

## How To Increase Your Profits - Tip #8: **GIFT CARDS**

From large chain stores to nail salons to your local hardware store, more and more establishments are offering gift cards as an option for their customers. Not just for the holidays anymore, gift cards are a great way to increase revenue and profits for all retailers, restaurants and other merchants year round.



- **Increase Revenue Profits And Cash Flow**
- **Acquire New Customers**
- **Upsell Card Recipients At POS**
- **Increase Impulse Purchases**
- **Reduce Cash Back On Returns**
- **Build Your Awareness Through Word Of Mouth Advertising**

At Federated Payments, we offer state-of-the art programs that make offering gift cards as purchase options for your customers fast and easy including:

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|-------------------------------|--|
| • <b>Gift Card Activation</b> | • <b>Issue merchandise credit</b>      |
| • <b>Gift Card Sale</b>       | • <b>Instant Information Retrieval</b> |
| • <b>Card Balance</b>         | • <b>Upsell card recipients</b>        |

### **HERE'S HOW IT WORKS:**

Let's say you buy a packet of 100 gift cards customized with your logo and branding. If your average gift card sale is \$50, that's \$5000 in revenue you can generate. If you run at an average of 50% profit margin, that is \$2500 of pure profit in your pocket. In many cases, card recipients add their own money at the point-of-sale, increasing your revenue even more.

#### **DID YOU KNOW?**

Over **\$8 billion** in gift cards go unredeemed or uncollected in gift card sales?

On average, that's 15-20% of all gift card sales which turns into **PURE PROFIT** for you!

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