

HIGH-TOUCH RETURNS BECOME POINT OF DIFFERENTIATION FOR 3PLS



Why Digital Wallets are The Key to Modern Loyalty Marketing

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Whether they're shopping online or inside a physical store, today's shoppers are growing tired of keeping track of countless credit, debit and loyalty cards. They clutter up their wallets and make shopping feel less than convenient.



Increasingly consumers want a quick and seamless payment experience, which is exactly what digital wallets provide. This is why **nearly 50% of consumers** were using digital wallets at the end of 2022, and experts predict digital wallets will **overtake plastic cards by 2030**.

While it's clear that customers are sick of carrying and keeping track of plastic, [they're not tired of unlocking savings](#). Smart retailers will recognize digital wallets as a unique opportunity to foster customer loyalty by appealing to [consumers' preferences](#) for shopping experiences that are convenient and accessible, multi-channeled and personalized. Here are three ways that brands can use them to unlock the key to modern loyalty marketing:

Offer Convenient, Accessible Shopping

Digital wallets are as effortless as payments get, making on-the-go shopping easier than ever. They enable consumers to easily complete purchases with a single tap on their mobile devices, cutting down on checkout time. This is key to reducing the friction that can lead customers to second-guess purchases.

In addition to offering payment options, digital wallets also store personal forms of identification to unlock even more convenient shopping experiences. Consumers can use them in lieu of physical tickets to get through TSA security checks quickly and onto their flights. They can even order age-restricted items like alcohol from their seat at a sports venue, since digital wallets can store their verified birth date.

Digital wallets also seamlessly incorporate digital loyalty cards, making it easier for consumers to apply discounts and other perks with their device all in one go. There's no need to search for that punch card at the bottom of your purse or in the car console. This is why [nearly two-thirds](#) of consumers prefer using loyalty programs on their mobile devices when shopping in store, and forward-thinking brands are making it easy for them to do so.

Enable Seamless Omnichannel Experiences

Digital wallets don't just unlock convenient shopping experiences in physical retail environments. They drive seamless experiences across all channels. Shoppers must only input their payment information into a digital wallet one time. It's then secured for all future purchases.

From then on, they can look forward to one-click shopping across platforms. No need to track down the right cards for that new jacket — or the best discount. And no more losing out on coveted concert tickets because you can't enter your information fast enough. In addition to

streamlining shopping, the seamless experiences they offer [increase conversion and reduce abandoned cart rates](#) for retailers.

Digital wallets also provide an easy way for customers to engage with brands' loyalty programs regardless of the platform. [Nearly three-quarters](#) of consumers prefer using loyalty programs as they're shopping online, and smart brands will meet these consumers with high-value offers across all channels.

Increase the Personalization Consumers Crave

The information that consumers store and willingly share in their digital wallets provides an array of opportunities for brands to offer tailored experiences that attract new shoppers and increase customer loyalty.

While it's difficult for brands to effectively tie disparate physical loyalty cards to consumer profiles, ones seamlessly integrated into digital wallets let you create unified customer identities. Digital wallets produce vast amounts of [securely-protected consumer information](#). This includes spending habits, preferences, transaction histories and other [zero-party data](#) consumers happily share in exchange for options they like that are convenient to purchase.

Digital wallets allow personalization far beyond traditional segmentation. Brands can group shoppers into specific categories like students, military and parents. They can also develop nuanced, multifaceted understandings of individuals based on digital wallet usage. This allows brands to offer spontaneous, tailored customer experiences across every channel. They can include personalized offers and recommendations based on each person's unique buying habits and preferences.

As shoppers continue their inevitable shift to digital wallets, smart brands will evolve with them. They'll appeal to preferences for convenient, seamless purchasing experiences. This will help you stand out among the sheer volume of shopping options, providing personalized opportunities consumers crave. Brands that do that will unlock the key to customer loyalty.

Jake Weatherly is CEO of [SheerID](#)

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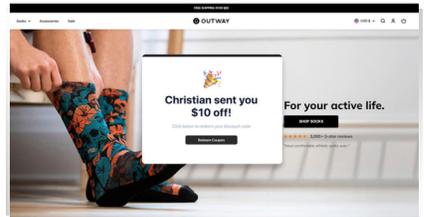
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