



2023

# Merchant Gift Card Omnicommerce Evaluation

US Edition 



# Why Read This Report

Quite simply, this is the most in-depth, comprehensive benchmark study on the gift card industry available today. The sixth annual Merchant Gift Card Omncommerce Evaluation from NAPCO Research and Blackhawk Network provides the following:

- a comprehensive review of 100-plus U.S. merchants' gift card programs based upon 175 criteria;
- an assessment of their e-commerce/digital, mobile, and in-store gift card offerings, including the consumer purchase and recipient experience; and
- a limited digital assessment of 25 digitally ascendant brands.

## Why Gift Cards Should Be a Priority for Merchants

- The U.S. gift card market is forecast to grow at a compound annual growth rate of 9 percent between now and 2026, when it will be valued at \$260 billion<sup>1</sup>.
- For the 16th year in a row, consumers chose gift cards as their preferred gift to give to others<sup>2</sup>.
- Gift cards provide strong ROI on a sales-per-square-foot ratio in-store.
- There are multiple use cases for gift cards throughout the customer lifecycle — e.g., gifting, self-use, B2B, promotions, refunds and credits.

This report serves as a resource to help merchants' gift cards programs reach their full potential and capture their share of the market. It features benchmark data on U.S. merchants' gift card programs which can be used to measure performance, as well as best practices that can be implemented by all merchants.



## What's New in the 2023 Report

1. **Convenience added to the verticals assessed:** Convenience store sales [grew by nearly 25 percent to \\$664 billion in 2021](#)<sup>3</sup> and the category's conduciveness to selling gift cards quickly and easily to consumers on the go makes it a vertical worth tracking.
2. **A separate, smaller assessment for digital ascendant brands:** The 25 brands included in the category were launched online. We evaluated their digital gift card programs on a scaled-down version of the full assessment (E-Commerce Digital and Mobile Digital criteria).

<sup>1</sup>PayNXT360 US Gift Card Country Intelligence Report, January 2022

<sup>2</sup>National Retail Federation and Prosper Insights & Analytics, <https://nrf.com/media-center/press-releases/record-1663-million-shoppers-expected-during-thanksgiving-weekend>

<sup>3</sup>Convenience Store News, <https://www.csnews.com/convenience-store-news-industry-report-2022-back-future>

## Total Omncommerce Score



### Digital Score

discoverability, offer flexibility,  
checkout/post-purchase



### In-Store Score

signage, staff knowledgeability,  
payment options



### Mobile Score

integrated cart, search 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, buying and recipient experience, purchasing physical and/or digital gift cards from each of the 100 retailers evaluated. Please see the Appendix at the end of this report for more details on methodology.

# U.S. Merchants Evaluated

For the 2023 U.S. omnicommerce gift card evaluation, 100 merchants were selected from across the following 12 verticals:



Apparel



Convenience  
Store



Department  
Store



General  
Merchandise



Grocery



Health/  
Beauty



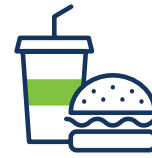
Home  
Furnishings



Home  
Improvement



Restaurant –  
Casual



Restaurant –  
Quick Serve



Specialty



Sporting

# Each Component Assessed Shows YoY Improvements

Overall US Results  
& YoY Percentage  
Point Difference

TOTAL  
OMNICOMMERCE  
AVERAGE SCORE

70%

+7% YOY



E-Commerce/Digital  
Average Score =

64%  
+4%YoY



In-Store Average Score =

69%  
+4%YoY



Mobile Average Score =

78%  
+12%YoY



# Tips for a More Effective Gift Card E-Commerce Program

## Give Your Customers Flexibility

### By the Numbers

Merchants scored well for customization of digital gift cards on desktop such as **faceplate options (104%)**, **personal messaging (75%)**, and **denomination flexibility (68%)**. Scores for physical gift cards were reliably lower on each of these criteria.

Average scores for payment options were very high in all channels, including desktop: **98% for digital gift cards**; **100% for physical gift cards**.



### Best Practices

- Give gift card buyers the ability to personalize their purchases through multiple design and messaging options.
- Offer additional flexibility in the gift card purchase process, including custom denominations and delivery flexibility (e.g., email or SMS for digital cards, free and/or expedited shipping for physical cards).
- Leverage digital channels such as email and social media to both market your gift cards as well as respond to customer service queries.
- Ensure that any gifting section within your brand's digital properties includes gift cards (your own brand's and other brands', where applicable).

# Optimize the Recipient Experience

Average scores in the Recipient Experience criteria category increased 4 percentage points YoY (from 55 percent to 59 percent). But there is still more work to do to **optimize the recipient experience**:

- Ensure that digital gift cards are properly secured when they are sent to recipients (e.g., specific info is required to access the gift card).
- Make it a mobile-friendly experience, including the ability to add a digital gift card to a mobile wallet.
- Give the recipient an easy way to redeem, reload or regift the card.
- Allow for split tender on purchases by gift card recipients (i.e., pay for a \$75 purchase using a \$50 gift card and then a credit card to pay the balance). Don't create obstacles for customers to give you their money.

## New Criteria

Split Tender was a new criteria this year, and the merchants earned an average score of just 53 percent for it.



# Areas of Opportunity for Gift Card E-Commerce: Customer Service & Marketing

## By the Numbers

Average scores in the Customer Service criteria category were only 51 percent, which includes **self-service (64 percent)**; **email responsiveness (43 percent)** and **email accuracy (35 percent)**.

facebook

Home

Live

Shows

Explore

**SPEND \$25 ON A GIFT CARD  
GET A FREE 6 INCH SUB**

Create awareness for your omnichannel gift card program by marketing it in multiple channels, including social media (where 83 percent of merchants got a score of zero) and email (where scores were down 27 percentage points YoY).

SUBWAY

GIVE THE GIFT OF  
**DING, DING, DING**

GIFT FUN, GET FUN. BUY A \$50 GIFTCARD  
AND GET \$10 IN FREE GAME PLAY.\*

BUY GIFT CARD



Leverage gift cards in promotions. The average score for this criterion was down 15 percentage points YoY to only 34 percent. Brands that run promotions capture nearly 40 percent more revenue from their gift card program vs. those that do not.

Consider self-service options for gift card shoppers, like Applebee's has done with a dedicated FAQ page for its gift card program.



7:21

Applebee's  
GRILL • BAR



## Gift Card FAQ

### How do I buy a Gift Card to use today?

We offer 2 convenient ways to purchase a gift card today. Visit our [Gift Cards](#) page.

Gift Cards may be purchased at any Applebee's Neighborhood Grill & Bar location for any amount. If you have time for your Gift Card to be mailed to you, please use our secure online ordering system.

Digital Gift Cards may be purchased directly from our website. Simply fill out the information requested and send to any email address. Get your [Digital Gift Card](#) now.

### Can I use a gift card to purchase a gift card?

Applebee's gift cards are not redeemable for Applebee's gift cards.

### Can I mail a Gift Card to another person?

Gift Card orders can be shipped to any United States address. Cards shipped via UPS cannot



# Tips for a More Effective In-Store Gift Card Program

## Elements of an Effective In-Store Gift Card Program



**STAFF  
KNOWLEDGEABILITY**



**NEAT AND TIDY,  
WELL-STOCKED FIXTURES**



**FLEXIBILITY TO ADD  
CUSTOM DOLLAR  
AMOUNTS TO GIFT CARDS**



**EYE-CATCHING AND  
INFORMATIVE SIGNAGE,  
CHECKSTAND PLACEMENT**

# Optimizing Your In-Store Gift Card Program

- 1 Carry other brands' gift cards.
- 2 Give customers the ability to earn loyalty points on in-store gift card purchases.
- 3 Use gift cards in sales promotions. While only 23 percent of the merchants assessed earned points for this criterion, that number is up from 10 percent in 2022.
- 4 Make it clear to customers which NFC/contactless mobile payment options (Apple Pay, Samsung Pay, Google Pay, etc.) are available, and ensure those transactions are seamless.

On a less positive note, merchants' YoY scores decreased slightly for the criteria related to gift cards found at checkstands (-4%) and fixtures (-1%) in-store.



Users of this restaurant app can pay for their meals by scanning the QR code on the bottom of their check for quick and easy self-checkout.



# The Value of Signage In-Store

Clear, eye-catching, informative signage is effective at driving increased traffic to and sales of gift cards. In particular, larger format stores such as department, grocery, and general merchandise stores should invest in signage, analog or digital, to draw attention to their gift cards, which yield one of the highest sales-per-square-foot ratio in-store.

## By the Numbers

**For in-store checkstand signage,** the merchants earned, on average, 37 percent of the available points for the size of the signage, 35 percent for the signage being eye catching, and just 17 percent for the signage being informative.

**The numbers were much improved for fixtures** — 77 percent for size of the signage; 60 percent for eye-catching signage; and 32 percent for informative signage.

Dairy Queen has not only introduced eye-catching signage to its store, but it's also tied seasonal messaging into the promotion of its gift cards. We saw a tremendous lift in seasonal marketing of gift cards in the 2023 assessment, with 53 percent of retailers using this tactic vs. just 8 percent in 2022.



Customers walking into this Panera location are immediately greeted at the front door with signage for the restaurant's gift card promotion (purchase a \$50 gift card and get a free \$10 gift card).





# Spread the (Gift Card) Love

## By the Numbers

Retailers are doing a fairly good job of having a variety of their own brand's gift cards in-store (**63 percent for checkstands, 56 percent for fixtures**).

They're also wisely marketing their own brand's gift cards ahead of other brands' gift cards (**58 percent for checkstands, 50 percent for fixtures**).

Yet many are missing an opportunity by not selling other brands' gift cards in their stores, **earning just 13 percent for this criteria for checkstands and 45 percent for fixtures**.

## Best Practices

- Accommodate custom dollar amounts with variable denomination cards for your own brand's gift cards.
- To increase average order value, make it easy for users to reload your brand's physical gift card in-store.



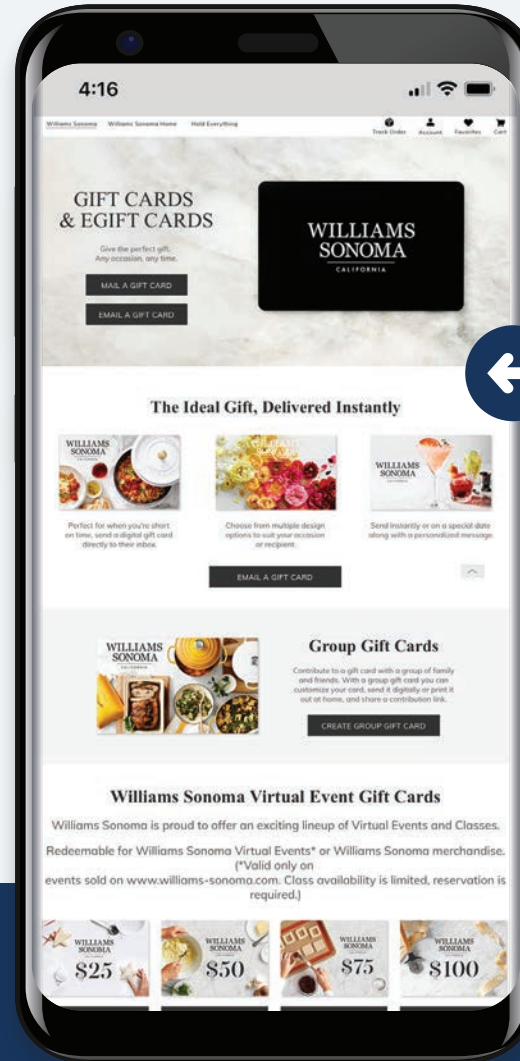
# Embrace Omnichannel Offerings

- Provide in-store mobile payment options, signage, and transaction ease.
- Offer flexibility/customization options (e.g., faceplates, personal message).
- Ensure it's a mobile-friendly recipient experience, including the ability to add digital gift cards to a mobile wallet.
- Test QR code scanning, paying for in-store purchases with a wallet within your app.
- Consider BOPIS (Buy Online, Pick Up in Store) and curbside pickup of gift card orders

## By the Numbers

Merchants collected an average score of **58 percent** for the **Discoverability criteria** (68 percent desktop; 55 percent mobile web; 47 percent mobile app), a 1 percentage point YoY decline.

**Just 10 percent of merchants are offering BOPIS and/or curbside pickup** purchase options on their desktop site, and even less are doing so on mobile web (7 percent) and mobile app (2 percent).



Give consumers choice in how they receive and/or ship their gift card. Williams-Sonoma gives the gift card purchaser the option to buy a physical or digital gift card, and then mail or email their gift.

Have an engaging, aesthetically pleasing, and up-to-date landing page for your gift card program to convert shoppers into buyers.

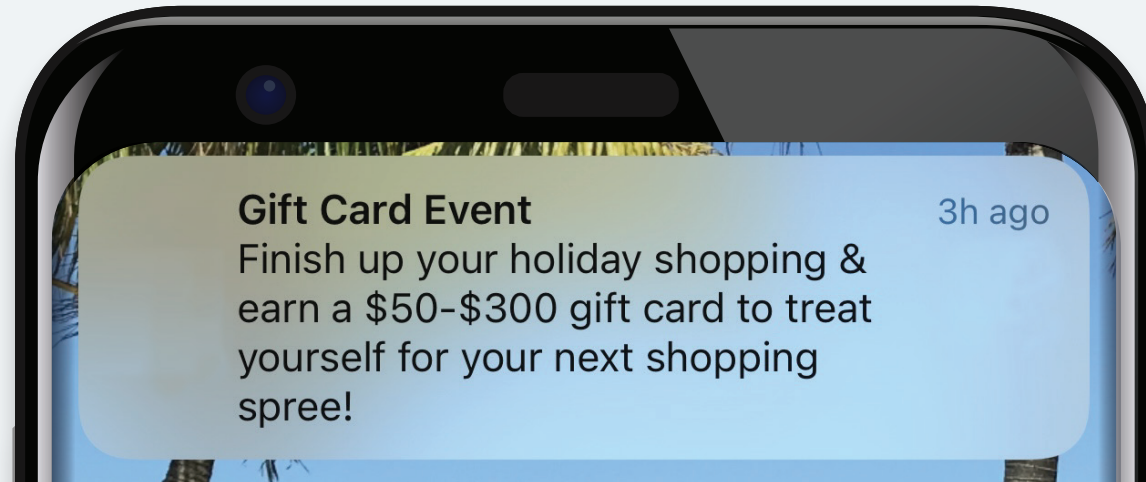


# Get Creative With Marketing

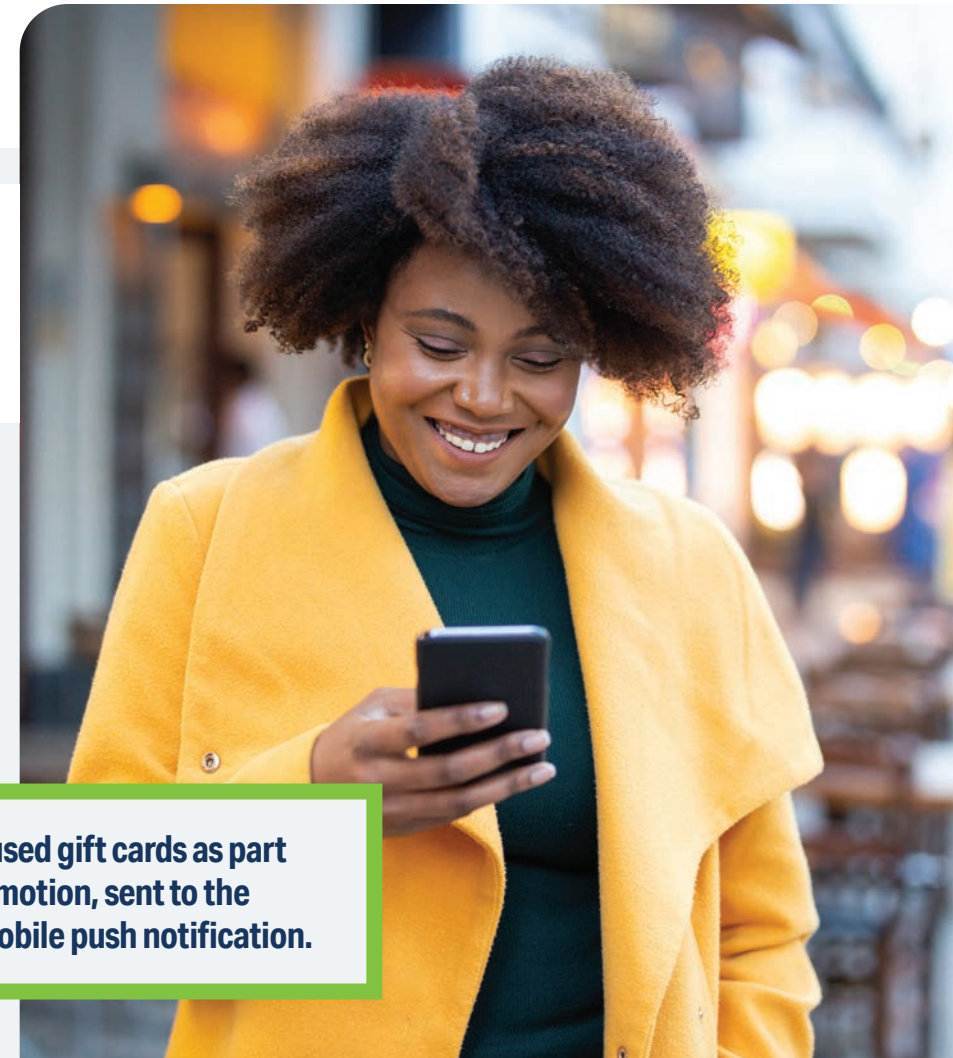
- Think about how you can market your gift card program through digital channels, including SMS, push notifications, social media apps, email, etc.
- Don't neglect promoting gift cards on your website and within your app.
- Optimize site search results for variations of the term "gift cards," including "gifts."

## By the Numbers

**Merchants earned less than half of the available points (48 percent)** for the Marketing-related criteria.



**This merchant used gift cards as part of a holiday promotion, sent to the shopper via a mobile push notification.**



# Cash in on B2B and Self-Use

## Cater to Value-Seeking, Loyal Customers

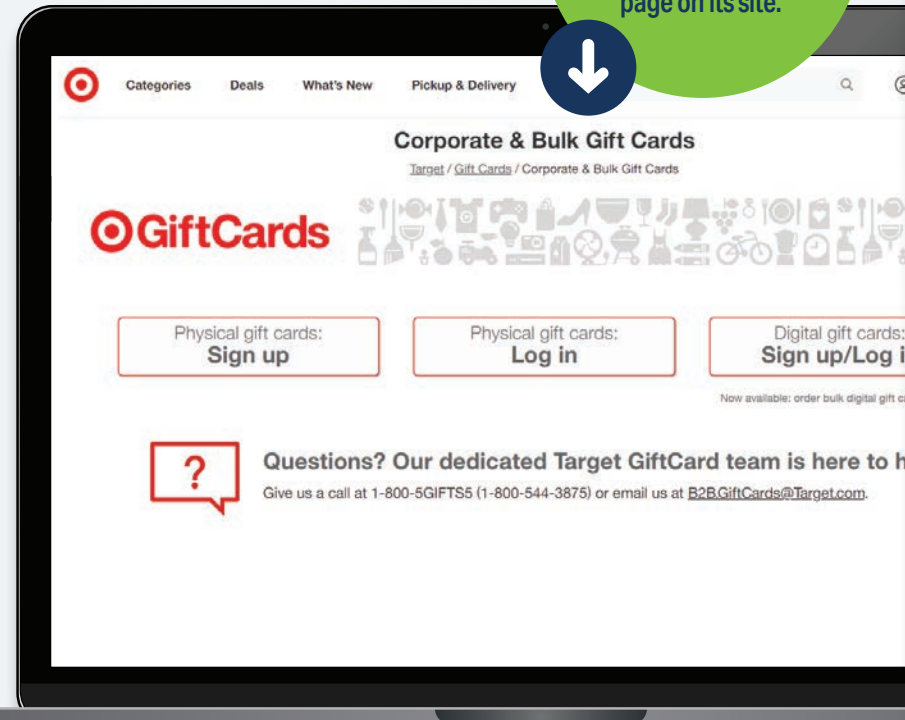
- Allow your brand's gift cards to be purchased with credit card reward points. This offering is increasingly important during times of economic uncertainty when consumers are more likely to seek out deals.
- Integrate your brand's loyalty program (e.g., earn points, rewards and then the ability to use points to buy gift cards) into gift card promotions.

### By the Numbers

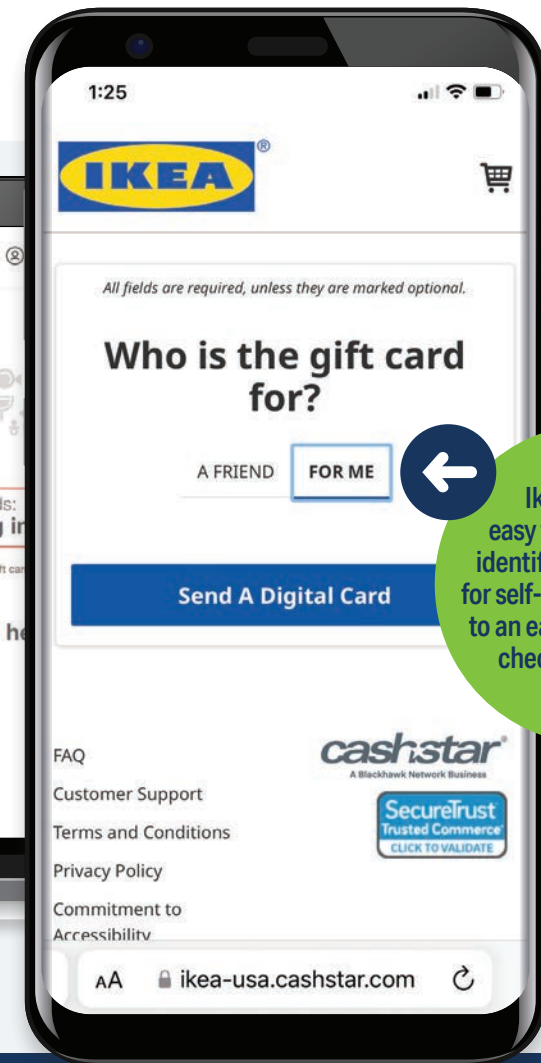
For self-use accommodations, the merchants earned an average score of 63 percent, with those earning full credit for the criteria accelerating the purchase process (e.g., not including data fields for recipient info, personal message).

For the B2B criteria, the average score was slightly worse at 55 percent.

Target caters to B2B buyers with a dedicated Corporate & Bulk Gift Cards landing page on its site.



Ikea makes it easy for shoppers to identify the gift card is for self-use, routing them to an easier and quicker checkout process.



# Scores by Vertical

For the second consecutive year, total omnichannel scores across all industries increased by 7 percentage points. Here's a breakdown of overall performance YoY by vertical:



## Vertical

## TOTAL Omnichannel Score

## YOY Percentage Point Difference

Health/Beauty

77%

+19%

General Merch

76%

+5%

Apparel

75%

+9%

Home Furnishings

75%

+12%

Sporting

72%

+5%

Restaurant - Casual

71%

+14%

Specialty

69%

+6%

Restaurant - Quick Serve

69%

+11%

Grocery

68%

-2%

Department Store

67%

-1%

Home Improvement

65%

-3%

Convenience

51%

*Not assessed in 2022*

# Merchants Have Improved in Each Leg of the Assessment Every Year

## A Breakdown of YoY Overall Scores

| Year  | IN-STORE          |                      |                   |                 | DIGITAL       |                |            |            |                |         |                 |                                  | TOTAL    |        |                                  |                         |
|---|-------------------|----------------------|-------------------|-----------------|---------------|----------------|------------|------------|----------------|---------|-----------------|----------------------------------|----------|--------|----------------------------------|-------------------------|
|   | In-Store: General | In-Store: Checkstand | In-Store: Fixture | Mobile In-Store | Digital Cards | Physical Cards | Mobile App | Mobile Web | Mobile Digital | Desktop | Device Agnostic | Ecomm Digital (Including Mobile) | In-Store | Mobile | Ecomm Digital (Excluding Mobile) | TOTAL Omncommerce Score |
| 2020  | 65%               | 55%                  | 63%               | 67%             | 46%           | 48%            | 35%        | 53%        | 45%            | 57%     | 47%             | 48%                              | 62%      | 56%    | 50%                              | 56%                     |
| 2022  | 71%               | 58%                  | 60%               | 73%             | 64%           | 58%            | 41%        | 65%        | 58%            | 70%     | 55%             | 59%                              | 65%      | 65%    | 60%                              | 64%                     |
| 2023  | 79%               | 54%                  | 59%               | 97%             | 67%           | 59%            | 49%        | 63%        | 58%            | 72%     | 60%             | 62%                              | 69%      | 77%    | 64%                              | 70%                     |
| YOY Percentage Point Difference (2023 minus 2022) | +8%               | -4%                  | -1%               | +24%            | +3%           | +1%            | +7%        | -2%        | 0%             | +2%     | +5%             | +3%                              | +4%      | +12%   | +4%                              | +7%                     |

*\*Some values in the Difference row may appear to be inconsistent with values in the rows above due to rounding.*

## Looking at the data YoY, here are some interesting points to call out:

- The growth rate for desktop e-commerce/digital has plateaued slightly when compared to the in-store and mobile components of the assessment.
- Mobile (+12 percentage points) is the area where retailers have shown the biggest YoY improvement, led by gains for the mobile in-store experience (+24 percentage points). Increased consumer adoption of mobile payments in the post-COVID era is a contributing factor to this growth. What was previously a "nice to have" has now become an expectation for consumers. Mobile devices are more than just a communication/marketing channel; retailers are adapting accordingly.
- While the overall score for the mobile app portion of the assessment increased 8 percentage points YoY, the channel remains the lowest of all evaluated. Apps are a growth opportunity for retailers looking to sell more gift cards to an engaged audience.



# Experience Rating

For the second consecutive year, the 2023 report assessed the merchants on an "Experience Rating." This rating is based on a subset of criteria that provides a window into the gift card purchase and recipient experience, both online and offline. The Experience Rating is a review of both integral and complementary aspects of a successful omnicommerce gift card program. Like other product categories, retailers are competing on the experience they offer when selling gift cards. Here are the criteria that were assessed for the Experience Rating scores:

## IN-STORE

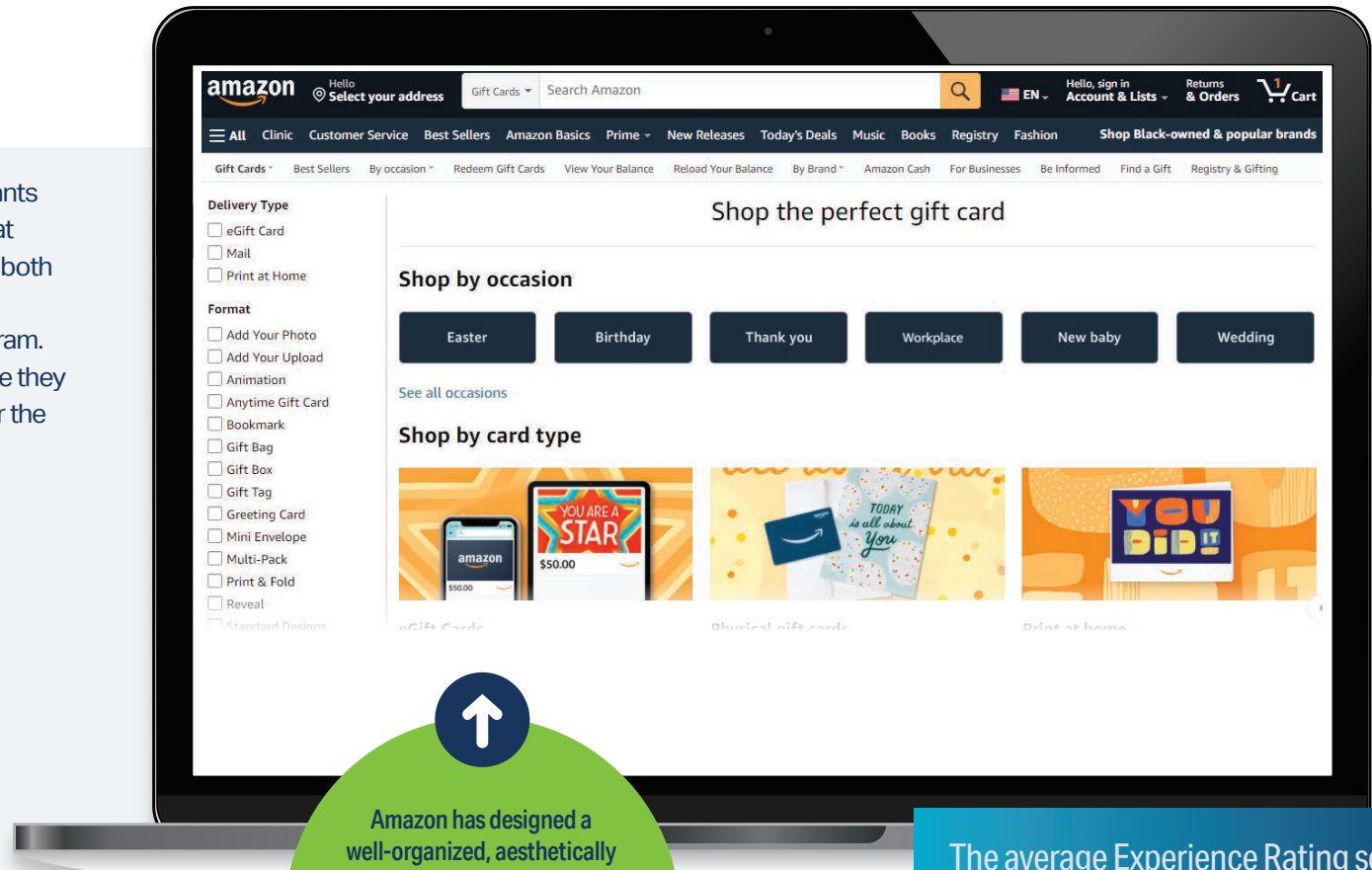
- Staff knowledgeability
- Gift wrapping
- Checkstands/fixtures neat and tidy
- Informative signage on checkstands/ fixtures
- Buying gift card in-store with mobile gift card
- Mobile transaction going through

## DIGITAL

- Easy to find gift cards on site
- Gift card landing page is aesthetically pleasing
- Checkout is easy, appropriate and secure
- Customer service
- Ease of gift card redemption
- Enjoyable, branded recipient experience with mobile wallet-friendly gift card

## Best Practices

Collect feedback from gift card purchasers and recipients via surveys, ratings and reviews, etc., to learn what your company is getting right and wrong about the overall experience. Lean into what your brand is getting right and seek to address the areas where it's not performing up to expectations.



Amazon has designed a well-organized, aesthetically pleasing gift card landing page that offers multiple forms of flexibility for the shopper, including delivery type, format, featured brands, and occasion.

The average Experience Rating score of 57 percent for the 100 retailers evaluated was a 1 percentage point YoY improvement.



# Embracing Innovation is Key to Evolving Your Omncommerce Gift Card Program to Meet Consumers' Increasingly High Expectations.

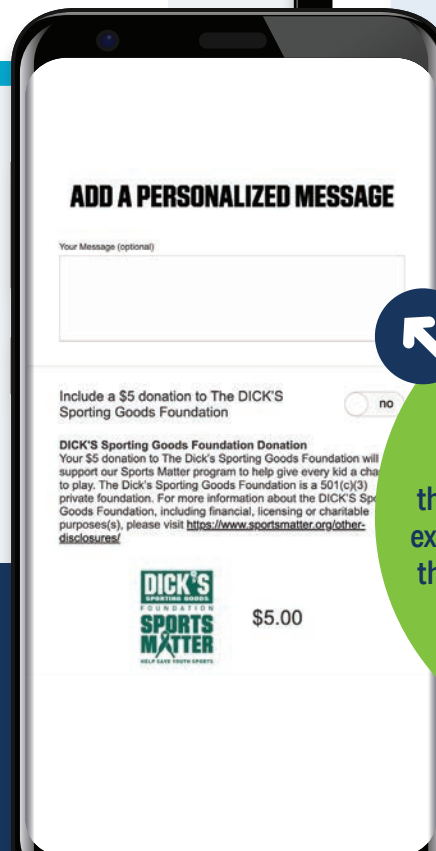
## By the Numbers

**The good news is that retailers are following this advice.**

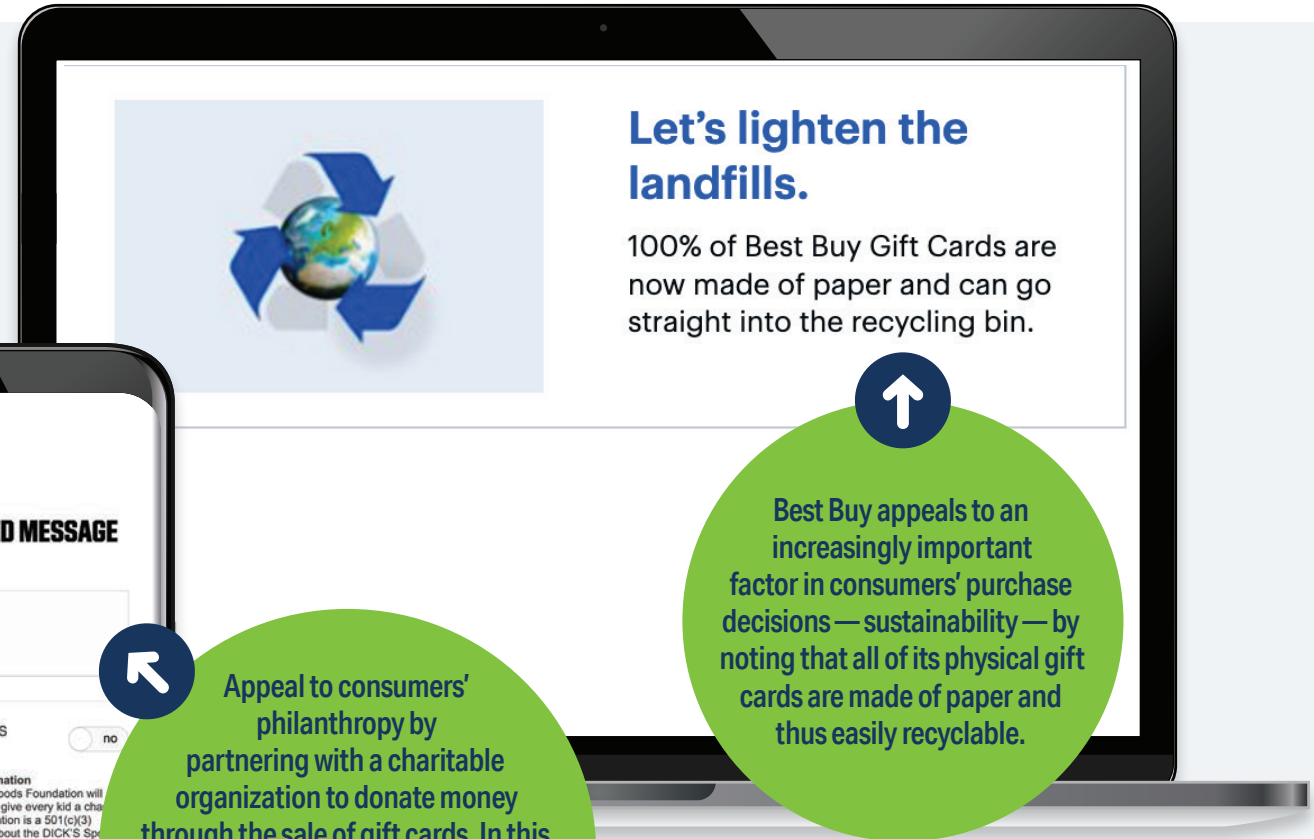
In our 2023 assessment, 67 percent of the retailers earned bonus points for displaying innovative ways to sell, use or deliver gift cards, up from just 15 percent that earned points for the innovation category in 2022.



JCPenney creates a sense of FOMO by displaying to shoppers the number of people that have purchased a gift card in the last 24 hours.



Appeal to consumers' philanthropy by partnering with a charitable organization to donate money through the sale of gift cards. In this example from Dick's Sporting Goods, the customer can add a \$5 donation to the DICK's Sporting Goods Foundation with their gift card purchase.

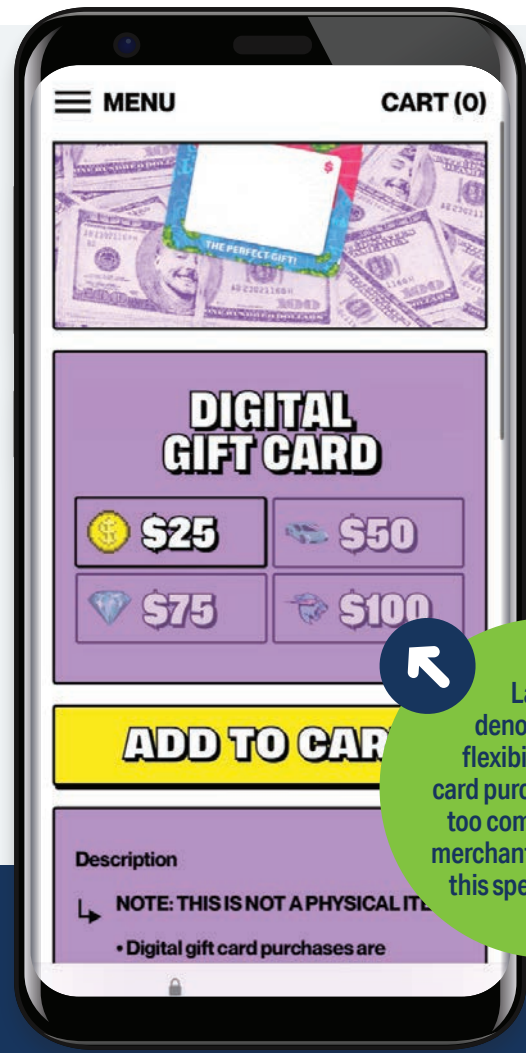


Best Buy appeals to an increasingly important factor in consumers' purchase decisions — sustainability — by noting that all of its physical gift cards are made of paper and thus easily recyclable.

# A Look at the Gift Card Programs of Digital-Ascendant Brands and Influencers

For the first time, the 2023 report included a special analysis of the gift card programs of digital-native retail brands (i.e., startups that were launched online and, in some cases, have expanded into brick-and-mortar retail). In addition to the 100 merchants included in the full omnicommerce assessment, 25 digitally ascendant merchants and influencers were included in a limited digital assessment.

We started the assessment with a list of 50-plus digitally-ascendant merchants. We were surprised to discover that most of these merchants did not have an online gift card program, so we culled the list to include only the 25 that had an online gift card program. This speaks to the opportunity at hand for digitally ascendant brands to establish an online gift card program, which will help to differentiate themselves from their competitive set. All 25 brands were assessed on their digital programs only.



Lack of denomination flexibility for gift card purchases was all too common for the merchants assessed in this special section

The digitally ascendant brands received an overall average score of 42 percent, significantly lower than the average e-commerce/digital score for the 100 merchants included in the full omnicommerce assessment (64 percent).

|            | Full Omnicommerce Merchant List | Digitally Ascendant Merchant List |
|------------|---------------------------------|-----------------------------------|
| Desktop    | 72%                             | 51%                               |
| Mobile Web | 63%                             | 48%                               |
| Mobile App | 49%                             | 45%                               |

# Takeaway Tips

- Make gift cards easily discoverable in all channels. Focus on signage in stores and site search, navigation bars for digital channels.
- Offer flexibility to the gift card purchaser, including personalization options (format, design, messaging, delivery timelines).
- Integrate the gift card purchase and recipient experience into your loyalty program.
- Optimize the self-use purchase experience by minimizing data collection.
- Use gift cards as a promotional tool for purchase activity and other calls to action (e.g., survey completion, email/SMS sign-up).
- Market your gift card program on your brand's social channels.
- Offer multiple ways for customers to pay for their gift cards, including via mobile in-store.
- Target B2B buyers with bulk purchase discounts and other offers.
- Offer other brands' gift cards for sale in your stores and digital channels.
- Cross-merchandise gift cards with other relevant items (e.g., greeting cards, gift bags) as well as by vertical.
- Regularly test and evaluate your own program to assess the customer and recipient experience across channels and devices.



# Appendix:

## Methodology Addendum



### Objective

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



### Assessment

175 criteria were designed to evaluate expected and emerging capabilities for merchants' digital and physical gift card offerings. The following channels were assessed:

- desktop e-commerce/digital;
- mobile website;
- mobile app; and
- brick-and-mortar store.

Evaluations were made with a focus on the consumer and recipient experience, as well as the B-to-B buyer experience.



### Merchants

100 U.S.-based merchants were evaluated in the omnicommerce assessment. Each merchant had a physical store presence and a digital/e-commerce presence. In addition, 25 digital ascendant brands were evaluated on a limited digital assessment.



### Dates

Assessments were conducted from October 2022 to January 2023.



# Appendix:

## Methodology Addendum

### DIGITAL ASSESSMENT: 126 Evaluation Criteria, 215 Max Points

| DISCOVERABILITY/AWARENESS<br>48 POINTS   | CHECKOUT/POST PURCHASE<br>34 POINTS  | B-TO-B PROGRAM<br>8 POINTS   |
|--|--|--|
| <ul style="list-style-type: none"> <li>Findability – home page/menu</li> <li>Findability – search</li> <li>Landing page info/aesthetics</li> <li>Availability of digital and physical cards</li> <li>Carrying other brands' gift cards</li> </ul>  | <ul style="list-style-type: none"> <li>Integrated cart</li> <li>Loyalty program support</li> <li>Payment options</li> <li>Checkout and order completion</li> <li>Post-purchase communication</li> </ul>  | <ul style="list-style-type: none"> <li>B-to-B program findability/details</li> <li>B-to-B program registration</li> <li>B-to-B available card types</li> </ul>                           |
|  |  | CREDIT CARD REWARDS (US ONLY)<br>5 POINTS  |
|  |  | <ul style="list-style-type: none"> <li>Card availability in top credit card loyalty programs</li> </ul>  |
| GIFT CARD OFFERING FLEXIBILITY<br>61 POINTS  | RECIPIENT EXPERIENCE<br>45 POINTS  | MARKETING<br>12 POINTS   |
| <ul style="list-style-type: none"> <li>Faceplate options</li> <li>Personal message</li> <li>Advanced personalization (BONUS POINTS ONLY)</li> <li>Denominations</li> <li>Delivery time</li> <li>Self purchase flow (desktop only)</li> <li>Physical card form factors / packaging options (BONUS POINTS ONLY)</li> <li>Upsell</li> <li>eGifting (BONUS POINTS ONLY)</li> </ul> | <ul style="list-style-type: none"> <li>Delivery</li> <li>Brand experience</li> <li>Redemption options</li> <li>Mobile friendly (digital)</li> <li>Security (digital)</li> <li>Balance check</li> <li>Reload</li> <li>Regift (BONUS POINTS ONLY)</li> </ul> | <ul style="list-style-type: none"> <li>Marketing of gift cards (retailer website, email, social media, Google search results)</li> <li>Sales promotions leveraging gift cards</li> </ul> |
|  |  | CUSTOMER SERVICE<br>2 POINTS   |
|  |  | <ul style="list-style-type: none"> <li>Self-service customer service</li> <li>Email (responsiveness &amp; accuracy)</li> </ul>   |
|  |  | INNOVATION<br>1 POINT  |
|  |  | <ul style="list-style-type: none"> <li>Innovative concepts (BONUS POINTS ONLY)</li> </ul>  |

## Digital Assessment Notes

### • CRITERIA WEIGHTING

Varying number of points per criteria based on importance (ranging from 0.5 point to 5 points)

### • CRITERIA EXCLUSIONS

Retailers were not scored on criteria related to certain gift card program features that they do not offer online. The exception are six digital assessment criteria that are worth 1 point each covering each permutation of selling physical and digital gift cards on each digital channel: desktop, mobile web, and mobile app. In this way, retailers are not overly penalized for not offering digital gift cards, physical gift cards, a commerce-oriented mobile app, gift cards on an app, or a loyalty program. Only retailers in the convenience, department store, general merchandise, and grocery verticals were penalized for not carrying other brands' gift cards online

### • INNOVATION

Merchants received a point for innovative initiatives in the purchase, delivery, or fulfillment of gift cards at the discretion of the researcher.

### • PURCHASE GIFT CARDS WITH CREDIT CARD POINTS

Merchants received points for enabling customers to exchange credit card loyalty points for gift cards. The top five credit card loyalty programs evaluated were American Express, Discover, Citibank, Chase, and Capital One.

### • MARKETING

Merchants were evaluated based on their gift card marketing activity and awareness of that marketing (website, email, social media, Google search). Data was collected two times for each retailer with at least two weeks between each collection.

### • B-TO-B

Merchants were evaluated based on whether they had a B-to-B gift card program (i.e., sell gift cards in bulk to corporate clients). Points were awarded based on the ease of finding the program on the merchant's website, ease of signing up, and whether the program was available for both digital and physical cards. All retailers were scored on B-to-B gift card program criteria regardless of whether or not they had a B-to-B program.



# Appendix:

## Methodology Addendum

### IN-STORE ASSESSMENT: 49 Evaluation Criteria, 130 Max Points

| MOBILE IN-STORE<br>11.5 POINTS  | IN-STORE: GENERAL<br>9.5 POINTS   |
|---|---|
| <ul style="list-style-type: none"> <li>• Transaction completion</li> <li>• QR code payment &amp; signage (BONUS POINTS ONLY)</li> <li>• In-app mobile wallet payment &amp; signage (BONUS POINTS ONLY)</li> <li>• NFC payment &amp; signage (BONUS POINTS ONLY)</li> <li>• Innovation: other methods to enhance customer mobile experience (BONUS POINTS ONLY)</li> <li>• Buy merchandise in-store with digital card on mobile device</li> </ul>  | <ul style="list-style-type: none"> <li>• Custom amounts for store cards</li> <li>• Gift wrapping options</li> <li>• Re-load physical card in-store</li> <li>• Buy card with loyalty points</li> <li>• Staff knowledge/helpfulness</li> <li>• Gift card included as part of a sales promotion (BONUS POINTS ONLY)</li> <li>• Gift card marketing related to theme or season (BONUS POINTS ONLY)</li> </ul>   |
| IN-STORE: CHECKSTAND<br>52 POINTS   | IN-STORE: FIXTURE<br>56 POINTS  |
| <ul style="list-style-type: none"> <li>• Number of checkstand fixtures</li> <li>• Impulse purchases</li> <li>• Carrying other brands' gift cards</li> <li>• Variety of cards</li> <li>• Number of pegs</li> <li>• Variety of store cards</li> <li>• Number of out-of-stock pegs</li> <li>• Tidiness of checkstand</li> <li>• Size of gift card marketing signage</li> <li>• Eye appeal of gift card marketing signage</li> <li>• Store cards marketed over other brands</li> <li>• Square footage of checkstand</li> <li>• Informative signage</li> </ul> | <ul style="list-style-type: none"> <li>• Number of non-checkstand fixtures</li> <li>• Impulse purchases</li> <li>• Carrying other brands' gift cards</li> <li>• Variety of cards</li> <li>• Number of pegs</li> <li>• Visibility of fixture</li> <li>• Variety of store cards</li> <li>• Number of out-of-stock pegs</li> <li>• Tidiness of fixture</li> <li>• Size of gift card marketing signage</li> <li>• Eye appeal of gift card marketing signage</li> <li>• Store cards marketed over other brands</li> <li>• Organization by category (BONUS POINTS ONLY)</li> <li>• Fixture near relevant items (BONUS POINTS ONLY)</li> <li>• Square footage of fixture</li> <li>• Informative signage</li> </ul> |

## In-Store Assessment Notes

### • CRITERIA WEIGHTING

Varying number of points per criteria based on importance (ranging from 1.5 point to 10 points)

### • CRITERIA EXCLUSIONS

Retailers were not scored on criteria related to certain gift card program features that they do not offer in-store. In this way, retailers are not overly penalized for not offering digital gift cards, physical gift cards, a commerce-oriented mobile app, gift cards on an app, a loyalty program, gift card checkstands, or gift card fixtures. Only retailers in the convenience, department store, general merchandise, and grocery verticals were penalized for not carrying other brands' gift cards in-store and for not having checkstands. Only retailers in the department store, general merchandise, and grocery verticals were penalized for not having fixtures.

### • CHECKSTAND FIXTURES VS NON-CHECKSTAND FIXTURES

The "In-Store: Checkstand" category contains criteria that evaluated gift card fixtures located in the store's checkout/register areas. The "In-Store: Fixture" category contains criteria that evaluated gift card fixtures located throughout the store, not including the checkstand area. If a store did not have checkstand gift card fixtures, that retailer was not scored in the "In-Store: Checkstand" category; and if a store did not have gift card fixtures located elsewhere in the store, that retailer was not scored in the "In-Store: Fixture" category. In this way, retailers were only evaluated on the gift card fixtures that were present, and were not penalized for not having checkstand or non-checkstand fixtures. The exception is Department Stores, General Merch, and Grocery retailers: these retailers were expected to have both checkstand and non-checkstand gift card fixtures and were docked points for not having one or both. In addition, Convenience stores were expected to have checkstand gift card fixtures.

### • STORE SIZE

Store sizes (sq. ft.) were estimated for all store locations visited using publicly available information. A mathematical model was used to determine the number of points awarded for the size (sq. ft.) and number of pegs for checkstand and non-checkstand fixtures depending on the store size (sq. ft.) and store type. Department Stores, General Merch, and Grocery retailers were expected to have checkstand and non-checkstand fixtures that are larger and contain more pegs, and Convenience stores were expected to have checkstand gift card displays that are larger and contain more pegs.

# Who We Are

## ABOUT OUR SPONSOR



**Blackhawk Network (BHN) believes positive experiences are the heartbeat of a thriving customer relationship. Turning transactions into meaningful touch points** requires consistently delivering value, especially in a rapidly shifting consumer landscape. Our evolving portfolio of world-class services and solutions keeps you ahead of the curve and enables you to provide meaningful experiences that drive awareness, acquisition, conversion and retention.

We are constantly developing innovative solutions that are rooted in global customer data and pressure tested to ensure the success of our vast network of partners. From advanced APIs, to embedded solutions and next-generation payment technology, **BHN unlocks proven strategies that enable brands to turn everyday consumer touch points into positive experiences.**

Talk to Blackhawk Network [blackhawknetwork.com](https://blackhawknetwork.com) 866.219.7533

## 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](mailto:research@napco.com) to talk with our analysts to find out how we can help you with your research needs.