

# Why You Should Consider Gift Cards for Your Digital Promotions

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## Gift cards as a Prize

The first and most important question you should ask for your next digital CPG promotion should be *“What will my target audience be most incentivized by?”* Even if you can afford the best prizes you can think of, they won’t create genuine engagement unless they appeal to your target market.

You must understand your audience in order to provide the best products or services as a prize incentive. Each touchpoint the customers have with your business will speak volumes. That’s why your promotional gift card experience must align with your brand values and overall business.

When it comes to digital promotions, there are a lot of different options to choose from. You can give free products, digital downloads, travel prizes, and even gift cards.

And when it comes to gift cards, there are two main types: physical and digital. So which one is right for your promotion?

Let’s take a look at the benefits of each type and how to choose the right one.

## Physical Gift Cards vs. Digital Gift Cards

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Physical gift cards are the most popular type of gift card and for good reason. They’re easy to purchase and can be used at most stores. Plus, you get to leverage your brand with a physical card experience as shown by Starbucks’ example below:

There are a few downsides to physical gift cards. Sometimes they have expiration dates and there is the risk of theft or misplacement.

When running promotions with gift cards with an expiration date, the expiration date must last after 5 years, according to the FDIC.

Digital gift cards, on the other hand, are very popular. They’re easy to deliver and can’t be lost or stolen as physical gift cards can. Plus, they often come with no expiration date by default.

## Categories for Gift Cards

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Let's see the different categories gift cards can fall under:

### Retailer-Specific

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These are cards that you may only use at a particular vendor's stores.

A GAP store gift card, for example, would have to be used at a GAP online or in-store location. These are ideal when you know your winners want to shop at select retailers.

If you're offering a gift card for a brand that has an online and offline presence, you should state if it applies online or in-store, or both as is the typical case with gift cards.

### "Box Store"

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These cards are similar to retailer-specific cards in that you can only use them at one store. However, the benefit of these options (such as Amazon gift cards) is that big retailers offer a wide range of products.

If you know your audience loves shopping at Amazon, then this is an excellent option for your sweepstakes promotion.

### Prepaid Debit Cards

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The most adaptable prize form is prepaid debit cards since consumers can use them to pay for anything. These are ideal for high-value rewards since they give winners wiggle room when spending them down.

## The Benefits of Digital Gift Cards

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The winners of your next sweepstakes or contest will love electronic gift cards! For a sweepstakes prize, you can buy e-gift cards from Visa and Amazon. These include card codes that customers can use to shop online. You can send all the codes and instructions to the winners in an email from your business and personalize the experience.

During an uncertain economical climate, giving the consumer the power to spend their prize however they see best, can help build customer loyalty, and make you stand out from your competitors.

Here's why digital gift cards make sense:

### Lower Fulfillment Costs

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For example, in digital sweepstakes, when you send electronic gift cards, you don't have to pay for packaging and shipping, which will save you money.

## Faster Delivery

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Your gift card codes will be delivered to your recipients faster than plastic gift cards. Prizes that are won in an Instant Win Game, can be distributed via electronic gift card codes through email as incentives – or in bulk after a contest or sweepstakes winners have been identified. Winners can receive their awards quickly via email instead of regular mail.

## Better Inventory Control

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Electronic gift cards that can be monitored for account balances and usage to help with inventory control. It also ensures that the intended recipient receives cards sent through the mail

## Conclusion

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Which gift card is suitable for your digital promotion? It depends on your goals. A physical gift card is a good choice if you're looking for something easy to purchase and use. However, if you're looking for something more secure that can't be lost or stolen, then a digital gift card is the way.

Do you have any questions regarding digital gift cards as sweepstakes prizes? For more information on how Sweeppea can help you with your next sweepstakes, contact us at [support@sweeppea.com](mailto:support@sweeppea.com) or call us at 305-505-5393.