

Return on Investment Worksheet

Custom Card Program



Cost of Program

Number of Cards	1000	
Cost Per Cards	\$0.95	
Total Card Cost*		\$950.00
Transaction Cost **	\$0.20	
Total Transaction Cost ***		\$600.00
Merchandising Tools		\$895.00
Total Program Set Up Fees		\$375.00
Cost of Opportunity		\$2,820.00

Program Opportunity

Average Activation Amount	\$25.00 (Varies by business)	
Total Value Stored on Cards	\$25,000.00	
Customer Spends More (33% Ticket Lift)	\$8,332.50	
Total Revenue	\$33,332.50	
Profit Margin (50%)	50%	\$16,666.25
12% to 15% Unredeemed	12%	\$3,000.00
Program Profitability		\$19,666.25
Total Cost		\$2,820.00
Net Profit		\$16,846.25

* Initial order only.

** Does not include statement fees.

*** Average of 3 transactions per card.

- ▶ 64% of US consumers used prepaid gift cards in 2004, compared to 11% in 2000.
- ▶ Purchasers spent an average of \$200.00 last year, up by \$61 from the prior 12 months.
- ▶ Most gift card recipients make more than one trip to the store to use up the value of their card.
- ▶ 61% spend more than the value of the card.
- ▶ Estimates on 2004 holiday gift card purchases are reported as high as 20% of all retail sales.