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Prezzee defends its e-gift card patch as PayPal looms



Former David Jones executive Tony Karp is aiming to more than double sales at e-gift card business Prezzee after being appointed CEO and managing director. **Gregg Porteous**

by **Sue Mitchell**

Former David Jones executive Tony Karp is aiming to more than double sales at e-gift card business Prezzee after being appointed chief executive and managing director.

Mr Karp's appointment to the newly created role reflects Prezzee moving out of its start-up phase and into a new stage of accelerated growth.

Prezzee was a pioneer of digital gift cards and was launched in 2015 by co-founders Claire Morris and Matt Hoggett, in collaboration with rich lister Shaun Bonett's Precision Group, after identifying an opportunity to revolutionise the \$4.5 billion gift card market by shifting from plastic cards to digital cards.

Prezzy is now the largest player in the e-gift gift card market and has partnerships with about 80 retailers including Myer, David Jones, JB Hi-Fi, Woolworths and Coles, online retailers including Catch Group and Spotify and travel companies Jetstar and Uber.

However, Prezzy is facing competition from payments disrupter PayPal Australia, which launched a digital gifting store last month.

Prezzy enables customers to order customised e-gift cards online or through the Prezzy app and allows the receiver of the gift to choose which retailer they want to shop with.

Prezzy e-gift cards are stored in the cloud and cannot be lost, even if recipients lose their phone. The company sends recipients a reminder when the gift is close to expiring.

A large part of its business is sales from retailers and corporates who issue cards as rewards to staff or rewards to loyalty scheme customers when they accrue sufficient points.

Growth potential

Mr Karp, who starts his new role on Monday, now plans to grow corporate and consumer sales more aggressively by ramping up marketing and sales.

Prezzy has doubled revenues over the last two years and Mr Karp says it is on track to double sales again this financial year.

"It's been very much organic growth [since launch] – now there's a chance to grow faster before someone else comes along," Mr Karp told *The Australian Financial Review*.

"We'll invest in parts of the business that have been successful ... and turbocharge it," he said.

"We have an unbelievable product and we have proven that by virtue of the growth we've had over the last two years."

PayPal's recent entry was another sign of the growth potential in the digital gift card market as customer awareness grew. "We take it as a compliment someone like PayPal is coming into this space – it shows the opportunity," he said. "We think there's room in the market for PayPal and room in the market for us."

Mr Karp was a senior executive at David Jones for more than a decade, with roles including group executive retail services and head of group transformation following Woolworths' \$2.1 billion takeover of the department store chain in 2014.

Since leaving Woolworths/David Jones in 2016, Mr Karp has been consulting to major retailers including Woolworths, Metcash, Stockland and Specialty Fashion.

Prezzy is chaired by Precision Group chief financial officer Edward Piazza and directors include Cliff Rosenberg, the former managing director of LinkedIn and a current director of AfterPay, and Precision Group chief technology officer Roger Hatem.