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Gift vouchers stay relevant

The gift voucher market has evolved dramatically over the past 25 years, and although the humble paper variant is as popular as ever, responding to technological trends is vital

When you are running a business based on serving the needs of a vast range of clients, flexibility and the ability to handle change are vital.

Much of our reputation is built around Love2shop – The High Street Gift Voucher, which is the number one multi-retailer gift option in the UK. It launched into the corporate market 25 years ago with an ‘impressive’ total of five retailers. In 2008, the choice has grown just a little, to now include more than 80 high-street names. Turnover of the B2B division exceeds £90m through the despatch of 1,000 orders a day to more than 4,000 clients.

While Love2shop has been the backbone of our business, we need to stay ahead of the game, so we’ve developed a series of alternatives for our clients. There is no one-size-fits-all solution when it comes to incentivising staff, and we need to be aware that clients have very different requirements, even if the goals are generally similar.

That’s why we’ve spent the past few years working on other elements of the business, like Love2travel and Love2play, which focus on the incentive travel and experiential marketplaces respectively. Love2shop vouchers may be popular with the majority of employees, but we have to be ready to cater for those who don’t want to shop on the high street. With this in mind, our next development will be an electronic voucher that is responding to demand from sectors such as IT, which expects any scheme including the reward delivery mechanic to be conducted online. This just proves that there are plenty of opportunities to develop the gift voucher market, and our own initiatives are going from strength to strength.

Economically these are difficult times and an effective incentive scheme is essential if you want to



continually motivate and retain staff. Retention is also the key for external sales incentives; it’s all very well focusing on an individual’s reward, but the real challenge is to build longevity into the scheme as a whole.

Too often reward schemes have a short shelf-life, possibly because sales staff are now so savvy that they flit between competing campaigns, which often negates the commercial objectives.

One solution to this has been the creation of online points banking systems, such as our ‘Virtual Incentive Points’ platform. Under the scheme, an account is set up for each participant into which points are stored. These can then be converted into vouchers or merchandise. Once

staff start collecting, the choice is simple; they can either spend now or save for something bigger later. We back this up with emails and communications on how to earn points and what they can spend them on if they accrue more points. It’s a win-win for all – the points mechanic encourages the participant to remain loyal to the scheme, the sponsor doesn’t have to invest in a bespoke platform, and ultimately we see more vouchers going into the market.

Another element raising the interest of our customers is voluntary benefit schemes – it has proved to be an extremely successful initiative. Often clients use our vouchers as part of an incentive scheme and then realise staff would also like access to those vouchers. If that company has reasonable numbers of staff, then it is a good market for us to be in. We can sell the vouchers online at a discount to staff, even though it is not part of an incentive scheme, with minimal cost to the provider.

Beyond this, the growth of gift cards continues, and there are a number of benefits to clients using gift cards, particularly for individual fulfilments. For example, a gift card can be activated only by the intended recipient, meaning it can be despatched via first-class post. A paper voucher often has to be sent by secure means, which costs more as the customer needs to cover the outlay of insuring the delivery.

However, despite all these technical advances, the paper vouchers we first started producing 25 years ago remain extremely popular. Yes, paper vouchers might lack the flexibility of an electronic voucher or a gift card, but they still have one fundamental advantage, and that is they are perceived to be as tangible and easy to use as cash. And from the receiver’s point of view, that, as an incentive, is hard to beat.