

# The Hottest Trends in Prepaid Card Design





# Introduction

The prepaid card sector is growing, and retailers are seeing a boost in consumers using prepaid cards for payment, shopping and gifting. In fact, the global prepaid market is expected to reach \$3.1 trillion by 2022<sup>1</sup>.

Retailers and prepaid program managers can stay competitive and capitalize on the opportunities within the prepaid sector through innovative card and packaging design, increased personalization options and better security. CPI Card Group® (“CPI”) offers a wide range of choices for developing a successful prepaid card program to fit any budget, including cards and packaging sourced from eco-friendly, sustainable materials.

In this CPI e-book, we explore the latest trends in prepaid gift card and packaging design and provide actionable tips for implementing a compelling and competitive prepaid gift card program.



# The Growing Appeal of Prepaid



For consumers, prepaid cards offer both added convenience and a heightened connection to their favorite brands.

Some cardholders choose to use prepaid cards for everyday purchases like groceries, clothing, dining and even utilities as a way to “bucket” their spending and support budgeting.

Open-loop prepaid cards can be used at any merchant that accepts the card’s payment network (i.e., Visa, MasterCard®, American Express® and Discover®), forgoing the need for a debit or credit card while enabling the user to set expense caps up to the amount preloaded on the card.

For security reasons, some users also choose to use only prepaid cards for their online purchases, minimizing the exposure of their bank accounts, debit cards and credit cards.

Given the different types of prepaid cards and their associated benefits, many consumers, including the unbanked and underbanked, receive their payroll, unemployment, social security, child support and other benefits payments through prepaid cards. As well, healthcare savings account prepaid cards are used for health-related payments.

Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.



# A Broad Landscape

Prepaid debit cards are widely used as a form of money storage and transfer throughout the U.S. and worldwide. The prepaid market is comprised of several types of cards<sup>2</sup>, each designed for a specialized purpose. These categories include:

- **General purpose reloadable (GPR):** These cards are reloadable and typically designed to work over an open-loop network. They are widely accepted at merchants.
- **Gift:** These cards can be presented to any recipient and can be used in-store or online. Whereas GPR cards can be reloaded and reused multiple times, gift cards are non-reloadable. The cards are loaded with a fixed amount ranging from \$25 to \$500.
- **Retail:** Retail prepaid cards are available for purchase at a multitude of merchant locations and can be loaded with funds and activated at check out.
- **Debit:** A prepaid debit card is linked to a checking account or may serve as an alternative to checking accounts.
- **Payroll:** Payroll cards were introduced to replace physical payroll checks and better support the payroll needs of unbanked and underbanked consumers with direct deposit. Payroll cards allow the user to access funds via ATMs, as well as to make purchases and pay bills.
- **Transit:** The transit sector represents a growing use case for prepaid. Transit cards are reloadable but can be used only for purchasing fares within a designated transportation system.
- **Health savings account (HSA):** These cards are offered through the user's employer, allowing the employee to set aside a portion of pre-tax wages for eligible medical expenses.

In this e-book, we focus on opportunities in the gift card segment. Whereas cards within this segment can be designed for both open-loop and closed-loop networks, open-loop makes up the majority of cards issued.



## A Sleek, Modern Look

As in other segments of the payment card market, prepaid gift card design is trending toward a clean, bright and modern look. Cards featuring fewer graphics and a smooth colored gradient are particularly hot at this moment, as is the use of a colored core to help the card stand out in the wallet<sup>5</sup>. Smooth matte finishes with the moderate use of spot gloss also make a strong visual statement<sup>6</sup>.



# Top Trends in Prepaid

The prepaid gift card remains a tangible and highly giftable reminder of a merchant's or payment network's brand and will therefore benefit from appealing, innovative and differentiated designs and treatments. Here are a few of the top trends we are tracking in prepaid gift card design and packaging:

## Packaging the Experience

With recent advances in packaging, the prepaid gift card can now deliver a unique, customized and secure experience that satisfies the needs and desires of the retailer or program manager, purchaser and recipient. From multi-packs to tear-off seals, packaging solutions and features are evolving rapidly and can meet a variety of use cases and needs.

### The four driving factors for prepaid gift card packaging include<sup>3</sup>:

**Security:** For retail environments where security is a primary concern, retailers and prepaid program managers must ensure that consumers can't touch the physical card, and that the PIN is hidden until the card is purchased. Some retailers and prepaid program managers value packages that are difficult to open and are tamper resistant. New packaging options that meet the most stringent security requirements include the Ultra Secure Pack and Fraud Evident packaging.

**Cost:** If minimizing cost is the primary driver, program managers have several options, including the use of less packaging material. Some merchants offer unpackaged, loose cards and can include a small paper envelope for a cost-effective gifting option.

**Third party requirements:** A key driver of gift card packaging design is regulatory requirements. Industry regulations, in many cases, dictate the required disclosures and card carriers have been designed to accommodate. For this reason, one-size fits most packaging has been developed to meet industry-wide standards.

**Branding:** For prepaid markets where the merchant or payment network brand image is paramount, the creative possibilities are limitless. Whereas a few years ago simple tins and small boxes were the only "outside the box" options, today's packaging can create a true "unveiling moment" for the card recipient. These include solutions like baskets, sliding sleeves and upscale, deluxe packages.



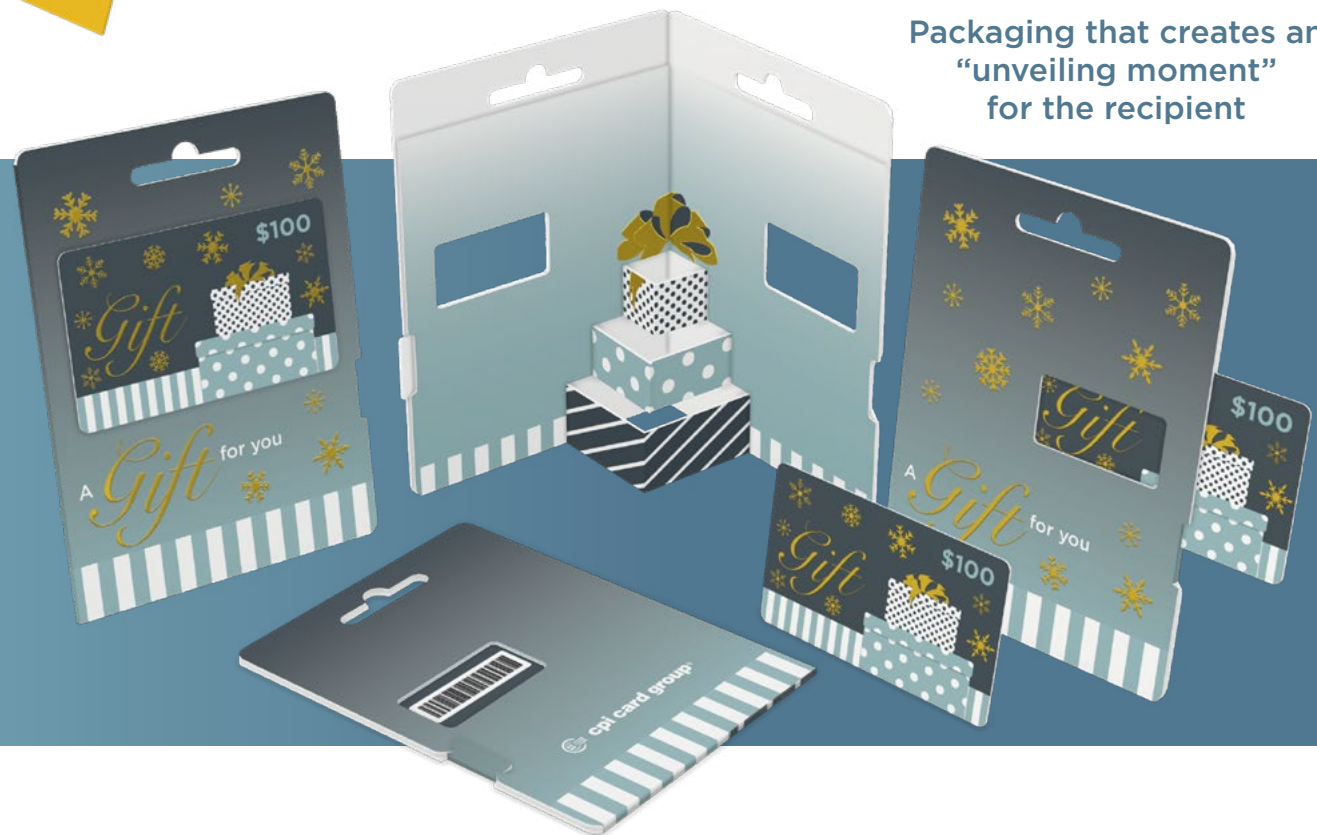
Secure or cost-effective options

Carriers that accomodate required disclosures

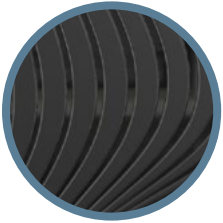


Packaging that creates an “unveiling moment” for the recipient

Bottom line, suppliers like CPI can offer a virtually limitless range of customized packaging solutions.



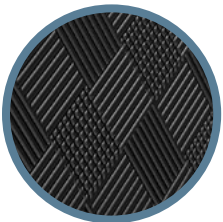
# Popular Prepaid Gift Package Finishes and Treatments



**Spot Gloss/Matte treatments:** These applications involve applying a spot matte varnish to dull areas of the package, providing an attractive feel and contrast at a low cost. This process is also useful for writing messages in the varnished areas.



**Full Face Foil Laminates:** Includes lamination on standard silver foil, holographic foil or specialized pattern foils. Press printed whites can block out targeted areas of the foil or allow only a partial shimmer of the foil to shine through in order to improve the quality of a foil image.



**MotionCoat:** This is a two-part printing system that slightly raises the coating in targeted areas. The use of alternating gloss and matte lines at different angles creates shimmer and movement in the package to draw the eye in.



**Scented Coatings:** Standard and custom scents are available and can be spot applied to both packaging and cards. However, the material itself is expensive and is typically cost effective only for large runs.



# Popular Prepaid Gift Package Finishes and Treatments



**Soft Touch Coating:** This is a press-applied coating with a soft feel. Soft Touch can be spot applied in some scenarios, but works best as a flood coat. When printed over foil, Soft Touch creates a unique look and can often provide colors with a pastel hue.



**Clear Etch:** This is a raised clear coating that can be applied with screen printing, enhancing the image with a slightly raised effect. Clear Etch works very well in combination with Soft Touch, providing contrast and restoring vibrancy to any colors subdued by the Soft Touch process.



**Glitter Etch:** In this process, glitter suspended in a coating is applied to the package surface and then UV cured, creating a raised or “bumpy” texture. This technique can be used with a variety of colors, such as silver, iridescent, red or gold, as well as custom colors.



## **Embossing and Foil Stamping:**

This process creates sculpted images from the customer's art files and prototypes. It is also possible to combo stamp (foil stamp on an embossed image in the same pass). Foil is available in a variety of colors.



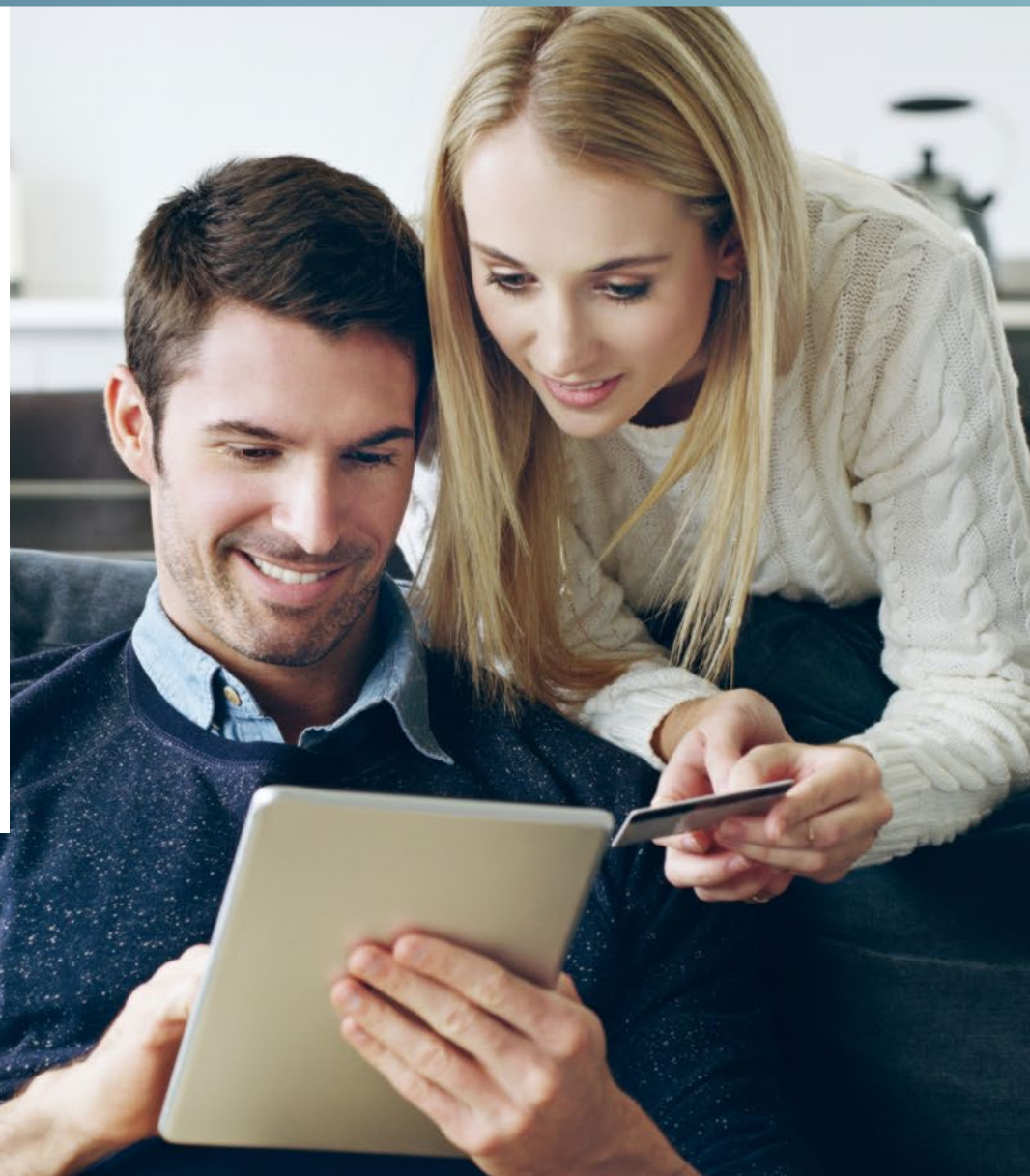
## **Printed and formed blisters:**

This includes registered printing across across a thermoformed surface. Specialty treatments such as foil, glitters, and cast & cure can also be used with this process. This process is best used in long, high volume runs.

# Beyond Brick and Mortar

E-commerce sales as a percentage of total retail sales have risen steadily over the past decade, from a little over 4 percent in 2010 to 11.2 percent in the third quarter of 2019<sup>7</sup>. As more consumers gravitate toward shopping online, prepaid card programs are accommodating their needs.

A new trend is to order gift cards online and have either a physical card shipped or delivered online. A way to add value to an online gift card purchased is to offer customized giftable boxes that can fit into an envelope, through print on demand (POD) technology. The purchaser can, in a single visit to the merchant's website, select a gift card, choose a customized gift box, pay for the card and have it shipped to himself/herself or directly to the recipient.





Sustainability is an increasingly important factor in many industries. According to a February 2020 CPI Card Group survey of debit and credit card users, conducted by an independent research firm, 94% are concerned about protecting the environment and 63% are very concerned<sup>8</sup>. Younger consumers, in particular feel strongly that companies should be environmentally aware<sup>9</sup>.

With this in mind, retailers and program managers now have a range of new options to incorporate sustainability into their offerings, from packaging to the cards themselves. With new sleek and slim packaging designs, the amount of plastic used can be significantly reduced. This can allow a greater volume of packaged cards per pallet, saving on fuel and transport costs and reducing the product's overall carbon footprint.

Similarly, through the use of online registration, retailers and program managers can reduce the amount of paper used for terms and conditions and in card packaging.

Lastly, advances in card material and manufacturing are also moving the industry forward by leaps and bounds. CPI is now offering Second Wave™ payment cards, featuring a core made with recovered ocean-bound plastic. Aimed at reducing first-use plastic and diverting plastic waste from entering the ocean, Second Wave™ is available in a variety of use cases including payment and access cards for transit, events, hospitality, and prepaid. CPI estimates that for every one million Second Wave™ payment cards produced, over one ton of plastic will be diverted from entering the world's oceans, waterways and shorelines.





# Conclusions: Key Takeaways for Prepaid

There is opportunity for differentiation in the prepaid gift card market. To stay competitive and capture market share, consider the following in your prepaid card program:

## Captivate your audience

with impactful gift card designs like minimalist graphics, matte finishes and colored cores.

## Personalize your offerings

to meet cardholders' expectations through targeted messaging and offers, and customized gift packaging.

## Showcase your brand's personality

through sophisticated design touches like deboss and die cut effects.

## Address sustainability

in packaging and card design, to reduce costs and align your brand with the values of today's environmentally-conscious consumers.



CPI's prepaid solutions are adaptable to a variety of specialized programs, including GPR, retail, rebates, transit, government, payroll, healthcare and gift cards. CPI offers a wide range of prepaid card and packaging design options to meet the unique needs of your customers. If you're looking to take your prepaid program to the next level, contact us today to learn more about CPI's products and solutions.



<sup>1</sup> Prepaid Card Industry – Product Offerings, Leading Players, Current Trends, and Challenges Faced, Infosys white paper, 2018.

<https://www.infosys.com/industries/cards-and-payments/resources/Documents/prepaid-card-industry.pdf>

<sup>2</sup> Prepaid Card Industry – Product Offerings, Leading Players, Current Trends, and Challenges Faced, Infosys white paper, 2018.

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<sup>3</sup> “2020 Card Trends: Color, Sustainability, Metal, Security,” ICMA, accessed from Web, January 9, 2020. <https://icma.com/2020-card-trends-color-sustainability-metal-security/>

<sup>4</sup> “2020 Card Trends: Color, Sustainability, Metal, Security,” ICMA, accessed from Web, January 9, 2020. <https://icma.com/2020-card-trends-color-sustainability-metal-security/>

<sup>5</sup> “Four Things Driving Gift Card Packaging,” by Tom Knaus, CPS Cards.

<https://cpscards.com/four-things-driving-gift-card-packaging/>

<sup>6</sup> “Quarterly Retail E-commerce Sales 3rd Quarter 2019,” U.S. Census Bureau News, U.S. Department of Commerce, November 19, 2019. [https://www.census.gov/retail/mrts/www/data/pdf/ec\\_current.pdf](https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf)

<sup>7</sup> CPI Card Group, “Consumer Insights Study, Wave 2”, conducted by an independent research firm, Schor Insights and Strategy, among 2,303 debit and credit card users between 18 and 65 years of age. February 2020.

<sup>8</sup> Nielsen. “Global Consumers Seek Companies That Care About Environmental Issues.” 2018.

[www.nielsen.com/us/en/insights/article/2018/global-consumers-seek-companies-that-care-about-environmental-issues/](http://www.nielsen.com/us/en/insights/article/2018/global-consumers-seek-companies-that-care-about-environmental-issues/)

# About CPI Card Group

CPI Card Group® is a payment technology company and leading provider of credit, debit and prepaid solutions delivered physically, digitally and on-demand. CPI helps our customers foster connections and build their brands through innovative and reliable solutions, including financial payment cards, personalization, and Software-as-a-Service (SaaS) instant issuance. CPI has more than 20 years of experience in the payments market and is a trusted partner to financial institutions and payments services providers. Serving customers from locations throughout the United States, CPI has a large network of high security facilities, each of which is registered as PCI compliant by one or more of the payment brands: Visa, Mastercard®, American Express® and Discover®. Learn more at [www.cpicardgroup.com](http://www.cpicardgroup.com).



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