



iCARD

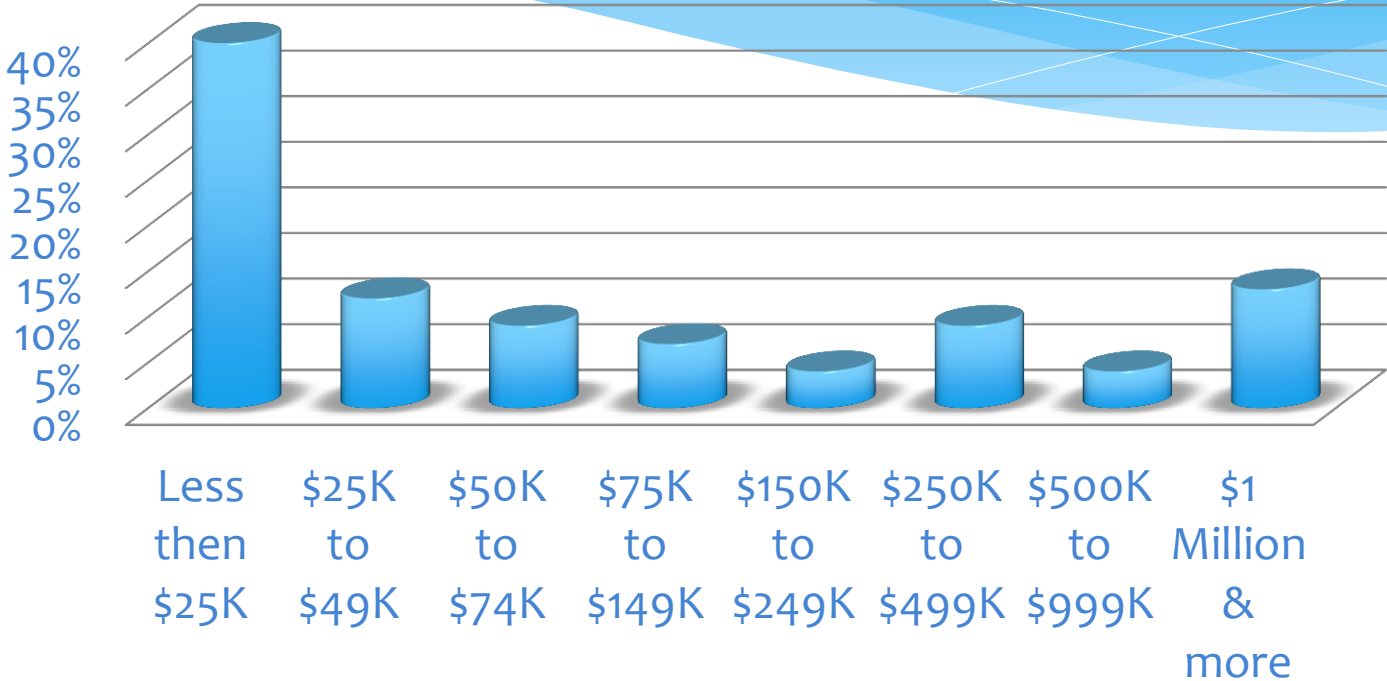
SYSTEMS

Secure Branded CashSM

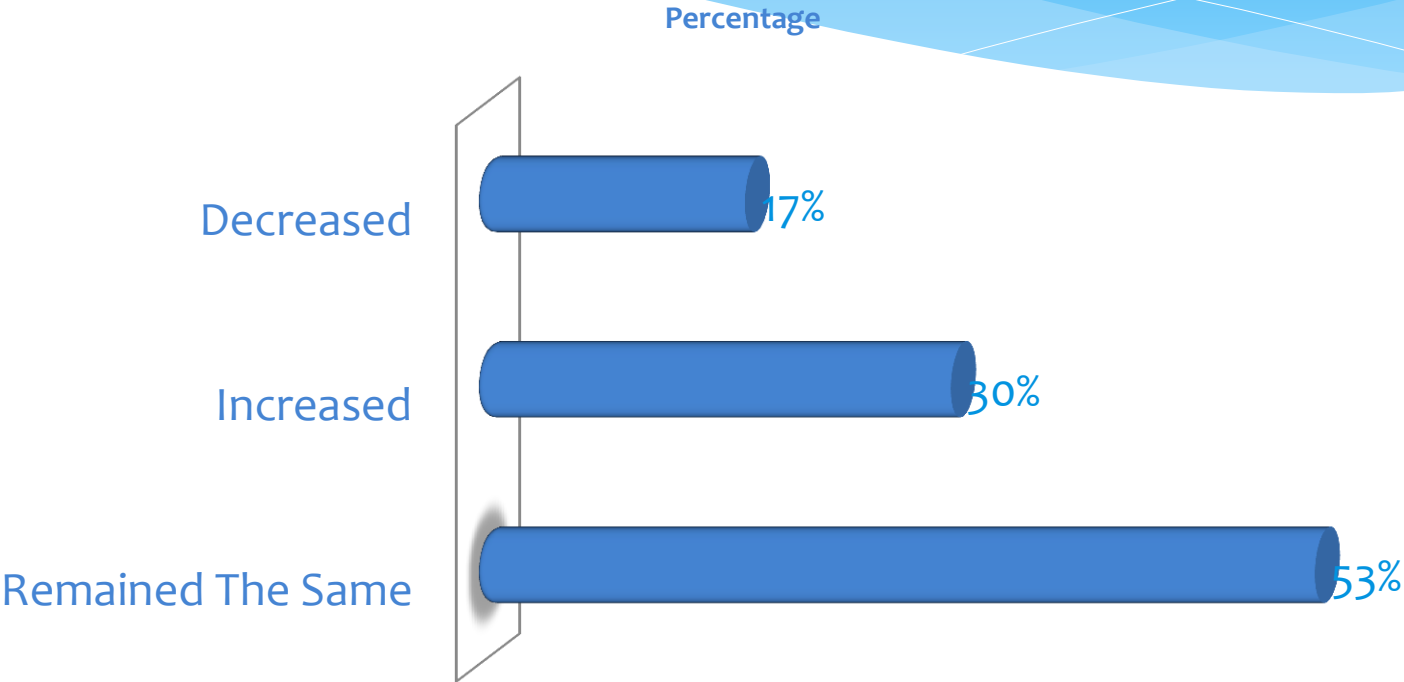
Gift Cards Survey

Market Place Rewards Strategies

What is your company's annual expenditure for incentive/recognition/reward programs for 2004?



Did your 2004 budget change from 2003's ?



What is your company's annual budget for all gift certificates/cards in incentive programs for 2004?

Less than \$1,000	21%
\$1,000 to 4,999	25%
\$5,000 to \$9,999	18%
\$10,000 to \$24,999	11%
\$25,000 to \$49,999	10%
\$50,000 to \$99,999	5%
\$100,000 or more	10%

On average, how much do you spend on gift certificates per recipient?

Less than \$25	16%
\$25 to \$49	30%
\$50 to \$99	25%
\$100 to \$149	14%
\$150 to \$199	3%
\$200 to \$499	9%
\$500 to \$999	2%
\$1,000 or more	1%

Where do you purchase gift certificates/cards used in your programs?

Retailer	58%
Manufacturer or Service Provider	45%
Online Vendor	39%
Catalog	24%
Reseller	17%
Other	5%

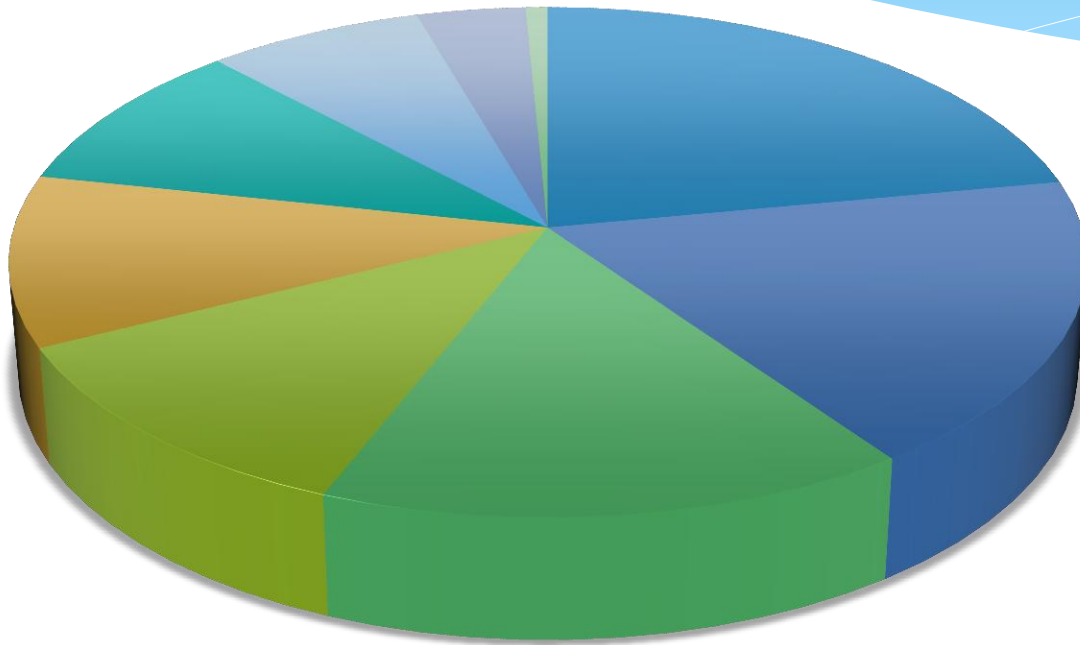
Which of the following types of gift certificates/cards have you purchased as incentives in the past year?

Dining / Restaurant	67%
Retail Store	60%
Gift Check	49%
Entertainment	42%
Catalog Merchant	33%
Multiple-Merchant Certificate	29%
Online Merchant	26%
Bank-issued Debit Card	25%
Travel	22%
Service	15%
Other	1%

How do you use gift certificates in your incentive programs?

Recognize Performance	63%
Business Gifts	52%
Sales Incentives	50%
Non-sales Recognition Awards	42%
Consumer Promotions	27%
Dealer Incentives	18%
Start/Maintain Business Relationship	18%
Safety Awards	15%
Other	2%

What are your primary objectives for using gift certificates/cards?



- Boost Morale
- Built Loyalty & Trust
- Increase/Maintain Sales
- Foster Teamwork
- Built Customer Loyalty
- Customer service
- Start Business relationships
- Create New Markets
- Other

Attracting Consumers with More Rewards Choices

- * **Value** – 83% are proactively seeking out rebates, 79% have changed their shopping habits due to budget constraints and 60% always look for the best price
- * **Convenience** – 58% prefer online submissions and 48% of consumers would chose an offer with an online submission over a mail-in
- * **Choice** – 84% of consumer prefer the ability to choose their reward and a majority of respondents value a choice in reward across categories such as merchant or group gift cards, Visa or MasterCard prepaid cards, merchandise, PayPal or direct deposit

Gift Cards have Trophy Value

Gift Cards Are Here To Stay:

- * Gift certificates and gift cards are increasingly becoming a preferred motivator in both the consumer and business awards programs.
- * The 2005 Incentive Federation study found that gift cards/gift certificates were the most popular merchandise reward in consumer promotions (58%), dealer incentives (49%), sales incentives (59%), and non-sales employee awards (62%).

How effective are gift certificates as compared to cash?

Gift Cards are **MORE** effective than cash

45%

They are about **EQUALLY** as effective

41%

Gift Cards are **LESS** effective than cash

14%

How effective are gift certificates as compared to merchandise awards?

Gift Certificates/Gift Cards are MORE effective than merchandise.	59%
Gift Certificates/Gift Cards are LESS effective than merchandise.	11%
They are about EQUALLY as effective.	30%

* 6% do not use merchandise

How effective are gift certificates / gift cards as compared to travel awards?

Gift Certificates/Gift Cards are MORE effective than travel awards.	34%
Gift Certificates/Gift Cards are LESS effective than travel awards.	29%
They are about EQUALLY as effective.	37%

* 30.9% do not use travel rewards