

<b>Town Centre Promotion – Borough Gift Card Project</b>	<b>9<sup>th</sup> October 2018</b>
<b>To: The Leisure and Development Committee For Information</b>	

<b>Linkage to Council Strategy (2015-19)</b>	
<b>Strategic Theme</b>	Accelerating our Economy & Contributing to Prosperity
<b>Outcome</b>	
<b>Lead Officer</b>	Town and Village Manager
<b>Cost:</b> (If applicable)	Within this year's agreed budget

**The purpose of the report is to inform Council of the introduction of a bespoke gift card programme to encourage the Shop Local message throughout the Borough and promote our towns to both the local population and visitors to the Borough.**

### **Background**

A Gift Card Programme enables the creation of a place-centred gift card using existing Mastercard infrastructure. It is a new and simple way for local people to buy a gift for friends, family and colleagues. The recipients of the cards can choose to spend their cards at registered local businesses including restaurants, cafes, shops, salons, attractions and venues. As the Programme uses the existing Mastercard network, any business that accepts card payments and registers to be part of the Programme can participate. This makes it highly efficient to operate.

A town gift card is used in many large towns and cities across the UK, with Enniskillen BID recently introducing the Enniskillen Town Gift Card in November 2017, the first for Northern Ireland.

Town & Village Management would like to introduce a Borough wide gift card programme – the **'Causeway Card' / 'Your Shop Local' / 'Love Your Town' (TBC)**, which would be redeemable across the Borough, not just in one specific town, and is designed to help retain spend within the Borough.

This initiative would promote the 'Shop Local' ideology and encourage independent businesses and the town centres to thrive. It would be intended to offer local businesses and local market traders training in the benefits of digital payments through the Town & Village Retail Development Programme.

The Gift Card Programme would be operated by Miconex, who are partnered with Mastercard. They would work with Council to develop the Programme and provide all training and ongoing support.

The Gift Card Programme has measurable and tangible benefits, including:

### **Benefits for Council**

- Increasing spend and footfall in the local economy.
- Driving additional spend to local businesses by locking spend locally and providing an alternative to store gift cards.
- Gives Council a tool to better leverage their activities.

- Creates a network where the businesses can help each other.
- Any revenue created could be used to develop a marketing and training programme for the businesses.

### **Benefits for Local Businesses**

From research, some benefits for businesses include;

- It's free – no charge for a business to be part of the Programme.
- Introduces new customers – people that receive a town gift card tend to explore more and 15% of redemption is by customers visiting a business for the first time.
- Brings additional spend – customers redeeming gift cards on average spend 35% more than the value of the gift card and tend to upgrade their purchase, going for higher value products.
- Easy to implement – Programme uses the existing Mastercard infrastructure.
- No changes are required to software or hardware in order to accept the gift card.
- Pays automatically – businesses receive the full value of the money spent via their existing payment channels – there are no additional fees involved.
- Helps increase sales - particularly in the quieter months, with post Xmas being a peak time for redemptions.
- A greater revenue pull than a regular store gift card.
- Independent traders can have access to a gift card to be able to operate on the same level as larger retail outlets who already have their own gift card.

### **Benefits for Customers**

From research, some benefits for customers include;

- Offers choice – recipients like the fact that the gift cards can be used on a huge range of products and experiences. They offer more choice than single-branded gift cards or vouchers.
- Much more flexibility – a recipient does not have to use the full value of the gift card in one business, they can enjoy spending at multiple businesses, over a period of a whole year.
- Supports local economy – when you buy a town gift card for someone, you know that the money is going to stay local.
- Works for everyone – we all have someone that is difficult to buy a present for. The Causeway Gift Card gives the choice back to the recipient ensuring they get something they really want.
- It is secure – the gift card programmes are secured by Mastercard. The way the programme would be set up means that there always needs to be sufficient funds to cover all the 'live' cards.
- Affordability – a gift card is available at any value from £10 to £500. Customers can use it in one go or in several visits to different businesses over a number of months.
- Easy way to shop.

### **Statistics**

Council would have access to an online management platform to monitor uptake and usage of the gift card across the Borough.

- Insight – provides data and insight into customer' spending behaviours. It is the equivalent to giving away money and being able to track where it is spent.
- Simple set-up – no contracts are required with participating business, so the programme is easy to implement. Registering a business as part of the redemption network takes minutes.
- Gift card management portal - provided by PRESEND (Programme Partner) provides everything needed enabling businesses to load cards, and for the Council to track sales and view where people are spending their money.
- E-commerce website - enables the Council to sell gift cards, offer multiple delivery options including 'click and collect' and manage online fulfilment.

## Costs

For Council;

First year costs will be £22,078.

- One-off set-up fee to include engagement with potential participating businesses.
- Annual licences.
- Transactional costs – online fulfilment of orders and transferring money from gift card sales to the Mastercard client account. Cost of 89p per card to upload to the system.
- Marketing.

For businesses;

- It is free to join.
- There are no ongoing costs or fees.
- They get paid the same way as any other card payment.

Unlike other gift cards, any unspent monies on the **Causeway Card** would not expire after 12 months. Rather, an administrative fee is charged which would provide a revenue and would be put back into the operational costs for the Gift Card Programme. Financial projections provided by Miconex and based on other regions, show that the gift card programme is self-sustaining from Year 3, with any profit being used on promoting the Gift Card Programme and on a marketing programme for the Borough and local businesses.

Financial management would be undertaken by the Town & Village Management Team and a separate bank account would be maintained by Council's Finance Department.

## Marketing & Promotion

Being involved in the gift card programme is a great marketing tool for local businesses and the Borough as a whole. A marketing plan would be developed to include a number of marketing campaigns around key events, such as Christmas, The Open 2019, Mother's/Father's Days and end of school term. It will also be promoted as a great gift idea for those hard-to-buy-for people or other occasions such as a leaving work gift, a wedding or birthdays.

An awareness campaign will also be developed for local businesses in the Borough to make them aware of the benefits and opportunities of being involved in the Gift Card Programme and how they could also use this as incentives or rewards for employees such as long-service achievements.

It would be anticipated that the gift cards would become a popular birthday present or a simple way to say 'thank you' for a good turn and especially popular for Christmas, with all the registered businesses benefitting.

It will also be promoted as a great gift for people who live elsewhere but have relatives or friends in the Causeway Coast & Glens Borough. They will be able to go online, order the **Causeway Gift Card** and have it sent to a local address.

The **Causeway Gift Card** will be bought online at a dedicated website, through nominated local retailers (who will require to be vetted) in each of the towns (Coleraine, Limavady, Ballymoney & Ballycastle) or through the local VIC network. It is anticipated that the main forum will be via online sales and will also be used as a platform to promote all registered businesses of the Programme.

### **Timeline**

The set-up process involves working with Miconex to develop the **Causeway Gift Card** programme and agree on terms of contract. Following contract signing, there is a period of 3-6 months to fulfil all legal requirements; vet sellers; promote the Programme, register businesses willing to accept the gift card, develop branding and set-up an e-commerce website.

A marketing plan will be developed to ensure that the right messages are promoted to the right audience through the relevant channels. Ongoing marketing, particularly during the first year of operation is important to raise its profile.