

Retail Spotlight

Gift Cards Are Good Year-Round

BY RAY KEENER

One of the few bright spots in an otherwise dreary 2007 holiday season was the continuing growth of gift card sales. We spoke to Randy Clark of Bicycle Garage Indy (BGI), who gets his gift cards through The Biking Solution.

“Our gift card sales were up 28 percent in 2007,” said Clark, who has received Top 100 Retailer designation since 1987. “We sold about \$90,000 in cards overall.”

Online sales growth was even more dramatic—up 59 percent over 2006. BGI sold gift cards in 16 states besides Indiana through its SmartEtailing Web site.

“We really like the gift cards because they bring people back into the store with a chance to sell up and add on,” Clark said. “It also builds loyalty to your brand, validates you as a modern retailer, and you make a bigger margin

because not all the value of all cards is redeemed.”

Gift cards are also ideal for spouses and friends who want to buy cycling gifts but don't know the recipient's size or bike compatibility. Clark offered some practical advice on setting up a gift card program:

- Cards should have no strings attached: No fees, no expiration date.
- A custom card with your store logo and contact information is the best way to reinforce your brand.
- Cards must be well merchandised and freely available throughout the store.



Store merchandising is key to gift card sales.

- It's essential to train store staff to mention gift cards with each sale.

Get your gift card program started now with Clark's advice. You'll enjoy the benefits throughout the season, and you'll be ready for more holiday sales in 2008.