

Gift Card Program

About BCMS

Formed over two decades ago, Banc Certified Merchant Services (BCMS) has grown to handle more than \$220 million a month in processing transactions. BCMS is a leader in the merchant services industry; we enjoy the distinction of being the registered service provider for two of the most respected banks in the world (Bank of America and US Bank). We offer a unique selection of products and services designed with small business owners in mind, including Credit Card Processing, Mobile Processing, Merchant Cash Advances, ACH and Check Services, etc.

At BCMS, our business solutions have three elements for success: a design that meets the needs of small and mid-sized businesses, the speed and highest level of security in electronic communication, and Account Executives dedicated to client satisfaction. These principles have earned us an A+ reliability rating from the Better Business Bureau and respect in the industry.



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Why Should I Switch From Paper Certificates to Plastic Cards?

Electronic gift cards have become the medium of choice for retailers across the country. Plastic gift cards give no cash back; the value remaining stays on the card (and in your register!). Plastic cards can also be reloaded.



How Does the Gift Card Program Work?

A customer requests to purchase a gift card. The merchant collects the funds and takes a gift card from inventory. The merchant activates the card by swiping it through the POS for the dollar amount desired. The card is now active and ready for use.



Can I Use My Own Gift Card Design?

Yes, our gift card program gives you many personalized options! You can choose from our huge selection of pre-designed gift cards or you can submit your own artwork for customized gift cards.

CUSTOMIZED GIFT CARDS

Anyone familiar with gift certificates knows the limitations of that system—when the customer cashes it in, if they don't use the full amount, you have to spot them the difference. With gift cards, the balance stays on the cards for the customer to possibly use at a later date. Gift cards act like miniature billboards, improving brand awareness and reminding customers to return to your organization every time they see the card. At BCMS, you have the choice of one of our pre-designed templates for your gift cards or submitting your own artwork for customized gift cards. Your customers will enjoy giving them away as gifts to friends, family, co-workers, and more.

GIFT CARD INDUSTRY STATISTICS

- 83% of companies use gift cards as incentives in the workplace¹
- In the 2011 Holiday Shopping Season, 18% of all gift purchases were gift cards²
- The expected market for gift card sales in 2013 is \$38 billion—a 30% increase from 2010!³
- The average recipient of a gift card spends 20% more than the card's initial value⁴
- Gift cards rank 4th in consumers' list of favorite gifts, behind clothing, toys and games, and music⁵

Sources: 1-GiftCard Partners 2011 Gift Card Usage White Paper. 2-Retail Industry. About.com. 3-GiftCard Partners 2011 B2B Gift Card Trend Report. 4-Card9 Gift Card Statistics. 5-Valutec.net.

BENEFITS OF GIFT CARDS INCLUDE:



Acquire New Customers—Gift cards can bring new customers, increasing both overall revenue and incremental sales.



Enhance Cash Flow—Gift cards are great because they are prepaid before you provide goods and services. You can invest these prepaid dollars in your business.



Build Brand Awareness and loyalty—Gift cards are advertising billboards in the consumer's wallet. They can be reloaded with value, thereby encouraging repeat business.



Increase Store Sales—The average consumer spends 20% more than the initial face value of the gift card.



Eliminate Cash Back—Gift cards allow partial redemptions with no cash back as the balance remains on the gift card. They can be issued in exchange for returned merchandise.

INCOME POTENTIAL WITH GIFT CARDS

Below is an example of profit per location based on annual sales of 500 gift cards:

REVENUE

500 cards sold at an average value of \$50	\$25,000
Customer spends 20% more than value of card (\$50 x 20% = \$10 x 500)	<u>\$5,000</u>
Total Sales	\$30,000
Cost of goods sold at 50% (retail markup)	<u>(\$15,000)</u>
Gross Profit	\$15,000
10-12% Breakage (cards never redeemed)	<u>\$3,000</u>
NET REVENUE	\$18,000

INVESTMENT

Custom Card Package Cost* (500 x \$1.49)	\$755
Cost of transactions* (\$0.30 x 500)	\$150
Monthly Service Fee*	<u>\$39.00</u>
Total Investment	\$1,373

TOTAL PROFIT \$16,627

*This is an example. Pricing varies and is subject to change. Please call us at (877) 861-8008 for a quote.