

What is the IGCC?

Where you find key changes taking place in the gift certificate industry, you're sure to find the Incentive Gift Card Council (IGCC) and its retail, catalog, restaurant and hospitality members. Originally founded 10 years ago as the Association of Incentive Gift Certificate Suppliers, the IGCC is a strategic industry group within the Incentive Marketing Association, and was created to provide an awareness of gift cards/certificates as a viable option for use in premium and incentive programs.

Having grown from six members in 1996 to 99 members today, the IGCC works to educate the industry on the benefits of gift cards/certificates, including choice, value and service, and attributes recipients say that they want their awards to have. As a result, today's companies are able to motivate employees, clients and/or business partners with a selection of more than 100,000 items, all accessible via gift card.

IGCC companies are considered the elite among retail, catalog and performance improvement agencies, offering cards/certificates that can be redeemed for merchandise, travel, food, accommodations and services. Membership is open to retail, catalog, entertainment and hospitality companies directly involved in the promotion, marketing and sales of gift cards/certificates to the incentive industry. Membership is also available to companies that market or support the efforts of these companies.

Right now, the IGCC is involved in several gift certificate initiatives, including the movement from "paper" based certificates to plastic, credit card-like options. The latter allows merchants to personalize the cards, and helps them track their usage and "get to know" their customers better. Some companies, for example, encourage gift card recipients to visit their Web sites and register their cards. If the card is lost or stolen, it can be replaced quickly and easily.

According to IGCC Executive Vice President Rich Killian, the group is also on the forefront of a movement that finds major retailers offering gift cards for a wide variety of stores, catalogs, restaurants and service providers. Often found near the front counter of a store, these options allow even more flexibility for consumers looking for a simple gift option.

The IGCC is also working closely with the Incentive Federation to conduct studies on the use of gift cards and incentives among Fortune 500 companies. "We're looking for insightful feedback on gift card-based incentive programs," says Killian, "and how these programs are more effective than cash."

For companies looking to boost their safety programs, Killian says gift cards can be the perfect option. Compact and easy to manage, the cards work well as spiffs (handed out when a manager sees someone doing something good on the shop or plant floor) and as longer-term incentives.

"The safety program that is centered on gift cards and travel merchandise will make

workers think twice about their conduct and actions throughout the day," Killian explains. "They're going to work harder to be part of the team that earns those valuable incentives."

Dennis O. Borst, president and COO for Foot Locker Gift Card Sales in Los Angeles, concurs, and says IGCC members work together, share ideas and create programs that are both long-lasting and effective for businesses.

"It's great to be able to work as an industry group, sharing information and making the gift card industry better overall," says Borst, who points to gift card fraud as one area where IGCC members have pooled their efforts. "We have mechanisms in place to thwart anyone who is perpetrating fraud at an IGCC member company."

At Walgreen Co., in Deerfield, Ill., Leslie Demourelle, manager of marketing implementation calls her firm's IGCC membership "a great value," based on the networking and brainstorming that takes place among the group's members. Such activities not only help the industry itself, she says, but also go a long way in creating a valued, flexible environment for the businesses and consumers who purchase and utilize the cards.

Expect to see the IGCC involved in even more gift card-related activities, says Killian, who sees the group's members working together to advance an industry that's grown significantly over the last six years. "Our goal is to create awareness of gift cards as a viable option, both for companies and individual consumers," says Killian. "We've come a long way, and we're on track to make even more inroads over the next few years."

SIDEBAR:

Benefits of Using Gift Cards/Certificates

Time Savings: The fulfillment of the gift incentive awards requires minimal administration. It's as simple as contacting your suppliers and ordering them. Most suppliers can ship cards within three to five business days.

Selection: Recipients have a choice of more than 100,000 items in a typical gift card program. Clients can provide recipients with cards/certificates redeemable at a specific retailer or via catalog. Programs that allow redemption through a number of catalogs or retailers may also be developed.

Cost Savings: The cost of most cards is only the printed face value. Many companies offer discounts on volume orders. Shipment of the cards, replacement of lost or stolen cards and simple customization are usually included in the purchase price. More complicated services, such as program administration or additional creative services, are usually available at an extra charge.

Flexibility: Gift card suppliers realize that clients who select cards as an award option seek turnkey programs. Overnight delivery, insertion of client correspondence with the cards, special in-store promotions for the program participants and program redemption statistics are examples of some of the services clients request. Gift cards make sense for most any incentive or premium program.

Source: IGCC