gift cards redeemable online at the moment, following in the footsteps of the likes of Boots. Projectlink Motivation now allows recipients of its multi-redemption Supercheques to redeem them online for vouchers using the serial number and a unique ID code – and has secured the rights to the domain name, redeem-online.co.uk.

House of Fraser is among the latest to join this small but growing band, making its vouchers redeemable online from this spring. Its business incentives manager, Catherine Forrest, explains: "With the huge increase in online shopping, more and more people now expect to be able to buy and redeem their vouchers online, and it may be that, one day, technology will overtake paper products. Many retailers now offer electronic gift cards which have helped to build this part of the market."

She believes that online redemption and ordering will help to grow business for vouchers and gift cards. "The opportunity to buy and redeem vouchers online opens up markets abroad where, perhaps, family and friends can buy online vouchers which can be spent in the UK."

As part of the launch of the multi-store SayShopping voucher, Sodexo planned an added-value online presence that allows recipients to access special offers and build up a two-way communication channel with the company. However, while SayShopping has a secure online ordering system, the multi-redemption model, with the need for putting systems in place with different partners, is not yet suitable for shopping online.

"As the internet secures itself as the principal source of our shopping destinations,



companies will expect to have the facility available to them to purchase and conduct their rewards online," says Kevin Harrington, research and development director at Sodexo. "As the benefits of 'real time' information available at the click of a mouse are indisputable and so, without doubt, digital will be the primary channel for rewards."

E-vouchers are also taking time to take off, with only a few companies going down this totally digital route. Online retailers such as Amazon, eBay, CDnow and Play.com have been offering emailed vouchers for some time, with Amazon in particular targeting the

corporate incentives market.

HMV launched its e-voucher offer in 2006 which has proven a success with its target market of younger media-savvy consumers. It has allowed it to work on joint promotions with other retailers, such as last month's campaign with GE Money's Topman Account Card. This incentivised people to use the card by offering them a £5 HMV e-voucher if they spent £30 or more in one transaction in-store or online – with a restriction of one voucher per person.

However, organisers of incentives and promotions are urged to take care not to lose the personal touch. This is something that has

HOUSE OF FRASER

Business Incentives



Harrods is preparing to launch online redemption for its gift card this year

been identified as a risk by Harrods, which is set to make its gift cards redeemable online for the first time later this year. Tracy Finn, head of Harrods Corporate Service, says that she already encourages organisers of incentives to contact her team rather than just order cards in bulk online. "While the online experience will be important to customers in terms of ease of purchase and redemption, nothing can replace the complimentary personal service from account executives who can advise on briefs and budgets to suit specific company reward schemes."

Forrest at House of Fraser agrees that using

emails and websites for distributing incentives has a danger of lessening the impact of the reward. "We're aware that we need to be part of the growth in e-vouchers and multi-channel marketing, but we also believe that actually shopping in one of our many stores is an experience that people won't get by using vouchers online."

Harrington at Sodexho is also confident that, for the majority of brands, offline activity will continue to play a significant part. "Nothing can beat human contact, especially when 'the computer says no!' And, also, let us not forget the importance of having a tangible reward and the benefits that can bring – receiving a voucher in your hand from someone who values you has to beat receiving an email with a e-coupon."



Supercheques can be redeemed online for other vouchers

Egg and One4all



Egg, the online bank, has revealed that its first-ever credit card promotion using a retail gift voucher led to higher-than-expected response rates.

It offered The Gift Voucher Shop's multi-store One4all voucher to help boost credit card usage and to provide an added-value offer for card-holders that they could not get elsewhere.

For two weeks, Egg – which now has 2.8 million customers – sent out a series of alerts to 720,000 unique card-holder email addresses on its database. It included six offers, including one giving a five per cent discount against face value on orders of One4all vouchers, plus free postage and packing.

The Gift Voucher Shop's business partner director, Tracy Aslam, said: "We tailored the promotion to feature the retail brands on the One4all voucher which best matched with Egg's ABC1 card-holding customer profile, so we led on eight aspirational brands including Debenhams, House of Fraser and Champneys.

"Our expectation was to achieve a half a per cent response rate, but as it turned out we actually achieve a one-and-a-half per cent click-through from the email alerts to our website where the purchases could be made. This really emphasises the fact that ours was a very strong offer."

Egg's head of rewards, Tony Temple, said: "This promotion was a first for Egg, and we achieved a great result with One4all."

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