

Vinyl Fence *Tip*

Practical and Proven Ways to Sell More Vinyl Fences

From your friends at National Vinyl Products

How gift certificates boost profits



Are you looking for a way to attract new customers and encourage repeat business for your fencing company? Gift certificates are an easy, risk-free option. When someone purchases a gift certificate from your fencing business, they are paying in advance for a fence for themselves or someone else. A gift certificate program is a low-cost or even no-cost way to boost sales, increase brand awareness, and encourage repeat business.

Card or certificate?

First, though, you may be wondering about the difference between a gift “certificate” and a gift “card.” Although many people use the two terms interchangeably, there are some differences.

A gift certificate is printed on paper or cardstock and displays a set amount; you use it in the same way as you would a store credit voucher.

On the other hand, a gift card works more like a pre-loaded debit card. The card can be used more than once until the amount is spent and can be reloaded. A paper certificate program is less expensive to initiate, but the paper gifts are far less durable than gift cards and more difficult to manage if the customer does not spend the entire balance.

Whether you choose paper or plastic—or go with a completely digital option—a gift certificate program offers some exciting benefits for your fencing company. Let’s look at the three main ways a gift certificate program can boost your profits.

1. Attract new business.

Your fencing company offers products and solutions that people both want and need for their homes and businesses. Have you ever thought about promoting your vinyl fences as gifts?

Offering gift certificates is a way to boost sales by solving your customers’ gift-giving problems. While the majority of gift card sales take place around Christmas, almost half of all gift card sales are for birthdays. About 20% of gift card sales are as “thank you” gifts, according to research from First Data.

Here are a few other fence gift-giving ideas to consider.

- Housewarming gift for the new homeowner
- Groundbreaking gift for a new building owner
- Present for the new puppy “parent”
- Gift for the gardener (to keep out deer and other wildlife)

When you promote these fence-giving occasions on your website and social media, you will encourage new business. You will reach previous customers who want to share the pleasure they have had with your great fencing products with a friend or family members. And you will attract new customers who are looking for a unique gift idea.

2. Increase brand awareness.

As a small business owner, you are often asked to contribute to school fundraisers and charity auctions. Gift certificates are a way you can say "yes" to these requests and generate positive buzz for your brand in your community at the same time.

A gift certificate from your fencing company can serve as an introduction to your business. Someone who wins a gift card at a charity auction may not have previously been inclined to visit your showroom.

Additionally, many customers who pay with a gift certificate end up spending more than the certificate is worth. The confidence of knowing that part of their purchase is already covered can expand the sale.

According to giftcards.com, 70% of consumers will spend more than the value of a gift card when using it to make a purchase. The same survey reveals that 44% of respondents visited a business for the first time because they had a gift card.

3. Encourage repeat business.

You can use gift certificates as a way to build customer loyalty and encourage repeat business. Two examples:

- 15% off with the purchase of a gift certificate.
- \$50 gift card free with each new fence purchase.

The "breakage" factor

When someone buys a gift certificate from your fencing business, it is a sale whether or not the recipient ever steps into your showroom. Some certificates go unused, and some recipients only spend part of the card's total.

Although this so-called "breakage" is not intended by either the purchaser or you, it can mean pure profit for your fencing business. (State laws vary on the legal use of this money; consult your accountant for details.)

How to set up a gift certificate program

You can design and print your own paper gift certificates using a variety of free online templates. Here is a list of the elements a paper certificate should include:

- Your company name and logo
- A descriptive title on the certificate
- A clear description of what is included
- Contact information (address, phone, website)
- Expiration date (to encourage timely use)
- Unique certificate number (for tracking purposes)
- Any terms and conditions (such as dates and times)

You also can activate electronic cards through your POS (point of sale) provider. When a customer makes a fence purchase, they can print out an e-gift card or show it to you on their smartphones. Typically, these cards have a barcode, an identification number, or sometimes both.

Digital gift cards can blend easily with the mobile tools you already use to process customer payments, and they allow you to issue gift cards without the additional costs of printing and managing a physical gift card program. The third option is to order physical gift cards from your POS provider, a merchant bank, or a third-party gift card vendor. These plastic cards feature magnetic strips or barcodes and identification numbers. Many of these cards have customizable designs.

Are you still on the fence about gift certificates for fences? Gift certificates are not just for traditional retail gifts or for big businesses. They can help businesses of all types and sizes attract new customers and build relationships with repeat customers.

Here is some additional research from the 2019 Small Business Gift Card Study to help as you consider this tried-and-true marketing tool.

- Repeat business. 90% of people who receive a gift card from a small business they never visited before said they would return there in the future.
- Small amounts work. Nearly four out of five people surveyed said that if they received a gift card valued at 88¢, they would visit the business to redeem it.
- Employee incentive. Eighty-nine percent of survey participants reported that they appreciate a gift card as a thank you or reward from their employer.

RESOURCES

If you would like more information on gift certificates and cards, here are some resources to check out:

- How to Offer Gift Cards at Your Business
<https://www.uschamber.com/co/grow/marketing/how-to-offer-gift-cards>
- Why Small Businesses Should Include Gift Cards In Their Marketing Strategy
<https://www.entrepreneur.com/article/289675>
- Benefits of Offering Gift Cards at Your Business
<https://thrivehive.com/benefits-of-gift-cards-for-your-business/>
- How to sell gift cards for your small business
<https://quickbooks.intuit.com/small-business/coronavirus/resources/small-business-gift-cards/>



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