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**WHY LEAVE TOWN PROMOTIONS**

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# WHY LEAVE TOWN PROMOTIONS

## COMMUNITY GIFT CARD PROGRAM



## EXECUTIVE SUMMARY

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The following document outlines the WLT Gift Card Program. However, this page provides a short summary of the program.

### **What is it?**

The Why Leave Town Gift Card is an EFTPOS based gift card. When a customer purchases a card they decide how much money to load onto the card and this money can then be used by the card holder to purchase goods in any participating store. The cards cannot be redeemed outside of the participating store network.

### **How does it work?**

Towns are setup up with 10 load up stores and then a number of redemption stores. Customers can load up to from \$10 to \$1000 on the card which is done via EFTPOS. The cards can then be redeemed for goods and/or services at any of the participating businesses, again via EFTPOS transactions.

### **Why?**

- It encourages shopping locally
- It provides a convenient gifting solution
- Increases businesses opportunity to make sales
- It helps promote businesses via a wider network

### **What will it cost?**

There is a fixed base price of **\$1,975** per (GST inclusive). Cards will be charged at \$3.00 per card (order of 1000 cards).

## 1. Program Overview

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Why Leave Town's (WLT) Gift Card program is an EFTPOS based system aimed at keeping money within communities by encouraging people to shop locally. When a customer purchases a card they decide how much money to load onto the card and this money can then be used by the card holder to purchase goods in any participating store within the market where the card was purchased.

Any business that has an EFTPOS machine\* can be a part of the program, however membership is generally governed by the organization that commissions the program (i.e. Chamber members if the program is commissioned by a local chamber of commerce). The program is also not just limited to traditional retail stores.

The program has a number of stores where cards can be loaded. These are called 'load up stores' and as part of the base program WLT will set up a maximum of ten of these stores. These stores will also be able to redeem cards.

The second type of stores are called 'redemption only stores'. These stores do not have the ability to load up cards, but can redeem them.

The crux of the WLT Gift Card concept is that the cards can only be spent in the participating stores in that market, and hence they become very effective tools in encouraging people to shop locally.

The benefits of 'Shopping Local' to regional towns are well recognised. Every time money is spent in a small town some of that money goes back into staff wages and other business costs. The wages are then re-spent in the town – and around and around the money goes. It is said that \$100 spent locally has a \$180 impact on the local economy.

*\* these Gift Cards do not work in Square, PayPal or similar card readers – only EFTPOS Terminals*

The flip side to this is that every time money 'leaks' out of town through shopping trips to other places and online shopping, that money is no longer in town and able to circulate through the local economy to provide jobs and wealth for locals.

The Why Leave Town Gift Card is one piece of the puzzle to help stop this wealth 'leaking' out of town. Every dollar loaded onto a WLT Gift card **can only be spent in participating local stores.**

This makes the cards a great way to support local shopping when you are giving a gift. The cards are also a great way to ensure that any donations/sponsorships you give to sporting clubs and organizations are spent locally.

As of August 2019, WLT Gift Cards are currently operating in 27 towns (launch date in brackets) including Narrabri (Sep 2010), Goondiwindi (Oct 2011), Forbes (Oct 2013), Pittsworth (Aug 2014), Cowra (Dec 2014), Gunnedah (Dec 2014), Bathurst (Apr 2015), Condobolin (Jul 2015), Orange (Apr 2016), Cooma (Apr 2016), Dubbo (Nov 2016), Smithton (Oct 2017), Temora (Oct 2017), Mudgee (Nov 2017), Tenterfield (Nov 2017), Broken Hill (Dec 2017), Cloncurry (Apr 2018), Gilgandra (Sep 2018), Merriwa (Nov 2018), Coolah (Nov 2018), Upper Hunter (Nov 2018), Parkes (Dec 2018), Bombala (May 2019), Lane Cove (May 2019), Keppel Cash – Emu Park/Yeppoon (Aug 2019), Lockyer Valley (Aug 2019).

Across the entire WLT network almost \$5 million to date has been loaded onto cards. That is \$5 million worth of guaranteed sales for these communities.

Note though that the number of towns and value of cards is always increasing, and so for the most up to date figures head to [www.whyleavetown.com](http://www.whyleavetown.com).

## 2. About the Cards

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Below details each of the specific of the WLT Gift Cards.

### **Design**

The front side of the cards are individually designed for each market. The only requirements are that the card have the EFTPOS symbol in the bottom right hand corner and the words 'gift card' are somewhere on the front of the card.

The back of the card cannot be altered as it contains the magnetic strip, terms and conditions, as well as a space for the load value and expiry date to be written. The WLT Logo is also found on the back of the card for global branding reasons.

### **Retail Price**

To help remove barriers to purchase an ideal situation is to have the cards free to load up, however you can look to apply some charge to help cover the costs associated with the program.

If looking to cover the entire cost of the cards (assuming an order of 1000 cards) it is advisable that the cards retail for \$3.00. For example, if a customer wants a \$50 card loaded then it will cost them \$53. A \$100 card would cost \$103. However it is completely up to the commissioning body as to what price the cards retail for. i.e. the cards can retail for more than \$3, or can be free to load up.

### **Load Amounts**

As little as \$10 and as much as \$1000 can be loaded onto the cards. Generally though amounts of \$30, \$50, \$100 and \$250 are the standard load amounts.

### **Checking Balance on Card**

The balance of funds remaining on the card can be found by logging onto [www.whyleavetown.com](http://www.whyleavetown.com).

## **Expiry & Breakage**

NSW program card funds expire after 3 years from being loaded. All other state and territory program card funds expire after 12 months from being loaded. And all of the cards themselves expire 5 years after their printing date – regardless of if they have been loaded or not. Expiry periods can be increased or decreased, however, the NSW Government introduced a new three year mandatory minimum expiry period for gift cards and vouchers sold to NSW Consumers via an amendment to the *Fair Trading Act 1987* – commencing end March 2018. For all other states and territories, 12 months continues to give a good balance of making sure people spend the cards sooner rather than later, whilst also giving a considerable amount of time for the purchase to be made.

Once cards expire then the holder of the cards cannot access this money. The amount left on the cards at expiry is known as the breakage. 75% of any funds left on the card after expiry are returned to Why Leave Town Promotions (the remaining 25% go to the card providers that WLT uses for this program). These funds are then passed onto the commissioning organization to do with them what they want (i.e. help to pay for the program or run additional advertising/promotions). It has to be said that these funds are diminishing yearly because cardholders are becoming far more aware of expiry dates simply because of the constant exposure they have because of the Chain Stores unceasing promotion of gift cards.

Given that the WLT brand is all about keeping money within local communities, we are very transparent about all breakage and do not want to be seen to be profiting from this.

## **Systems the cards will work in**

The cards will work on EFTPOS Machines within Australia. They are made to the same standard as any of the bank issued debit style card, we have never found an EFTPOS terminal that could not accept our cards. This includes integrated terminals. The cards will NOT work on Square, PayPal or similar card readers.

### **Where is the money held?**

All funds that are loaded onto the cards are stored within a separate trust account. No funds are held by Why Leave Town Promotions, the commissioning organisation or the participating businesses. This is vital in protecting the value of the card for the card holder.

### **Lost & Damaged Cards**

The cards need to be treated like cash, and hence if they are lost then this is just like losing cash. However, if the card number is known then the card can be replaced. Holders of the card are encouraged to register the card at [www.whyleavetown.com](http://www.whyleavetown.com) when they first receive it just in case it is lost.

### **How many times can the card be used?**

The cards can only be loaded once, but used to buy things multiple times, this means that the value which is loaded onto the card cannot be added to and the card can be spent all at one time or a little at a time.

### 3. Program Benefits

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The WLT Gift Card program has a number of benefits for customers, businesses and communities as a whole. Just some of these are detailed below.

#### 1) Keeping it Local

- a. All money stays within this community. As soon as a WLT Gift Card is loaded it has to be spent within the town it was loaded.
- b. Another tool to encourage people to consider shopping locally.

#### 2) One Card Endless Possibilities

- a. You can give someone a gift and they can buy anything they want.
- b. Having a great variety of stores as part of the network it becomes an acceptable gift.
- c. People can use it to go treat themselves or just take care of the essential items like groceries and fuel.

#### 3) The Easy Way to Shop

- a. You can do all your Christmas shopping in one place.
- b. You don't have to think about what to buy someone.
- c. Is more thoughtful than cash only gifts.
- d. Is better to give than money as this forces people to go buy themselves a gift rather than just put the money in their wallet for everyday expenses.
- e. For a lot of businesses this will be easier to manage than gift vouchers.
- f. Can work in conjunction with current gift voucher programs.

#### 4) WLT Promotions

- a. Gives businesses more advertising as WLT are continually promoting the program and our program partners



## 5) More than just a Gift Card

- a. Can be used to give discounts.
- b. Give instead of sponsorship/donations etc. so that you can be sure the money will stay local.
- c. If the business gives a gift (e.g. Christmas bonus) to their employee using the card rather than cash it is tax free up to a certain amount.
- d. Businesses can use it for petty cash transactions
- e. Businesses can use the cards as sales tools to encourage customers to spend more or not put items on accounts.
- f. Can be used by charities or other organisations to provide funds to those that need it (e.g. drought relief funds/donations)

## 4. Promotion and Advertising

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As part of the base package, WLT conducts a number of global promotional activities. These include:

### **WLT Website**

The WLT website is continually updated in line with the time of the year (i.e. Christmas, Easter, etc.). During non-traditional gifting periods the WLT website is used to promote other important messages about the WLT program.

### **Facebook**

WLT uses Facebook to engage both consumers and businesses in our network. We also encourage the commissioning body to setup their own Facebook page so that we can more effectively reach the local market.

### **Twitter / Pinterest / Instagram / Tumblr / Etc**

From time to time, WLT will also use other forms of social media to help promote the gift cards. These are normally done for particular campaigns only.

### **Email**

Email contacts are collected via a number of different channels in all markets where WLT Gift Cards operate. This is then used for a variety of email marketing campaigns promoting the program.

### **Paid Advertising**

As part of the base package, WLT does not conduct any paid advertising in specific markets. Most organisations that commission WLT to setup their gift card program already have relationships with local media and already have an advertising budget to push the shop local message. Therefore, to keep costs to a minimum WLT leaves all local market advertising to the commissioning organization.

## 5. Setup

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To get the WLT Gift Card Program operational there is a 3 tiered setup process. This is detailed below.

### **Website**

A dedicated page on [www.whyleavetown.com](http://www.whyleavetown.com) will be set up showing all participating stores in the program. Details of which stores are load up stores and redemption only stores will also be included. The functionality of being able to purchase cards online via the WLT website will also be set up at this stage.

### **Load Up Stores**

Load up stores will be provided with a card stand to place in an appropriate spot within their store. They will also be provided with applicated cards on hangers as well as promotion tops for the stands. 'Accepted Here' stickers will be given to each of these stores to place in their front window/door.

To activate the stores EFTPOS machine an activation card is swiped through each terminal in store, and a simple process is conducted.

Finally, each load up store will be given full training on the load up process. An information page for each business will also be provided.

### **Redemption Only Stores**

Each redemption only store will need their EFTPOS machine activated as per the process above. These stores will also be provided with an 'Accepted Here' sticker as well as an information page.

The WLT program is very easy to setup in any community and all that is needed will be sent to the stores/commissioning body. However, for an additional cost the WLT team can come to your town to setup the entire system.

## 6. Inclusions

Below details what is and is not included as part of the base package:

Inclusions	Exclusions
Website/Online Sales	Launch advertising
Phone support	Campaign advertising
Regular store newsletter	Targeted campaigns
Monthly report	Dedicated store pages on website
Social media activity	Face to face program setup
Additional promotional hangers	Postage or Courier Cost for any packages sent if opting to set up program yourself
Replacement of POS material if required	
Redemption Only packs for up to 25 new stores per year (from year 2 onwards)	
Two Activation Cards	

### Load Up Pack Inclusions

- 1 introductory letter
- 1 store checklist
- 1 information page
- 1 display stand
- 6 display tops
- 1 window sticker
- Phone/Web training

### Redemption Only Store Packs

- 1 introductory letter
- 1 store checklist
- 1 information page
- 1 window sticker
- Phone/Web training



Each card comes applicated to one of nine display hangers (Happy Birthday, Thank you, Congratulations, Happy Easter, Merry Christmas, Happy Valentine's Day, Happy Father's Day, Happy Mother's Day, and Generic Design).

## 7. Ongoing Support

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To ensure that the program continues to be successful WLT provides the following after sales support:

- 1) 24/7 phone and email support for businesses if they have any issues or questions about the program.
  
- 2) A regular newsletter for all key stakeholders in the program. This newsletter will keep people up to date with developments in the program as well as give suggestions on how to get the most out of it, particularly around key gifting occasions. Key stakeholders include:
  - a. Commissioning organization
  - b. Business owners and operators
  - c. Staff of participating businesses

## 8. Reporting

In order to monitor the success of the program WLT will provide monthly reports to the organization that has commissioned the program. These reports will detail the number of cards loaded and redeemed per month as well as their corresponding value. The reports will be issued at macro level but will have the ability to be broken down to an individual business level.

An example of a monthly report is shown below:



The following report provides an overview of the Why Leave Town Gift Card Program in terms of the overall results as well as results within your particular store. If you would like more detailed data or would like to discuss the figures in more detail, please contact Why Leave Town Promotions.

<b>PROGRAM OVERVIEW</b>	
Total Value of Cards Loaded in Program:	<b>\$69,419</b>
Total Value of Cards Redeemed in Program:	<b>\$57,652</b>
Total Value Not Yet Spent in Program:	<b>\$11,767</b>
<b>Total Value of Redemptions in YOUR STORE:</b>	<b>\$183</b>
<b>Total Value of Redemptions in YOUR STORE in Last 12 months:</b>	<b>\$183</b>

### MONTHLY STATISTICS:

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 12 - Dec 12	Sep 10 - Dec 12
<b>Total Program</b>														
Number of Loaded Cards	19	10	17	2	15	8	15	27	35	23	18	82	271	665
Load Value	\$1,390	\$685	\$1,920	\$200	\$1,689	\$495	\$3,648	\$4,741	\$3,210	\$8,152	\$1,890	\$9,142	\$37,162	\$69,419
Number of Redemptions	55	31	25	14	22	21	36	29	61	40	42	79	455	820
Value of Redemptions	\$2,861	\$1,593	\$2,145	\$674	\$1,378	\$897	\$3,888	\$4,282	\$2,334	\$7,843	\$2,344	\$5,465	\$35,703	\$57,652
<b>Business XXX</b>														
Number of Loaded Cards	0	0	0	0	0	0	0	0	0	0	1	1	2	2
Load Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$50	\$150	\$150
Number of Redemptions	0	0	0	0	0	0	0	0	0	0	0	5	5	5
Value of Redemptions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$183	\$183	\$183

[www.whyleavetown.com](http://www.whyleavetown.com)

Customized reporting at any point in time can also be arranged on request.

## 9. Costs

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Costs for the WLT Gift Card program are split up into fixed annual costs as well as variable costs. All costs quoted below are inclusive of GST.

### Fixed Annual Costs

There is a fixed base price of **\$1,975** per year to be invoiced in full at the start of each year.

### Ongoing Variable Costs

- 1) Cards (including hanger, application dots and all transaction fees\*)
  - a. Order of 500 = \$3.50 per card
  - b. Order of 1000 = **\$3.00 per card**
  - c. A processing fee of \$86.90 per card order
- 2) Per additional load up stores (above 10) = \$100
- 3) Per additional redemption store (above 50) = \$5
- 4) Per additional Activation Card required (two provided) = \$27.50 per card

### Face to Face Program Setup

The base cost of the program does not include face to face setup. However, if you would like the WLT to personally setup your program then this can be arranged at an additional cost. The additional costs will vary for each location based on travel and accommodation needs.

*\* Note: No additional transaction fees will be charged to any businesses. This excludes any fees normally charged for use of EFTPOS. Businesses should contact their EFTPOS provider for details of these.*

## 10. Timings

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Timings will vary in each market however the below timeline gives a rough indication of the time needed to get the WLT fully operational.

Week 1:	WLT commissioned to set up program
Week 2:	Card design finalised
Week 3:	Press releases about program
Week 4-6:	Businesses contacted and signed up to program
Week 7:	Website setup
Week 8:	Cards ready
Week 9:	Businesses activated and full launch

At time of commissioning of the program a full timeline will be planned out. The main variables that can impact on these timings are finalizing the card design as well as contacting businesses to join the program.

The cards can be produced with a quicker turnaround time, however this comes at an additional cost. In some instances it might be beneficial to get a few hundred cards printed with the quicker turnaround in order to get the program up and running without delays.



## 11. Terms & Conditions

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1. Payment terms for all invoices are 15 days. Any invoices still outstanding after 30 days will be charged interest at a rate of 10% pa compounded daily.
2. Any advertising or promotional activity using the WLT logo must first be approved by Why Leave Town Promotions.
3. Either party may end the contractual agreement at any time, providing all outstanding financial obligations have been paid.
4. If the annual fee is not paid, Why Leave Town Promotions has the right to deactivate all terminals in the program so that no further cards can be loaded. Cards that have already been loaded will still be able to be redeemed after terminals have been deactivated for loading.
5. If the annual fee is not paid the former commissioning body as well as any former participating businesses may not use any of the Why Leave Town branding for any other promotion or program.
6. For full card terms and conditions go to [www.whyleavetown.com](http://www.whyleavetown.com)

## 12. About Us

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Why Leave Town (WLT), as our name suggests, is in the business of supporting and helping to grow Australian communities. Being based in the rural New South Wales town of Narrabri, we understand the importance of a strong and healthy community. In particular, our focus is in providing programs and tools that help local businesses thrive.

Operating since 2007, we have a lengthy history of working with a variety of councils, chambers and community groups with the purpose of encouraging people to think local first. We are passionate about what we do and take great pride in seeing communities prosper through the use of our products.

Here's just a few achievements we have notched up over the past decade:

- *Almost \$5 Million generated for our participating communities through our gift card programs*
- *Over \$600,000 generated for drought affected communities throughout 2018 and 2019*
- *\$200,000 generated for local Narrabri businesses through our Narrabri Christmas #shoplocal promotion over 2016 and 2017*
- *Winner 2015 Regional Development Australia Innovation Awards (Retail, Tourism & Leisure)*
- *Winner 2008 Narrabri Chamber of Commerce Business Awards (Business Supporting Local Business)*
- *Runner Up 2016 Narrabri Chamber of Commerce Business Awards (Innovation in Business)*
- *Runner Up 2011 Narrabri Chamber of Commerce Business Awards (Innovation in Business)*
- *Finalist 2016 New England North West Regional Business Awards (Excellence in Innovation)*
- *Finalist 2011 Regional Development Australia Innovation Awards (Retail, Tourism & Leisure)*

## 13. The WLT Team

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WLT was established by school mates Ashley Watt and Justin Smith. Ashley and Justin grew up across the street from each other, in the small regional town of Narrabri. A few years after leaving school and after a period of time where Ashley lived in Sydney and Adelaide, Ashley and wife Carley moved back to Narrabri. It is around this time that Ashley and Justin decided to form WLT, with the intent of showing Narrabri locals how great their community was.

The business then evolved over several years to work more with local businesses and focus on encouraging local shopping, as they saw that this was the life blood of a thriving community. WLT is a small regional business too, and hence we have great empathy for those businesses and communities that we aim to help.

### **Ashley Watt – Founder / Operations & Innovations Manager**



Ashley has a Bachelor of Economics with majors in Economics, Finance and Marketing and has over 15 years' experience within the consumer market research industry. Ashley has worked with a number of large and small businesses, helping them to develop and monitor their marketing plans. Some of these businesses include the Australian Rugby Union, George Weston's Foods, Tabcorp, Telstra, Dairy Farmers, Lion Nathan, PZ Cussons, Beiersdorf, Tourism

Australian, Sydney Markets, Westpac and Kimberly Clark.

Ashley is the author of the book "*Why Leave Town: Practical Ways to Encourage People to Shop Locally*", which digs deep into the issues facing small to medium businesses across Australia, from a shop local perspective. The book has stemmed from a number of years working in the shop local space, as well as almost 100 interviews conducted with local chambers, councils, Regional Development Australia representatives and local business owners.

As Operations & Innovations Manager, Ashley is mainly involved in helping organisations structure the WLT Gift Card Program within their community so as to maximize its performance. He will be the main contact through all initial consulting as well as the primary contact for any macro related issues ongoing.

## **Carley Watt – Program Manager**



Although Carley has been a 'silent' partner in the business since its conception, she only officially joined the day to day operations team in July 2019.

As Program Manager, Carley's primary role is to oversee the day to day operations of all the WLT Gift Card Programs. She continually works with current Gift Card Program towns to ensure the smooth running of the program, and providing daily support to participating businesses and the commissioning bodies.

She is also key in the implementation of new programs, from fielding initial fact finding requests, online and in store setup, and store activation. Carley is the main day to day contact of all WLT programs.

## **Justin Smith – Founder**



As a founder of WLT, Justin played an integral role in establishing the products, programs, and values of the business. In particular, Justin's retail background led to him establishing the in-store activation process.

Justin has over 20 years' experience within sales and customer relationship building. Having worked as a sales representative for a number of years he has been able to develop a number of key accounts throughout northern NSW and southern QLD.

Justin's day to day role in WLT has decreased significantly over recent years as his primary focus is on managing his business JA Smith Solutions. However, this has not stemmed his passion for encouraging local shopping and so is still involved in all major decisions of WLT. Justin's main role now in WLT is fielding any daily transactional issues, as well as being a pivotal member of the activation team.