

# Rich Lister makes US splash with digital gift cards

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Financial Review Rich Lister Shaun Bonett's online gift card business Prezzee has launched in the US after inking 'white label' deals with companies such as Macy's, UberEats and Spotify.

Prezzee, which is 85 per cent owned by Mr Bonett's Precision Group, hopes to take advantage of the shift to online shopping, which has boomed during the pandemic and is likely to accelerate even faster as American consumers bunker down amid a massive spike in COVID-19 cases.



Shopping centre billionaire Shaun Bonett's Prezzee has launched in the US and will launch in the UK next month. **Steven Siewert**

Prezzee is supplying 'white label' online gift cards for more than 75 US brands, including Macy's and Bloomingdales, Bed Bath and Beyond, home improvement retailer Lowes and Sephora, and for tech companies such as music streaming service Spotify, food delivery company UberEats, and video gaming company Xbox.

It has also launched a Prezzee eGift card and Prezzee app, which enable shoppers to shop online and on their mobile phones at any of its retail partners, and which are popular with corporates as rewards for staff.

The company is laying the foundations for a push into the British market in December, signing deals with more than 50 retail partners including department store chains Marks & Spencer, John Lewis and Argos, supermarket chain Asda and footwear brands Nike, Footlocker and Adidas.

Prezzee's entry into the US e-gift card market follows the launch in August of its white label gift card program for buy now, pay later giant Afterpay in the US.

"We've done all of that from Australia without a single person going overseas," said Prezzee chief executive Tony Karp. "COVID has forced us to change what we do."

### **It's a good time to be in the digital payments space.**

— Shaun Bonett, Prezzee majority owner

The US gift card market is worth \$260 billion a year, with 65 per cent of spending on plastic cards and 35 per cent digital, compared with \$6 billion in Australia (75 per cent plastic and 25 per cent digital).

"We think we can get 2 to 3 per cent share [in the US] in the digital space because there is no one doing what we do best," said Mr Karp. "No one does B2B and B2C, including a last-minute gifting app."

"You'd be surprised how many people on the 25th of December place orders for the 25th of December."

Prezzee is Australia's largest virtual gift card group and has benefited from the shift to online shopping triggered by the pandemic.

Total sales across its consumer gifting, corporate gifting and white label marketplaces rose almost 300 per cent in fiscal 2020.

"It's a good time to be in the digital payments space," said Mr Karp, who expects e-gift cards to almost double to four million in Australia this year, up from 2.2 million in 2020.

Mr Bonett's Precision Group, which owns regional shopping centres in South Australia and Queensland, lifted his stake in Prezzee from 55 per cent to 85 per cent in September after buying shares from founders Claire Morris, Matt Hoggett and Stuart O'Brien as part of a \$7 million rights issue.

The founders, who established Prezzee in 2015, retain 15 per cent of the company, down from 45 per cent previously.

An initial public offering is on the cards in a year or two.