



GIFT CARD

VERTICAL APPLICATION SERVICES by VeriFone

The **GIFT CARD Vertical Application Service** by VeriFone provides banks and processors with a **SIMPLE**, turnkey way to offer complete pre-paid gift card services to merchants worldwide, right from the countertop, extending the **VALUE** of a merchant's point-of-sale investment.

GIFT CARDS AND CONSUMER CONVENIENCE

The main reason for the popularity of gift cards among consumers is that they make shopping more convenient. Consumers can load or reload a gift card with any dollar value. They can also use a gift card for their own shopping, or give it away as a gift, knowing that the recipient can use the card to purchase just the item they want. In addition, gift cards have the appearance of a credit card, which appeals to consumers who are uncomfortable with cash gifts or paper gift certificates that look like coupons.

BENEFITS ABOUND FOR MERCHANTS

Gift cards are an effective way for merchants to increase business, customer loyalty and average sale amounts. They are also far easier to issue, reconcile and track compared to paper gift certificates. For the merchant, gift cards present a unique branding opportunity because a brand name and logo can be displayed on a gift card to promote brand awareness and loyalty.

Merchants also benefit from the float they gain by collecting a gift card's value well before a customer takes possession of the product, and the "breakage" or value left unused on a gift card. Gift cards have also become an efficient way for merchants to issue store credits, instead of cash, for returned merchandise.

A CLEAR OPPORTUNITY FOR BANKS, PROCESSORS AND VERTICAL MARKET SERVICE PROVIDERS

With all of the benefits that pre-paid gift cards offer to merchants and consumers, it is no wonder that VeriFone's turnkey electronic gift card application service is proving to be an incredible merchant acquisition and retention tool, as well as a new source of residual income for banks and processors.

HOW IT WORKS

Purchase and activation

A consumer requests to purchase a gift card, indicates the amount to be loaded onto the card, and pays the clerk. The clerk receives the money and conducts the transaction to record that a pre-payment for a gift card has been received. The transaction, including the amount paid, is sent to VeriFone's server in Miami, where authorization is made. The card is then activated by swiping it through the merchant's VeriFone IP-enabled point-of-sale terminal. The new card is then handed to the customer, ready for use.



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Making a purchase with a gift card

To use the gift card for a purchase, a consumer goes to the merchant location, selects products to buy, and presents the card to the clerk to indicate that payment for the items will be made with the gift card. The clerk swipes the card through the VeriFone terminal, and enters the amount of the purchase. The transaction is sent to VeriFone's VAS server, which subtracts the amount of the purchase from the balance on the card and authorizes the transaction.

Re-charging the card

To add value to an existing card, the consumer hands the card to the clerk, indicating the amount to be loaded onto the card, and pays the clerk that amount. The clerk receives the money and conducts the transaction to record that a pre-payment for a gift card re-charge has been received. The transaction, including the amount paid, is sent to VeriFone's VAS server, which adds the amount of the payment to the balance on the card, and authorizes the transaction. The value is then loaded onto the card by swiping it through the VeriFone IP-enabled point-of-sale terminal. The re-charged card is then handed to the customer, ready for use.

Reconciliation

At the end of the business day the VeriFone terminal can print the transactions out so the sale and use of the gift cards can be monitored.

BIG VALUE, BIG DEMAND

A large untapped market worldwide is ready for gift cards combined with the flexibility that VeriFone IP-enabled point-of-sale terminals offer. The Gift Card Vertical Application Service by VeriFone positions banks, processors and vertical market service providers to profit from this growing opportunity.

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BENEFITS FOR BANKS AND PROCESSORS

- Powerful merchant acquisition tool
- New source of residual income
- Strengthens merchant retention
- Easy to deploy and maintain
- Promotes demand for VeriFone terminals

BENEFITS FOR MERCHANTS

- Attracts new customers
- Increases customer loyalty
- Increases average sale amounts
- Builds store loyalty since funds must be spent there
- Easier to issue, reconcile and track than paper certificates or coupons
- An attractive promotion and branding tool
- Efficient way to issue store credit for returns
- Affordable pay-per-use access to gift card program
- Extends the value of a point-of-sale investment

CONSUMER BENEFITS

- Makes shopping more convenient
- Simplifies gift giving
- Preferred over paper gift certificates or cash gifts