



Rewriting the Gifting Rules in the Omni-Channel Age

2014 Digital Gifting Benchmark Study

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Table of Contents

Introduction.....	1
The Gifting Process Scrutinized	1
Methodology	1
Summary of Results	2
For the Card Buyer:	2
For the Card Recipient:.....	2
And the Finalists Are.....	2
Best Overall:.....	2
Best by Category:.....	3
The Giver: The Digital Gift Card Purchase Experience	3
Continued Evolution.....	3
Rule #1: Prioritize Gift Cards as Part of the Overall Site Experience	3
Rule #2: Let Consumers Choose Their Ideal Denominations.....	4
Rule #3: Treat Gift Card Buyers as a Different Type of Customer	4
Rule #4: Respect the Buyer in Post-Purchase Marketing.....	5
Rule #5: Add Social Media Integration in a Logical (Not Creepy) Place.....	5
Rule #6: Be Honest – And Consistent – About Delivery Times	6
The Receiver: The Recipient's Gifting Experience	6
Balancing Personalization, Security and Ease of Redemption.....	6
Rule #7: Personalization and Interactivity Count for the Recipient Too.....	6
Rule #8: Let Them Give Thanks	7
Rule #9: Under-Promising Has Negative Consequences Too.....	7
Rule #10: Test, Test, Test	8
Mobile and the Future	8
The Mobile Frontier.....	8
Rule #11: Optimize for Mobile	8
Rule #12: Get Serious About Wallets	9
Convergence Coming Soon.....	9
A Twelve Step Guide to Better Digital Gifting.....	9
Appendix A: Vertical Category Leaders	a
Appendix B: Overall Rankings.....	d
Appendix C: Criteria and Ratings	h
Evaluation Criteria	h
Discoverability/Awareness	h
Buyer Experience.....	h
Recipient Experience	j
Appendix D: About Our Sponsor	l
Appendix E: About RSR Research.....	m

Introduction

The Gifting Process Scrutinized

“It is better to give than to receive,” or so the saying goes. But as a time-starved and convenience-centric society grows increasingly fond of giving digital gift cards **whenever gift giving is called for** these days, both sides of the process become equally important. As a result, in this, our fourth annual examination of the digital gift card experience, we will take an in-depth look at both the give side and the receive part of the process, with criteria for each that continues to evolve as retailers continue to invest in their digital gifting capabilities.

Methodology

When evaluating retailers, RSR starts with a compiled list of top retailers. In the past we have used the Internet Retailer 500, however, this has focused heavily on the largest online players only, which are not necessarily the most relevant when it comes to gifting and excludes restaurants, a very strong gifting category.

This year we continued with last year’s model, taking a more vertical-oriented approach, leveraging a combination of factors to provide a selection of 100 retailers with brands that are more likely to be oriented towards gifting opportunities. We still leveraged the Internet Retailer 500, but focused on retailers in gifting categories. We also pulled restaurants from *Nation’s Restaurant News*. A list of those retailers, and the verticals we assigned them to, is available in Appendix A.

The criteria we use evolve every year — as retailers’ capabilities evolve. We focus on updating the criteria to highlight differentiating capabilities, rather than the features that have become industry standards. This year that meant focusing on mobile and social experiences, while also adding criteria around retailers’ prioritization of gifting as a whole, as well as the ability to digitally “thank” a gift giver, and several components of retailers’ loyalty and marketing programs. A list of the criteria and the rating scale we used in the evaluation are included in Appendix B.

The evaluation was conducted this year in the exact same fashion as it was last: One person purchased all of the gift cards and another person received them all. We made sure to use consumer-grade email addresses and ISPs, rather than sending gift cards to corporate servers. The purchases were conducted in the latter half of August through early September 2014. An overview of the results for every retailer and category is included in Appendix A. The executive summary of the overall results follows.

80 out of 97 retailers provide digital gifting capabilities.

2 retailers were unable to deliver a digital gift card after 3 attempts to contact or work with customer service.

Only 4 retailers scored 45 points or more out of 66 — a C grade or better.

Summary of Results

During the 2014 evaluation, we found that 80 out of the 97 retailers offered digital gift cards (three retailers were duplicated across categories – Amazon.com, Apple, and Nike), up from 68 in 2013, 59 in 2011 and just 40 in 2010. Two retailers were entirely unable to deliver on their digital gift card purchases (Toys“R”Us and Home Shopping Network), despite repeated attempts to contact them via both email and phone.

For those who do offer digital gift cards, our scale is comprised of 66 maximum possible total points from the following criteria (a detailed breakdown of the criteria is listed in Appendix B):

For the Card Buyer:

- Gift cards are easy to find
- Gifting is prioritized on the retailer’s site
- Cards are integrated into purchase process
- Speediness of delivery
- Choice of faceplate options
- Personalization options
- Choice of denominations
- Multiple delivery options
- Clear purchase preview
- Ability to deliver via social networks
- Pages/clicks to purchase
- Loyalty/Marketing program integration
- Notification options
- Ability to purchase via social networks
- Mobile optimization for purchase

For the Card Recipient:

- An engaging reveal
- Ease of redemption
- Save to loyalty program
- Recipient “Thank You”
- Mobile wallet integration
- Add/manage gift cards in mobile app
- Timeliness of receipt

And the Finalists Are...

Based on these criteria, where a full range of 0-3 points was available for each category, the following retailers took top honors (all scores are out of 66 possible points):

Best Overall:

Retailer	Score
Sephora	46.5 points
Starbucks	46.0 points
The Home Depot	45.0 points
Best Buy	45.0 points
Dunkin’ Donuts	44.5 points

Best by Category:

Category	Retailer	Score	Category	Retailer	Score
Apparel	Gap Inc.	37.0	Footwear & Accessories	Coach	36.5
Apparel - Youth	Aéropostale	40.0	General Merchandise	QVC	41.5
Apparel - Sports & Fitness	lululemon athletica	37.0	Hardware/Bldg Supply	The Home Depot	45.0
Apparel - Women's	Victoria's Secret	34.0	Home Goods & Furnishings	Williams-Sonoma	44.0
Beauty	Sephora	46.5	QSR	Starbucks	46.0
Books/Music	Amazon	39.0	Restaurant	The Cheesecake Factory	44.0
Computers/Electronics	Best Buy	45.0	Sports & Outdoors	Gander Mountain	41.0
Department Store	Sears	35.0	Toys & Games	Toys“R”Us	21.5

The Giver: The Digital Gift Card Purchase Experience

Continued Evolution

Overall, retailers are pushing forward with their digital gift card offering. In just the few years since we've been conducting this research, the fact that the number of retailers offering digital gift cards has virtually doubled (from 40 out of 100 in 2010 to 80 out of 97 this year) is very encouraging. And for those retailers who've clearly made the digital gift card experience a priority, the process of both buying and receiving a card online is a wholly improved process.

But, with that said, there is still much work to be done. Here are some of the key takeaways from our experience buying digital gift cards this year:

Rule #1: Prioritize Gift Cards as Part of the Overall Site Experience

The problem of finding a gift card isn't just about where the card offering is on a retailer's site, but also how logical that placement is. For example, in years past we've pointed out the importance of placing the gift card offering high on the home page; this continues to be the case. However, it's not enough to just elevate cards on the home page. What about making gift cards available based on what a customer's shopping path might look like?

It wasn't long ago that a gift card as a wedding gift might seem out of bounds. But as we mentioned at the beginning of this research, the rules are being re-written. If a customer were to visit your site with a wedding gift in mind, why wouldn't gift cards be included within the wedding registry options? Only Williams-Sonoma (44.0) tied these two functions together, despite a large

number of retailers on our list featuring a wedding registry on their homepage (and gift cards somewhere else). Were a customer to want to visit both, they would have to conduct multiple site navigations. This isn't to say that gift cards shouldn't exist on the homepage as a standalone item – after all, no two customers are the same. However, if your brand features a gift registry, simultaneously featuring gift cards within that registry is a simple addition to accommodate more shoppers the way they want to shop.

12 retailers did not provide a gift card listing either on their home page or in a header or footer that persisted across pages.

And if your brand features a “gifting ideas” section on your site, as many retailers such as Sephora (46.5), Lowe's (28.0), Cracker Barrel (35.0), and Hayneedle (9.0) do, why wouldn't gift cards be featured there as well? If retailers want to make the shopping experience to seem as though it were designed *for* consumers, it has to feel like routine consumer behaviors have actually been incorporated into the design process.

Rule #2: Let Consumers Choose Their Ideal Denominations

If customer-centricity is the name of the game (and it is), the time for deceptive minimums for card purchases has long since passed. One of the criteria we've consistently measured is making a low card minimum available. While retailers may argue that their average basket size may not warrant providing a small minimum, enabling small minimums lets buyers who can't afford a lot to at least acknowledge the recipient's likes and favorites. And low minimums may lead to yet more spending on the part of the recipient.

Yet even today, too many retailers offer a low minimum card purchase that is presented as a deceptively high default. For example, visitors to Talbots (23.5) site can purchase a gift card for \$10, but at first glance, based on the default setting, \$50 appears to be the minimum denomination. Zulily (19.0) does something very similar, and Nike's (20.0) process is the trickiest of all.

In a similar vein, why would certain retailers choose to cap their gift card limits at randomly ascribed low limits? For example, Texas Roadhouse (38.5) caps their gift card purchases at \$100, which although it buys a lot of food, seems unnecessarily low. And considering Saks' (19.0) much higher average price points, the retailer's \$500 ceiling seems downright unreasonable.

Lastly, if retailers are in line with minimums and maximums on their gift card offering, the next step is to allow consumers to choose a custom denomination for their gift cards (the highest rating available in our criteria). Although it seems like a small thing, gift cards are, indeed, becoming more personal gifts, and the ability to personalize the card amount with a favorite number or inside joke could go a long way with some shoppers.

Rule #3: Treat Gift Card Buyers as a Different Type of Customer

The people who visit your site may be regular customers, but the chances exist that they're not; they just want to get in, buy a gift that doesn't require a lot of time and effort, and get on with their lives. After all, ***it's the recipient who is the fan of the brand.***

What this means is that the gift card buying purchase should be streamlined. Too many retailers still treat digital gift cards the same as any other physical purchase on their site, and as result, the process can be both clunky and confusing. Myriad retailers confuse their buyers by asking for physical shipping information (Disney – 9.5, Macy's – 32.0, and Neiman Marcus – 23.0), but

Sony's (18.0) site takes it a step further, asking for confirmation of a physical shipping address multiple times during the purchase process.

L.L.Bean (28.0) asks for physical shipping information as well, and despite at least integrating a neat little time saver that auto-populates town and state once a zip code has been keyed in, goes on to ask for such details as the buyer's prefix, middle name, day and evening phone numbers - *and gender*. But perhaps the most egregious offender of a non-streamlined gift card purchasing process is Wayfair (21.5): requiring the buyer to turn down the option of a "protection plan" on the gift card. Every one of these is a clear indicator that gift cards have been added as an afterthought to the retailer's eCommerce site, without much follow-up to how that process works once it has been launched.

Rule #4: Respect the Buyer in Post-Purchase Marketing

In an extension of what we just saw in relation to orienting a buying process towards a gift giver, the way retailers communicate to these customers – not just at the time of purchase, but in the future, as well – must be treated differently, too. Again, the *recipient* is the fan of the brand, so why are so many retailers badgering the buyer?

For example, we awarded points to retailers based on their loyalty and marketing program integration throughout the buying process. (For an example of someone who does this well, REI's [25.5] ability to auto-detect members and non-members is very clever.) But more often than not, retailers simply offer a checkbox somewhere during the buying process to opt-in for promotional offers and communication going forward. This year, an inordinate number of retailers set the default setting of this option to "opt-in", and we made certain to uncheck each (Both The Home Depot – 45.0 and GameStop – 16.0 are notable exceptions to this new practice).

That said, several retailers continue to spam the buyer – even if he or she opted out of their default promotional program. This is just poor business.

And for membership-based sites such as One Kings Lane (16.5) and Zulilly (19.0), the need to join before being allowed to purchase a gift card may warrant a rethink: should there be a separate link on the welcome pop-up to purchase a gift card as a non-member? While Zulilly handled this required membership sign-up with respect, One Kings Lane continues to spam the buyer multiple times a day. As a buyer, this hassle virtually guarantees future brand-aversion.

Rule #5: Add Social Media Integration in a Logical (Not Creepy) Place

Retailers' use (or non-use) of social media as a true selling tool falls well outside the scope of this research report. However, as we've noted in years past, if you're going to try selling anything on your Facebook page, a gift card is the logical place to start.

What is very interesting, however, is that for many of the retailers who do enable a purchaser to at least *allow news* of their purchase to be shared on Facebook, the process appears to be not well thought out, at all. For example, Chili's (40.5) and Pizza Hut (32.5) both enable buyers to share that they've purchased a gift card on Facebook. But from the moment the buyer tries to identify who they are sending the card to (***even before any social media delivery/notification options have been selected***), the tool starts to scrape the buyer's list of Facebook friends – photos included. This is just plain creepy.

Rule #6: Be Honest – And Consistent – About Delivery Times

Within the card buying experience, messaging must be consistent. **Yet it isn't.** Far too many retailers promise one thing about their delivery capability when a gift card is being selected, only to offer conflicting messaging several steps down the road. For example, when choosing a Walmart (29.5) gift card, part of the benefits touted of a digital card over a physical card is that it can be delivered “quickly.” But after selecting to send a gift card, choosing from one of the 65 *faceplate options*, selecting a denomination, customizing it with a personal message and entering all pertinent contact info, the buyer heads off to a purchase screen, where they are then told the product will be delivered “within 48 hours.” This is very misleading.

On the other hand, several retailers take the direct opposite tack: telling buyers the process can take up to two business days, only to deliver a card within a few minutes. We understand that much of what determines a card's delivery time lies within the credit authorization and fraud management process, but sandbagging delivery capabilities to this extent may well just needlessly scare off time-starved buyers. After all, even though we can't lump gift card shoppers into any one specific category, it's a safe bet that many of them will be in a hurry. Retailers should be honest about what they are – and are not – capable of.

Now let's find out how the process of receiving a digital gift card has evolved.

The Receiver: The Recipient's Gifting Experience

Balancing Personalization, Security and Ease of Redemption

On the recipient side of the experience, retailers must balance three conflicting forces: delivering a personalized gift card that makes the recipient feel special, tightly managing the security of the card so that they don't expose themselves or the buyer or recipient to fraud or theft, and making the card easy to redeem.

Retailers seem to have chosen overall to focus on personalization over the other two. Some card experiences delivered security through the use of a PIN and/or an email address confirmation. But too many other retailers dropped the issue into consumers' laps by making the email the card. If the email is lost, then the card is lost too.

Despite these conflicting goals, retailers did deliver a significantly improved recipient experience over last year. For some, a whole new interactive reveal came into play, and yet for others, technical glitches so eroded the experience that the card was either unusable or never even delivered. Read on for the details.

Rule #7: Personalization and Interactivity Count for the Recipient Too

While a gift card can potentially be a very impersonal gift, it absolutely doesn't have to be. Retailers have focused in the past on giving the buyer more opportunities to personalize their gift, but the delivery of that gift has mostly been limited to what an email application can display.

Last year, we saw the addition of an animated envelope opening, but this year some retailers were able to add an interactive element to revealing the gift card, in the form of a ribbon that the user swiped to pull open wrapping paper over an animated gift box. TGI Friday's (40.0), Best Buy (45.0), Williams-Sonoma (44.0), Pottery Barn (42.5), and QVC (41.5) all offered this option, and

no matter how many times we opened the gift in order to perform our evaluation, it always made us smile. We have to think that kids would think it was even cooler than we did.

Some retailers went a bit too far in the other direction this year, delivering very sub-par recipient experiences. Even if they don't have the capability to provide a high-touch reveal, retailers should at least strive for a delivery experience that doesn't feel like a phishing scheme. Hayneedle's (9.0) "e-certificate" was so mangled in delivery that it was an unusable gift card. There was almost no text, and if there had been images in the intended email, none of them made it to the inbox.

The emails from GameStop (16.0), Saks (19.0), Ann Inc, (13.5) and Shoebuy.com (8.0) were also mangled – missing images, text in unlikely places – but at least readable. However, they all looked more like a phishing scheme than a gift, and while Nordstrom's (23.0) card was also usable, the message for the recipient read "[object HTMLParagraphElement]," not the most friendly of greetings, and not what was intended. JCPenney Company (17.5), J.Crew (20.0), and American Eagle Outfitters (17.0) all ended up with graphics intended, but stripped out somewhere in the delivery process. In the end, the cards were usable, but the experience was not as intended.

Rule #8: Let Them Give Thanks

New this year to our criteria list was evaluating how retailers enabled recipients to thank the gift buyer. There are two potential approaches to sending thank you notes. Some retailers just got out of the way – they provided the email address of the sender in the email notifying the recipient of the card, and when the recipient clicked on the email address, it opened a new blank email in the recipient's email tool. While this worked, it felt fairly impersonal and unrelated to the gift. But at least the retailer provided an easy way to thank the gift buyer.

There were several retailers who did not even provide contact details for the gift buyer. In this year's evaluation, Steve purchased the cards and Nikki received them. But if Steve had addressed all of his "from" forms as just "Steve", Nikki might have been hard pressed to know which Steve exactly – it's a fairly common name. Twelve retailers had this issue, with half of them restaurants or quick-serve restaurants. Additionally, Sony had a space for an email address to be included from the gift buyer, but it was blank.

By contrast, being able to click a "Say Thanks" button on the gift card web page felt more interactive and related to the gift itself. It was a nice compromise between respecting the giver's email address if the recipient doesn't have it (though we question the need for that in a gift-giving scenario), while also making the recipient feel involved in the process.

Rule #9: Under-Promising Has Negative Consequences Too

This year's recipient experience was also much more timely than in past years. While we did have issues with some cards being delivered, when retailers did send the cards, they typically came very quickly – within the first hour after the order was placed. But some retailers drastically under-promised their delivery window, promising several hours or up to 1-2 business days, and then delivering instantly.

It's true that much of the delivery process is outside of retailers' control – depending on the Wild West of the Internet and/or the

"If a retailer has a good chance of delivering instantly, they should let consumers know."

whims of email service providers. However, if a retailer has a good chance of delivering instantly, they should let consumers know. If someone is looking for an instant gift ("I forgot my niece's birthday!"), they might think twice about buying something that is promised in 24 hours or more.

Rule #10: Test, Test, Test

Digital gift cards are more sophisticated than ever, but that also means they are more prone to glitches, and we saw what felt like more glitches this year than in any other. Some choice examples include:

- Burger King's (33.5) gift card could be completely edited by the recipient. On first blush this doesn't seem like a terrible thing, except that if a recipient is in a bad mood, he or she could put some terrible words in a gift giver's mouth and potentially create trouble by making it look like the gift giver was actually insulting instead of thoughtful.
- Hayneedle's (9.0) email with the gift certificate was so broken that it was unusable.
- Disney Store's (9.5) "Redeem Online" link was broken.
- Nordstrom (23.0) couldn't deliver the message in the email, and Sony (18.0) couldn't deliver the email address of the gift giver. J.Crew (20.0) couldn't deliver the email's images, which made it impossible to know if the card came with a barcode.
- Blue Nile (12.5) required entering a credit card number in order to redeem the card, even if the gift card would more than cover a purchase. And Dillard's (19.0) and Amazon (39.0) required creating an account to even view the card.
- Abercrombie & Fitch's (19.5) mobile site and app appeared to sell gift cards, but clicking on "Compose and Send" went nowhere.

Mobile and the Future

The Mobile Frontier

Last year, in addition to the desktop-based digital gifting experience, we also evaluated retailers' mobile capabilities. The results came down to "too soon to tell." This year, many retailers have made significant inroads.

Thirty of the retailers who offer digital gift cards have no mobile app. However, Toys“R”Us (21.5), JCPenney (17.5), Kohl's (27.5), and Dillard's (19.0) all appeared to have "zombie apps", where the app still exists, but when a user tries to access it all they get are error messages or crashing apps. And some retailers, like Wendy's (NR), said their mobile app is "coming soon."

Rule #11: Optimize for Mobile

For retailers like Buffalo Wild Wings (41.5) and Cracker Barrel (35.0), gift card purchases have not been optimized for mobile at all. For other retailers, it's a different user experience if you search for gift cards vs. if you navigate to gift cards through menu options. Search would sometimes take the user to the full site, non-optimized page, making it look at first glance like the digital card buying experience is not mobile optimized. However, clicking on the eGift option does take the user to a mobile optimized experience – assuming a user is intrepid enough to keep going when first experiencing a non-optimized page.

"Thirty of the retailers who offer gift cards have no mobile app."

Some retailers provided a mobile-optimized experience but didn't carry that through to taking advantage of integration to the phone's features. For example, clicking on the email address entry field should theoretically bring up the email-specific keyboard, complete with @ button and the prepopulated ".com" on the iPhone. J.Crew's (20.0) mobile site enables this feature, as did Justice's (18.0) mobile site. But Sephora's (46.5) experience here was by far the best, offering to access your phone's contacts for you, so that you did not have to leave the app in the middle of a purchase to retrieve an email address.

Rule #12: Get Serious About Wallets

On the recipient side, wallet capabilities still appear in their infancy. At the most capable end of the spectrum, Starbucks (46.0), Amazon (39.0), Target (32.0), and Sephora (46.5) were the most sophisticated, allowing users to add gift cards to a wallet or allowing gift cards to be applied as a credit to the user's account for use later. Walmart (29.5) also enabled adding gift cards to a wallet, but oddly specified a maximum of five cards.

Macy's (32.0) new wallet has been much touted in the press, but there is no provision to add gift cards to the wallet. The same was true for American Eagle Outfitters (17.0), Express (24.0), and The Children's Place (31.5) – all of these retailers enable managing store brand credit cards and loyalty cards in a mobile wallet format, but not gift cards. And Pizza Hut (32.5) was particularly perplexing. The app enables mobile ordering, but if you want to apply a gift card to your purchase you must go to a restaurant to pay.

Convergence Coming Soon

Between technical glitches and mobile apps or sites that didn't bother to offer a digital gifting experience, it is clear that retailers are struggling to integrate a lot of complexity. They may be using one vendor to provide mobile ordering capabilities for a restaurant, another vendor to manage a loyalty program, and yet a third to manage gift cards. While it is understandable that integrating these three capabilities would be challenging, from the consumer's perspective, it's still just one retailer and one retailer's experience. As retailers push ahead on adding more and more capabilities to their mobile user experience, they would do well to remember that.

A Twelve Step Guide to Better Digital Gifting

Consumers are entirely serious about digital gift cards as part of their experience, and retailers need to be ready. Even more important, 2015 appears to be shaping up as a watershed year for mobile, payments and stored value cards of any type – putting digital gifting and its more promotional cousins into the spotlight. Based on the capabilities that we identified as part of this year's evaluation, below is a list of all twelve rules that retailers should consider, and some thoughts on how to bring them to your own organization.

1. Prioritize Gift Cards as Part of the Overall Site Experience
2. Let Consumers Choose Their Ideal Denominations
3. Treat Gift Card Buyers as a Different Type of Customer
4. Respect the Buyer in Post-Purchase Marketing
5. Add Social Media Integration in a Logical Place (Not Creepy)
6. Be Honest – And Consistent – About Delivery Times
7. Personalization and Interactivity Count for the Recipient Too

8. Let Them Give Thanks
9. Under-Promising Has Negative Consequences Too
10. Test, Test, Test
11. Optimize for Mobile
12. Get Serious About Wallets

Gifting is more than a feature or capability. It is a philosophy. As a retailer, do you care about helping friends and family members enable some of your best or most aspirational customers to enjoy your brand? We suspect most retailers would care very deeply about that! And so, gifting, including and most especially focusing on digital gifting, is going to be a critical customer service differentiator for now and in the future. As such, while it may have unique requirements – like fraud protection and security – it still needs to be an integral part of the retailer's omni-channel experience.

Our best advice for all retailers: have you tried to buy a digital gift card from your site? As a newbie customer who might never have visited it before? And have you then tried the same experience on your mobile phone? On Facebook? As our experience demonstrates, you cannot assume that it is simply wonderful. And that alone can make the difference between a great experience or a poor one – whether gift giver, receiver or otherwise.

Appendix A: Vertical Category Leaders

Apparel

Category Average: 24.7

Company (in order of sales rank)	Score
Gap Inc.	37.0
J.Crew Group, Inc.	20.0
Eddie Bauer, LLC	17.0

Apparel - Youth

Category Average: 22.8

Company (in order of sales rank)	Score
Aéropostale, Inc.	40.0
The Children's Place	31.5
Express	24.0

Apparel – Sports & Fitness

Category Average: 25.3

Company (in order of sales rank)	Score
lululemon athletica, inc.	37.0
Under Armour, Inc.	26.0
The North Face	24.0

Apparel – Women's

Category Average: 23.4

Company (in order of sales rank)	Score
Victoria's Secret	34.0
Chico's FAS Inc.	24.0
The Talbots Inc.	23.5

Beauty

Category Average: 34.3

Company (in order of sales rank)	Score
Sephora USA Inc.	46.5
Ulta Salon, Cosmetics & Fragrances, Inc.	22.0

Books & Music

Category Average: 30.7

Company (in order of sales rank)	Score
Amazon	39.0
Barnes & Noble	33.0
Apple	20.0

Computers & Electronics

Category Average: 28.5

Company (in order of sales rank)	Score
Best Buy	45.0
Dell Inc.	31.0
Apple	20.0

Department Stores

Category Average: 21.8

Company (in order of sales rank)	Score
Sears Holding Corp.	35.0

Macy's Inc.	32.0
Kohl's Corporation	27.5

Footwear & Accessories **Category Average: 19.7**

Company (in order of sales rank)	Score
Coach Inc.	36.5
DSW Inc.	25.0
Foot Locker Inc.	21.0

General Merchandise **Category Average: 32.4**

Company (in order of sales rank)	Score
QVC, Inc.	41.5
Amazon.com	39.0
Walmart.com	29.5

Hardware Building & Supply **Category Average: 36.5**

Company (in order of sales rank)	Score
The Home Depot	45.0
Lowe's	28.0

Home Goods & Furnishings **Category Average: 28.9**

Company (in order of sales rank)	Score
Williams-Sonoma	44.0
Pottery Barn	42.5
Crate and Barrel	40.0

QSR **Category Average: 38.4**

Company (in order of sales rank)	Score
Starbucks	46.0
Dunkin' Donuts	44.5
Panera Bread	35.5

Restaurant **Category Average: 39.6**

Company (in order of sales rank)	Score
The Cheesecake Factory	44.0
Buffalo Wild Wings	41.5
Applebee's	40.5

Sports & Outdoors **Category Average: 27.8**

Company (in order of sales rank)	Score
Gander Mountain	41.0
L.L.Bean Inc.	28.0
Cabela's Inc.	27.0
Bass Pro Shops	27.0

Toys & Games**Category Average: 15.7**

Company (in order of sales rank)	Score
Toys“R”Us Inc.	21.5
GameStop Corp	16.0
Disney Store USA	9.5

Appendix B: Overall Rankings

Sephora USA Inc.	46.5
Starbucks	46
Best Buy Co.	45
The Home Depot	45
Dunkin' Donuts	44.5
The Cheesecake Factory	44
Williams-Sonoma Inc.	44
Pottery Barn	42.5
Buffalo Wild Wings	41.5
QVC, Inc.	41.5
Gander Mountain	41
Applebee's	40.5
Chili's Grill & Bar	40
TGI Friday's	40
Crate and Barrel	40
Aéropostale, Inc.	40
Olive Garden	39.5
IHOP	39.5
Amazon	39
Texas Roadhouse	38.5
Red Lobster	37
Gap Inc.	37
lululemon athletica	37
Coach Inc	36.5
Cracker Barrel Old Country Store	35

Panera Bread	35
Sears Holding Corp.	35
Victoria's Secret (L Brands)	34
Burger King	33.5
Barnes and Noble	33
Pizza Hut	32.5
Macy's Inc.	32
The Children's Place Retail Stores Inc	31.5
Dell Inc.	31
Target Corporation	30
Walmart.com	29.5
Lowe's	28
L.L.Bean Inc.	28
Cabela's Inc.	27
Bass Pro Shops	27
Under Armour, Inc.	26
REI	25.5
DSW Inc	25
Kohl's Corporation	24.5
Express	24
The North Face	24
Chico's FAS Inc.	24
Talbots Inc.	23.5
Neiman Marcus Group, Inc.	23
Kate Spade	22
Ulta Salon, Cosmetics & Fragrances, Inc.	22

Wayfair LLC	21.5
Toys“R”Us Inc.	21.5
Nordstrom, Inc.	21
Foot Locker Inc.	21
Apple	20
Nike, Inc.	20
Home Shopping Network	20
Abercrombie & Fitch Co.	19.5
Fanatics	19.5
Saks Incorporated	19
Dillards, Inc.	19
Zulilly, Inc.	19
Sony Electronics Inc.	18
Dick's Sporting Goods	18
Justice (Ascena Retail Group)	18
JCPenney Company, Inc.	17.5
J.Crew Group, Inc.	17
Eddie Bauer LLC	17
American Eagle Outfitters, Inc.	17
One Kings Lane, Inc	16.5
GameStop Corp.	16
Urban Outfitters	13.5
Ann Taylor (Ann Inc.)	13.5
Blue Nile, Inc.	12.5
Just Fabulous	12
Disney Store USA	9.5

Hayneedle, Inc	9
Shoebuy.com	8

Retailers who did not offer digital gift cards

- American Girl LLC
- Avon Products Inc.
- Build.com Inc.
- Chick-Fil-A
- Costco Wholesale Corporation
- Denny's
- The Estee Lauder Cos. Inc.
- FragranceNet.com Inc.
- Google Play
- Hudson's Bay Co.
- JP Boden USA LLC
- KFC (YUM Brands)
- LEGO Systems Inc
- McDonald's
- Newegg Inc.
- Orchard Brands / Appleseeds
- Outback Steakhouse
- Restoration Hardware, Inc.
- Subway
- Taco Bell (YUM Brands)
- Wendy's

Appendix C: Criteria and Ratings

Evaluation Criteria

Discoverability/Awareness

Gift Cards are Easy to Find

- 3: Offering is featured above the fold on home page
- 2: Offering is within a menu item on the home page
- 1: Offering is 'below the fold' on the home page
- 0: Option is not visible on the home page

Gifting Prioritization

- 3: Retailer has overall gifting landing page where all options are made available (registry, cards, recommendations)
- 2: Retailer has individual links on homepage for gift cards/registry/ideas
- 1: Retailer has gift card and/or registry, but they are not linked together
- 0: No gifting options prioritized

Integrated Gift Card Purchase

- 3: Gift cards can be purchased through the same shopping cart, whether plastic, e- or print
- 2: Gift cards can be purchased through the same shopping cart, but it's not clear that the process is the same (unclear whether the selection is e or plastic, or unclear if that purchase process will be the same)
- 1: Plastic gift card purchases are featured on the same page, but each leads to a separate purchase process
- 0: Plastic and eGift cards are not featured together.

Buyer Experience

Speediness of Delivery

- 3: Instant delivery is possible
- 2: Delivery within the same day is possible
- 1: Delivery within 24 hours is possible
- 0: The retailer does not provide information about how quickly the gift card will be delivered

Choice of Faceplate Artwork

- 3: More than 24 options available
- 2: 12-23 options available
- 1: 6-11 options available
- 0: 5 or fewer options available

Personalization

- 3: Retailer offers video, photo/image uploads and a personalized message in a streamlined fashion that doesn't slow down the purchase process if it's not selected
- 2: Retailer offers photo/image uploads and a personalized message
- 1: Retailer offers a personalized message
- 0: Retailer does not offer personalization options

Choice of Denominations

- 3: A custom denomination can be entered, or standard denominations can be selected. The retailer offers a low minimum purchase
- 2: A custom denomination can be entered but with a high minimum purchase
Or, the retailer offers standard denominations with low minimums
- 1: The retailer offers a few standard denominations with a high minimum purchase required
- 0: The retailer offers few denomination options

Multiple Delivery Options

- 3: The retailer provides flexibility for delivery — email, social, card-oriented printing at home, setting date/time for delivery
- 2: The retailer provides email options and card-oriented print options, with delivery flexibility (no time, date only)
- 1: The retailer allows email or print delivery, with little flexibility (no date or time)
- 0: The retailer offers email delivery only

Clear Purchase Preview

- 3: The retailer provides a full preview that is easy to see (clear, quality image, any animation or reveal) and edit options before finalizing the sale
- 2: The retailer provides a static, small preview (difficult to view)
- 1: The retailer offers a stock preview
- 0: The retailer does not offer a preview option

Ability to Deliver Card via Social Network

- 3: The retailer offers gift card posting to recipient's social media profile (Facebook)
- 2: The retailer offers to post a greeting message to the recipient's social profile
- 1: The retailer offers to let the buyer share that they have made a purchase
- 0: The retailer doesn't offer any social-based gift delivery or notifications

Loyalty and Marketing Program Integration

- 3: If buyer is member of loyalty program, eGift Card purchase counts toward program. If buyer is not member, is prompted to join
- 2: eGift Card purchase is used as a way to drive membership loyalty program or participation in marketing programs (i.e., opt in to email newsletter) in general
- 1: eGift Card used to drive awareness of marketing programs, i.e., links to social media accounts
- 0: No integration with any marketing programs

Pages/Clicks to Purchase

- 3: 1 page or click to get to order confirmation
- 2: 2 pages or clicks
- 1: 3 pages or clicks
- 0: 4 or more pages or clicks

Notification Options

- 3: The retailer notifies buyer when the eGift Card is sent and viewed and provides a notification if the card is not viewed within 3 days
- 2: The retailer provides a notification when the card is sent and viewed
- 1: The retailer provides a notification when the card is sent
- 0: The retailer provides an order confirmation only

Ability to Purchase via Social Network

- 3: The retailer offers on-page purchase of gift cards on their Facebook or via Twitter accounts
- 2: The retailer features gifting in its own section on their Facebook or Pinterest page (which links back to their site)
- 1: The retailer mentions gift card purchases on their Facebook or Pinterest page
- 0: The retailer does not offer gift card purchases through its Facebook or Pinterest page

Mobile Optimization

- 3: App and web optimized for mobile eGift card purchase, including integration with phone capabilities (adding a photo, accessing address book)
- 2: Web optimized for mobile, including swipe, photo
- 1: "Optimization" does not take advantage of mobile or tablet capabilities
- 0: Mobile is too difficult to use to buy a gift card

Recipient Experience

Engaging Reveal

- 3: The retailer offers an animated personalized reveal option
- 2: The retailer offers a stock animated reveal to the recipient
- 1: The retailer offers a graphics-based gift card to the recipient
- 0: The retailer provides a text-only gift card to the recipient

Ease of Redemption

- 3: The retailer offers online/digital storage, barcode and gift card number. Can print the eGift Card from the site
- 2: Can print the eGift card from site. In-store bar code. No online storage
- 1: The email is the card for online pure-play and/or no in-store bar code
- 0: The email is the card. For multi-channel retailers, the card is only redeemable online

Save to Loyalty Program or Account

- 3: The retailer offers ways for the recipient to save their gift card as a credit to their loyalty account
- 2: eGift Card used as a way to drive membership loyalty program or participation in marketing programs (i.e., opt in to email newsletter) in general
- 1: eGift Card used to drive awareness of marketing programs, i.e., links to social media accounts
- 0: No integration with any marketing programs

Recipient 'Thank You'

- 3: The retailer offers a personalized way to thank the buyer with media (photos/video)
- 2: The retailer offers a way to thank the buyer directly through a personalized message
- 1: The retailer offers a way for a recipient thank the buyer with a stock message, or opens a blank email
- 0: The retailer does not offer a way to thank the buyer

Mobile Wallet Integration

- 3: The retailer makes clear that a card can be added to the consumer's choice of mobile wallet (Google/Passbook) on both mobile and desktop versions of the card
- 2: The retailer makes clear that a card can be added to a mobile wallet at least on mobile versions of the card

- 1: The retailer offers alternative ways to save a card to a mobile device
- 0: No wallet offering

Add/Manage eGift Cards in Mobile App

- 3: You can add multiple cards to the app
- 2: You can add a card to the app
- 1: You can check a balance on the app
- 0: No card management via the app

Time to Receipt

- 3: Within 5 minutes of promised delivery
- 2: Within 15 minutes of promised delivery
- 1: Within 30 minutes of promised delivery
- 0: Greater than 30 minutes from promised delivery or no promised delivery time is available

Appendix D: About Our Sponsor



CashStar is the leading provider of omni-channel digital gifting solutions for the world's top brands. The CashStar platform enables retailers and restaurants to maximize sales, eliminate fraud risk, increase customer engagement and drive adoption of mobile payments. More than 300 leading brands worldwide rely on CashStar to power the most innovative and advanced prepaid and digital gifting programs. To learn more, please visit <http://www.cashstar.com>, follow [@CashStar](#) or e-mail info@cashstar.com.

Appendix E: About RSR Research



Retail Systems Research (“RSR”) is the only research company run by retailers for the retail industry. RSR provides insight into business and technology challenges facing the extended retail industry, providing thought leadership and advice on navigating these challenges for specific companies and the industry at large. We do this by:

- **Identifying information** that helps retailers and their trading partners to build more efficient and profitable businesses;
- **Identifying industry issues** that solutions providers must address to be relevant in the extended retail industry;
- **Providing insight and analysis** about a broad spectrum of issues and trends in the Extended Retail Industry.

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