

Revitalizing Gift Card Sales in a Down Economy

Loyalty Improvement Series

PAYTRONIX
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The Challenge

A national quick casual restaurant aspired to rejuvenate holiday gift card sales during the difficult economic downturn in late 2008.

The Program

The restaurant developed a promotion to stimulate gift card sales: Buy a \$25 gift card and receive a bonus card with a free sandwich redeemable between January 1 and February 28, 2009. The free sandwich cards could be redeemed at any location. The company believed that providing a reward to the gift card buyer would encourage guests to choose their gift cards over the many competing alternatives.

Paytronix's technology facilitated the execution of this promotion. Specifically:

1. POS integration enabled restaurant staff to activate the gift cards and free sandwich cards at the point of sale.
2. Specific rules and monitoring provided issuance tracking to reconcile qualifying gift card purchases with the activation of free sandwich cards.
3. A system of "Rules and Wallets" ensured a simple redemption process and expiration to match the promotion.
4. Reporting capabilities allowed the team to track the promotion performance.

The Results and Financial Return

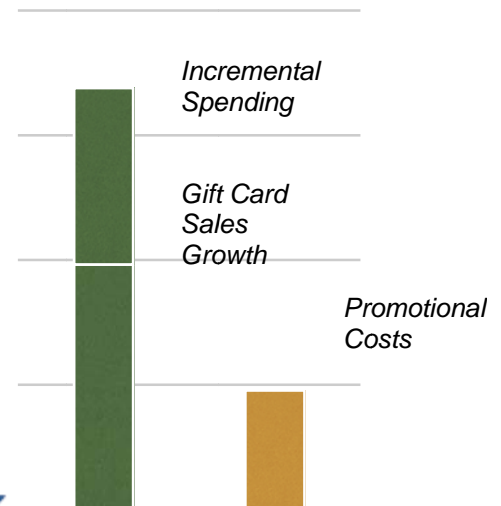
The program proved to be a tremendous success. The restaurant's holiday **gift card sales surged almost 15% -- far outperforming the general 5% decline** in seasonal gift card sales for the restaurant industry. The response exceeded the restaurant group's expectations, particularly given the prevailing economic conditions.

However, the outsized return from gift card sales growth told only half of the story. The redemption of the free sandwich cards prompted return visits and generated strong incremental spending. Even after deducting the free sandwich, the **average customer spent 1.5 times more than the amount of the giveaway**, adding to the total proceeds of the promotion.

In all, the promotion had boosted gift card sales in December and created incremental spending during the post-holiday months of January and February. The incremental revenue dwarfed the cost of the program and **the restaurant earned a 250% return on their investment.**

To learn more about ways to improve your gift card sales, contact us.

The Promotion Generated Spend that Dwarfed Promotion Costs and Delivered a 250% ROI.



PAYTRONIX
systems, inc.

307 Waverly Oaks Road, Suite 309, Waltham, MA 02452
Phone: (617) 649-3300 eMail: Solutions@Paytronix.com
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