

## Incomm Research forecasted a strong holiday season for Digital Gift Cards; Interview with Mike Fletcher, General Manager at InComm Digital Solutions.

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Once again the 'Digital Gift Card' proves to be an ever more popular way for consumers to give their friends and family holiday gifts. I recently interviewed Mike Fletcher, General Manager at InComm Digital Solutions who spoke on the increased consumer adoption stating, "One of the biggest shifts we're seeing is how consumers are interacting with digital gift cards. Our research indicates that 55% of all consumers, and 79% of millennials want to store digital gift cards on their phones for personal use. Not only do shoppers find them easy to use and store on mobile devices, but they also appreciate their utility as personal budgeting tools."

He spoke further about the impact on companies, "We're seeing digital gift cards emerge as an important way for companies to connect with millennial consumers. An overwhelming 89% of 18-35 year old shoppers are more interested in purchasing digital gift cards than they were just 2 or 3 years ago and are also more interested in storing digital gift cards on their phones, especially for self-use."

In the recent research, respondents answered questions about their purchasing habits and their intentions for purchasing gift cards from websites and mobile devices, as well as digital cards, specifically this holiday season and beyond. (Click here to view the full survey.)

Survey Highlights include:

- 71% intended to purchase at least one gift card from an online website or mobile website app this holiday season, while 74% agreed that they are likely to purchase at least one digital gift card
- 85% of respondents between 18-35 agreed that they're likely to purchase at least one digital gift card this holiday season
- Of those who intend to purchase gift cards from online websites or mobile websites/apps this holiday season, nearly 20% plan to purchase 5 or more gift cards; 73% between 2 - 5
- Nearly 90% of respondents between 18-35 agreed that they are more interested in purchasing digital gift cards now than they were two to three years ago
- 77% of respondents between 18-35 prefer to have a digital gift card scanned from their phone rather than carry an email printout
- 53% of total respondents, and 79% of those between 18-35, are interested in storing and using gift cards on their phones
- 55% of total respondents, 79% of those between 18-35, agreed that they're interested in storing digital gift cards on their phone for self-use
- Nearly 23% of those who have purchased gift cards from online websites or mobile websites apps purchase 5-10 cards annually

I asked Mike about the benefits to merchants and brands in offering digital gift cards and he said, "Even

as digital gift cards grow more popular, it's still important for retailers to offer consumers choice. A vast majority of consumers, across age groups, want the choice of both digital and physical gift cards." Mike went on to say, "Consumers love digital gift cards because they're easy to send, easy to store, and easy to use. But the most common reason consumers love digital gift cards (which was cited by 61% of survey respondents) is because they can be delivered instantly, making them a great last minute gift option. Instant delivery also makes digital gift cards an important tool for companies who want to reward customers or employees on a short timeline, and with lower fulfillment costs."

All indicators are pointing toward the increased popularity and growth of digital payments with digital gift cards and mobile phones as significant drivers. Thanks, Mike for the update and we look forward to next year's survey.

Best wishes to all for 2015 from IPayments Forum!

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