



## HIGH-DEFINITION NEWS

### Buying Time with Your Gift Card

By Clark Crowdus

Remember the hit song from the cult classic "The Rocky Horror Picture Show" called "Time Warp?" With its joyous chorus "Let's do the time warp again," audiences would rise to their feet and thrust their arms in the air and wiggle their fingers.

There hasn't been that much excitement over the manipulation of time until this year, when holiday gift cards became all the rage.

Consumers this holiday season were more likely to receive a stack of gift cards than any other present. According to the *Washington Post*, 64% of American consumers said they intended to buy gift cards, and more than half the consumers interviewed by the US National Retail Federation said they would like to receive a gift card.

The gift card took off this season because it combines value with control and convenience, so that now recipients can choose the time, venue and product themselves—rather than contemplate "regifting" or worse, the hell of merchandise exchange lines.

But what gift cards *really give* that is at the heart of their popularity — and the popularity of many other products — is the gift of time. Any product or service that compresses or otherwise overcomes the limits of time is sure to be a crowd-pleaser.

For example, the iPod is a device barely larger than a bar of soap that carries thousands of songs from your personal collection or from the Web, and which can go anywhere. Or how about TiVo, a gadget attached to the television that allows users to watch any show, any time, on demand. TiVo also allows viewers to pause a TV show indefinitely or skip over ads. Then there's the granddaddy of them all, the Internet, which gives Netizens asynchronous capabilities no one could have dreamed possible before. And within the Web, there is Google, which has cut waiting for search results to fractions of a second.

The manipulation of time through increased speed or vast reduction of size has always been a primary thrust of anything new or popular. At the end of the movie, *The Aviator*, billionaire industrialist Howard Hughes says after flying the Spruce Goose (the largest propeller-driven aircraft ever), "we've got to get into jets."

Nowadays, the compression of time is even more desirable as consumers become accustomed to products that serve their demanding 24/7 lifestyles. So the

question for marketers is "how can we leverage time compression or time manipulation with our products?" By understanding how changing product features can deliver time-based consumer benefits, marketers can enhance a current product or deliver a product more conveniently.

Most people probably believe that some kind of technical breakthrough is what drives time-based products and services, but it's also simply gaining clarity as to what consumers and customers really want. Using research, Apple Computer went to consumers and asked them what their problems with music were, and portability emerged. Apple then took a bunch of existing technology, repackaged it into a very small, portable, attractive unit with huge storage capacity—and the iPod was born.

If you are contemplating changing your product to suit changing consumer needs, be sure to also consider what you can do to build in a *time-based value aspect*. Here are a few practical ideas about how to go about it:

**Understand how changing product features can deliver consumer benefits** — Use research to probe unmet needs, then scan technology's ability to meet those needs. Both qualitative and quantitative techniques can be used to identify opportunities that consumers don't necessarily see as problems—until a solution is presented creatively.

**Reengineer existing products and processes to appeal to time compression** — Either by more convenient delivery, for example, or via the Internet. Or, through product enhancements that have a technological edge. A good combination of enhancements is that of Netflix, which allows you to order DVD movies over the Internet, then uses priority mail to get them delivered quickly back and forth from your home.

**Build new products in your space to serve unmet needs** — Once research has identified specific needs, build products to meet those needs. Of course, the need for "smaller, faster, more convenient" is always "unmet" in a sense because there will always be new technology or innovation to push the time envelope. The trick is to stay tuned to the relevant technology.

**Make the product available when, where, and how consumers want it in the context of your target market** — When is it most convenient for your target buyers to use your product? A store-branded gift card, for example, has ubiquitous distribution *within that chain*, but limited *acceptance* elsewhere. A Visa gift card, on the other hand, may not be obtainable at retail, but has ubiquitous acceptance. Choose the distribution and fulfillment method that best meets the market's needs.

**Make the product easy to obtain** — Using the example of gift cards again, you can buy stored value gift cards from Chili's, Nordstrom's, Sears, and other retailers right along with the candy, the *National Enquirer* and other impulse buys as you check out at Safeway supermarkets.

**After you make the product available, communicate widely but also creatively** — Wal-Mart for example, pinned its gift cards to its associates' lapels

and shirts so that customers could see them clearly whenever they were engaged.

Thinking beyond gift cards, remember that whenever you add the compression of time to a great product or a great shopping experience, you have a strong marketing combination. Think long and hard about how to market the attributes of both your services and your products in tandem—and then you and your customers can "do the time warp again."

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***Your feedback is welcomed and should be directed to Clark Crowdus, Principal, High-Definition Consulting Group at [clark@high-def.biz](mailto:clark@high-def.biz).***

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## **RESOURCES:**

The following resources are recommended by High-Definition Consulting Group:

**Article: eLogistics Magazine** — A leading payments magazine online.  
<http://www.elogmag.com/magazine/31/actinic.shtml>

**Government Agency: U.S. Treasury Department** — Stored value card description. <http://www.fms.treas.gov/storedvalue/>

**Article: Federal Reserve Bank of Kansas City** — The many uses of stored value cards. <http://www.kc.frb.org/FRFS/StoredValueArticle.pdf>

**Article: Business First (Louisville, KY)** — Stored-value cards offer new way to pay, give banks new product to sell.  
<http://www.bizjournals.com/louisville/stories/2004/10/25/story2.html>

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