OGLOBA

The gift card program benefits guide

An end-to-end guide to the strategic, financial, and operational case for closed-loop gift card and prepaid programs.

CHAPTER 01

Why closed-loop programs matter in 2026

Closed-loop gift card and prepaid programs sit at the intersection of three of the highest-leverage levers in retail: customer acquisition, customer retention, and working-capital efficiency. Done well, they pay for themselves several times over in their first year — but they require the right architecture and the right operating model.

This guide walks through the strategic, financial, and operational case for running a serious program, with benchmarks drawn from Ogloba's enterprise customer base.

- Acquisition: closed-loop cards convert at 2–4× the rate of equivalent paid-media-driven first purchases.
- Retention: cardholders return up to 3× more often than baseline shoppers in the 90 days after issuance.
- Working capital: typical breakage and float economics fund a meaningful share of program operating cost.

CHAPTER 02

Revenue impact

The most visible benefit of a closed-loop program is incremental top-line revenue — both from net-new customers and from increased frequency among existing customers. Programs run well also tend to lift average basket value at redemption, because cardholders consistently spend above the card face value.

The lift is meaningful but uneven across categories. Apparel, beauty, and prepared food typically see the strongest uplift; staples categories see less. Sizing the opportunity correctly requires a category-by-category model.

CHAPTER 03

Loyalty and retention

Cards are an emotional product. They carry intent — gifted by someone with context, redeemed in a planned shopping moment. Programs that lean into that intent (with personalised gifting moments, occasion-based templates, and digital-native UX) see retention numbers that outpace generic loyalty programs.

- Activation rate — the share of issued cards redeemed within 90 days.
- Repeat rate — the share of cardholders returning within 12 months of first redemption.
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- Reload rate — for reloadable programs, the share of cards reloaded at least once.

CHAPTER 04

Margin and unit economics

Beyond top-line revenue, closed-loop programs improve margin in several quiet ways. Float economics, breakage on unredeemed value (where legally retained), and reduced reliance on paid-media-driven acquisition all compound — provided the program is sized and operated correctly.

We walk through a worked example of the unit economics for a mid-sized retailer in chapter 5.

CHAPTER 05

Operating model

A program is not just a product — it is an ongoing operating commitment. Issuance, distribution, fraud, partner reconciliation, regulatory compliance, customer support — each is a discipline. Companies that win at gift card programs treat them as a small business unit with clear ownership, not as a marketing campaign.

- Program owner — single accountable person, ideally with P&L responsibility.
- Cross-functional rituals — weekly issuance/redemption review, monthly fraud review.
- Tech ownership — clear interface between platform owner (Ogloba) and internal IT.

CHAPTER 06

Channel mix

Programs that perform well show up across every channel the customer uses. Physical cards still matter in many markets; digital cards now dominate gifting in mature digital markets; B2B bulk distribution is the most under-loved revenue lever for many mid-market retailers.

CHAPTER 07

Compliance and risk

Closed-loop is comparatively light on regulatory burden versus open-loop prepaid, but it is not free. PSD2 in Europe, state-by-state unclaimed-property law in the US, and category-specific consumer-protection regimes still apply. Plan for them up front.

CHAPTER 08

Getting started

If you are starting from scratch, the shortest path to value is a 90-day pilot in 1–2 markets with a tightly scoped feature set, executed against a clear set of program KPIs. Once those KPIs are stable, expand on channel and geography from there. Ogloba's team can model your category and propose a pilot scope on request.