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Gift Cards Gain among Incentive Marketers
*Due diligence in purchasing will provide best outcomes says
Incentive Gift Card Council*

November 18, 2008 - NAPERVILLE, IL – Incentive marketing suppliers are expected to sell a record number of gift cards to corporate customers this holiday season and beyond as part of employee recognition and motivation programs, according to the Incentive Gift Card Council (IGCC), a strategic industry group within the Incentive Marketing Association (IMA).

According to some studies, overall corporate and consumer gift card spending could rise from an estimated \$400 billion this year to as much as \$600 billion in 2010.

“Make no mistake. Gift cards are and will continue to be an extremely popular – if not the number one - choice in incentive, reward, loyalty and recognition programs,” said Incentive Gift Card Council President Andrew Dodge. “Incentive professionals have come to know that gift cards are ideal for corporate clients looking for a meaningful gift that gives the recipient some personal choice, and are easy to buy, receive and distribute in a timely manner.”

Unfortunately, the economic downturn and tightened credit markets have squeezed many businesses, including a number of national retailers which sell their products from both traditional storefronts as well as via the Internet. “You don’t have to look far to see how many retailers have closed a large number of locations, or have completely gone out of business,” Dodge noted. “That is why it’s critically important that incentive marketers exercise due diligence with any produce supplier, and look very carefully at the potential gift card options on behalf of their clients.”

Dodge continued: “We expect that incentive suppliers will work more closely than ever with gift card providers to assure that the corporate clients’ incentive programs are administered professionally.”

The Incentive Gift Card Council offers the following tips for incentive professionals who are marketing gift cards as part of a reward or incentive program:

- When buying gift cards from a retailer that has experienced store closings, ask for the reasons behind them. There may be financially sound reasons for select store closings, but it is smart to inquire in detail about store closings, as well as any scheduled new store openings.

- Ask the retailer how many store locations will accept the gift card, if they are conveniently located near the intended recipient, and if the gift cards are redeemable at the retailers’ “e-store” web sites.

- Communicate to the recipient the terms and conditions of the gift card, including any fees, the card’s potential decline in value over time, and any expiration dates. Buyers should be aware that “open-ended” cards issued by banks, shopping malls and credit card companies are more likely to have expiration dates and added fees. However, all gift cards issued by the nation’s 25 largest retailers do not expire, and 84 percent of them have no fees, according to the National Retail Federation.

“The vast majority of gift card issuers are reputable retailers with strong histories, customer loyalty, and financial resources,” Dodge said. “IGCC’s intention is to advise and educate incentive marketing professionals on any potential problems which could occur as some retailers deal with some very hard choices in the months ahead.”

About the Incentive Gift Card Council – The Incentive Gift Card Council is a strategic industry group within the Incentive Marketing Association (www.incentivemarketing.org). The IGCC educates the incentive marketplace and the corporate community on the benefits of gift cards, including choice, value and service, and other key attributes recipients say that they want their awards to have. For more information, please visit <http://www.usegiftcards.org>

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