



Captain Wallet  
by Brevo

# The Phygital Guide :

## How the Mobile Wallet Becomes a Growth Driver for Brands



# SOMMAIRE

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# Introduction

In a constantly evolving retail landscape, shaped by the acceleration of technological innovations and shifting consumer behaviors, the line between the physical and digital worlds is blurring. This phenomenon, known as «phygital,» represents not only a challenge but also a significant opportunity for brands. Seamlessly integrating physical and digital experiences allows for enriched and personalized customer journeys, fostering loyalty and driving business growth.

The mobile wallet has emerged as a central tool in this phygital strategy, offering a solution that bridges the benefits of the digital and physical realms. Easily accessible via smartphones, the mobile wallet is a native mobile application enabling consumers to store loyalty cards, discount coupons, tickets, and more on their devices. Its key advantage: the wallet creates a direct connection with the consumer, transforming every interaction into an engagement opportunity.

Brands that adopt the mobile wallet benefit from a direct communication channel with their customers, enabling real-time updates, personalized push notifications, and insights into purchasing behaviors.

In the following sections, we will explore concrete case studies, brand testimonials, and winning strategies to effectively integrate the mobile wallet into your phygital approach.





# **Part 1:** **Understanding** **Phygital**

# The fundamental principles of phygital

Phygital, a **blend of the terms «physical» and «digital»** embodies the seamless fusion of online and offline experiences. This concept relies on **integrating digital technologies into the physical environment to create enriched and fluid user experiences**. The key to phygital success lies in its ability to capitalize on the best of both worlds: the convenience and accessibility of digital, combined with the tangibility and immediacy of the physical experience.

## Some examples of phygital success across different sectors :



Cashierless stores, like Amazon Go, offer a revolutionary shopping experience where customers enter, take the desired products, and leave without going through a traditional checkout. Payment is automatically processed via the mobile app.



Concerts and shows that integrate augmented reality elements through mobile apps, allowing spectators to interact with the performance in real time, also illustrate the impact of phygital.



Uber illustrates a phygital success in the transportation sector by connecting passengers and drivers through a mobile app, offering a personalized and efficient transportation experience.

# The challenges of phygital for brands

Phygital allows brands to rethink the customer experience by making it more immersive, personalized, and convenient. **By using the data collected online, brands can tailor their in-store offerings to meet the specific needs of each customer, providing a customized experience that exceeds expectations.**

Phygital also opens **new avenues for engaging customers**. For example, the use of QR codes in-store to access exclusive content or organizing online events for loyalty program members strengthens the bond between the brand and its customers. These strategies, by enriching the shopping experience, **promote customer loyalty and encourage positive word-of-mouth.**

Implementing a phygital strategy also means adapting to the new expectations of consumers, especially Millennials.

Phygital experiences particularly appeal to digitally connected generations such as Millennials and Gen Z, who value thoughtful in-store interactions while staying engaged digitally. A HubSpot report indicates that:

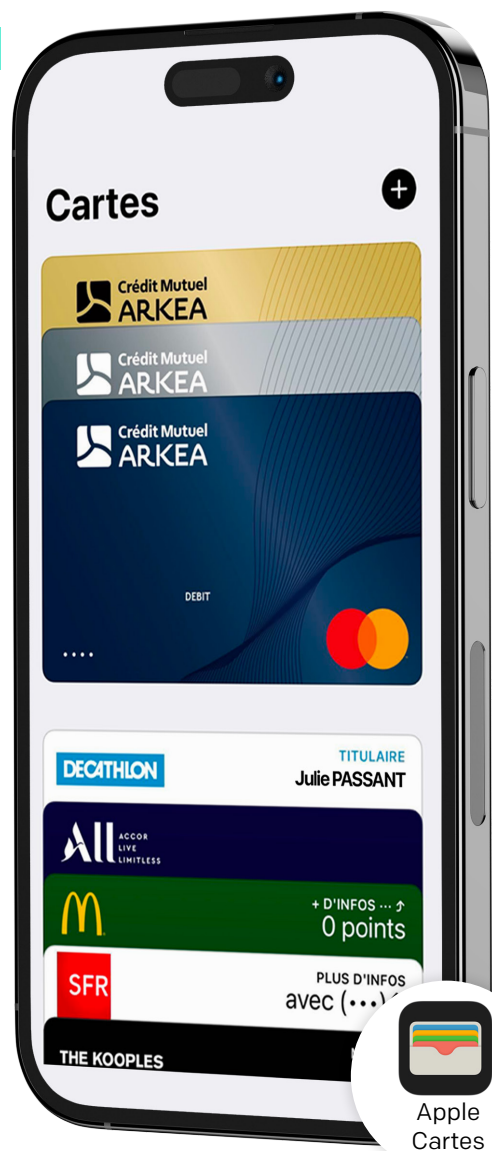




# **Part 2: The Mobile Wallet at the Heart of the Phygital**

# Key features of the mobile wallet

The mobile wallet **goes far beyond** being just an electronic payment method. It functions as **a digital wallet for everything from loyalty cards and discount vouchers to event tickets and boarding passes**. With its ability to store useful information, the mobile wallet stands as **an incredibly convenient and functional tool** in consumers' daily lives.



In addition to its practicality for consumers, the wallet proves **to be a powerful communication channel for brands**. Brands can send push notifications to all their «walle-  
ted» customers.

This tool complements **traditional communication methods with the goal** of increasing the average transaction value and the frequency of purchases per customer.



# How to offer the wallet in your phygital business ?

There are many ways to offer your customers the opportunity to digitize your marketing materials (loyalty cards, discount vouchers, click-and-collect receipts, e-invitations, etc.), even within your physical stores.

## Through a QR code on your point-of-sale materials and print collateral.

Offer the digitization of your in-store marketing materials using a QR code. The wallet card can be downloaded via a URL, which can be integrated anywhere, including «behind» a QR code.

By scanning the QR code, users are directed to a landing page where they can download their pass in just two clicks.

The QR code is the ideal point for digitization in-store. Place it on your displays, flyers, and other point-of-sale materials.



The gardening retailer botanic, among others, has chosen the QR code to integrate the mobile wallet into its phygital strategy. The brand placed a QR code on materials attached to their payment terminals at checkout, on stickers placed in-store, and also on in-store displays.

Once the code is scanned, the customer is directed to a landing page asking for their personal information. After completing the form, the user can download their loyalty card in two clicks, where they can find the previously entered information.

The member can then easily access their card in the wallet app on their mobile and is notified via push notification about the latest offers and the status of their loyalty data (number of points, available vouchers, etc.).

Thanks to this phygital strategy, botanic is acquiring:

36%

**new members to its loyalty program on the mobile wallet.**

**a high installation rate following the scanning of**

80%



## Through an app or an in-store kiosk.

What if you offered the digitization of the card through an app or kiosks available in-store?

# JULES

Jules did it!

The famous fashion retailer provides its sales associates with an app called Butler. Using smartphones assigned to its teams, the salespeople can move freely around the store and access customer information and other details via this app.

The salesperson can then offer any customer the opportunity to download their loyalty card into the wallet, directly from the app by displaying a QR code.

The customer simply needs to scan the QR code shown by the salesperson on the Butler app.

This is an excellent way for the brand to encourage card downloads while being assisted by a salesperson who explains the benefits, usage, and advantages of the wallet card.

## The benefits of the mobile wallet for phygital

### Personalization of the customer experience

Personalization can take many forms. For example, by using collected data, brands can tailor the content of their mobile wallet based on the customer's status, number of points, or even their birthday. **They can also recommend specific products or services based on the consumer's previous purchases.** A concrete example of this is Yves Rocher.



YVES ROCHER

The famous cosmetics brand offers its customers the option to digitize their loyalty card, «La Jolie Carte.» **This wallet loyalty card is interactive, personalized, and adapts according to the customer's journey.**

For example, if a customer is about to receive a reward due to their loyalty points, Yves Rocher **changes the design of their card to highlight this benefit.** A customer also sees her loyalty card change on her birthday or other special occasions, like a celebration day.

Of course, in addition to the design change, the customer receives a **push notification** wishing her a happy birthday or informing her of a special promotional offer available.

Thus, customer experience personalization goes far beyond simply offering special deals. It is **a comprehensive strategy aimed at creating a deeper, more meaningful relationship with the consumer,** while also encouraging the customer to visit the website or store.



## Increase in store traffic

The mobile wallet can be a powerful ally if you're looking to boost in-store traffic. Whether it's promoting offers available at your store, encouraging customers **to use their coupons or redeem their rewards** in person, or offering a click-and-collect service via the wallet, it's all possible.

For example, Intersport allows its customers to pick up their ski equipment in-store at a specific time **following an online order**. This way, crowded stores during the winter holidays become a thing of the past. Customers receive a push notification when their equipment is ready, enabling them to arrive at the store stress-free.



Personalized push notifications are also an excellent strategy, as seen with the Yves Rocher example. **Nothing works better than a notification tailored to a specific customer**, letting them know a reward is waiting for them in-store, to encourage a visit.

But the wallet **has even more tricks up its sleeve**. It's also possible to link wallet cards to a specific store, meaning a card can be assigned to a particular location. This functionality allows store managers, via **an accessible interface**, to communicate directly with their customers based on their latest updates.

This is exactly what The Kooples has done. The clothing brand uses this feature to address seasonal challenges, for example, sending their summer campaigns ahead of time to customers in southern France.

## THE KOOPLLES

**«Between stores, the needs are not the same. Typically, our southern stores won't have the same messaging as our northern stores when it comes to promotions.»**

*Inès de Champroux*  
**Head of Customer Acquisition &  
Experience at The Kooples**



## Measurement and Analysis of Customer Engage-

The mobile wallet **provides valuable insights into user interactions**, enabling brands to measure the effectiveness of their campaigns and refine their strategies to maximize engagement.

This solution allows brands to track engagement trends over time, helping them **identify shifts in user behavior and adjust their strategies accordingly**. For example, if a brand notices a decline in engagement, it could signal the need to rethink certain aspects of their campaign or marketing strategy.



# Integration of the Mobile Wallet into the Customer Journey

Integrating the mobile wallet into the customer journey **creates a seamless and consistent experience**. Whether in-store or online, the wallet enables smooth interactions at every stage, from product discovery to purchase, while enhancing post-purchase engagement opportunities with reminders and personalized offers.

## Before the purchase: Awareness and Engagement

### *Personalized Notifications*

Even before a customer considers making a purchase, the mobile wallet can serve as **a channel to raise awareness and engage**. Brands can send targeted push notifications to **promote new products, special offers, or exclusive events**, directly to the user's smartphone.

For example, botanic uses the mobile wallet to notify a customer that a coupon is available and can be used right away.



### *Coupons and Special Offers*

Brands can **distribute coupons and special offers** directly in customers' mobile wallets. This encourages potential customers to visit the store or website, while **making access to these offers convenient and instant**.

A loyal Castorama customer can view the number of available loyalty coupons on the front of their wallet card. On the back, **a link allows them to access their voucher**, which can be used in-store with a barcode.

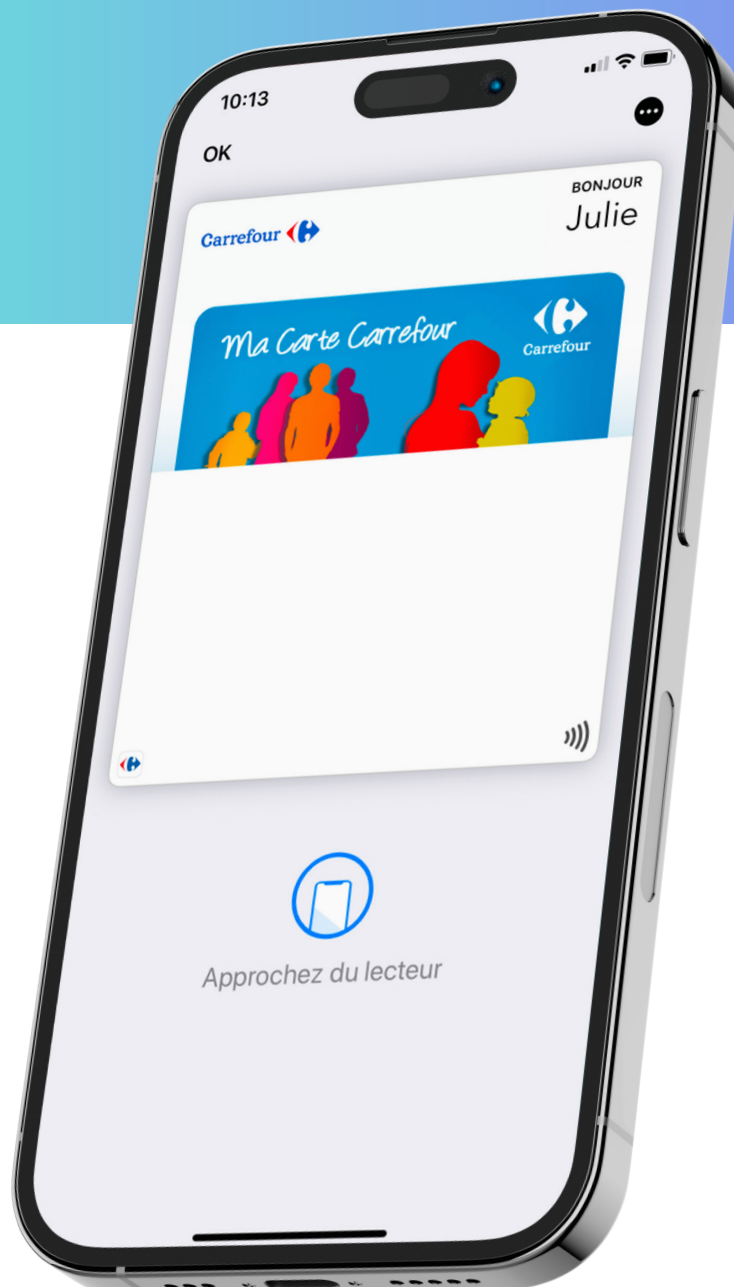


## During the Purchase: Simplifying the Purchase Process

### *Loyalty Cards and Discount Vouchers*

Customers can easily access their loyalty cards and use discount vouchers stored in their mobile wallet at the time of payment, **ensuring they take advantage of all available offers without having to search through their wallet or bag.**

To make **the customer experience even smoother**, some retailers, like Carrefour, have integrated NFC technology into their wallet loyalty cards. **Simpler and faster**, the customer only needs to tap their wallet card on the payment terminal to activate their loyalty account.

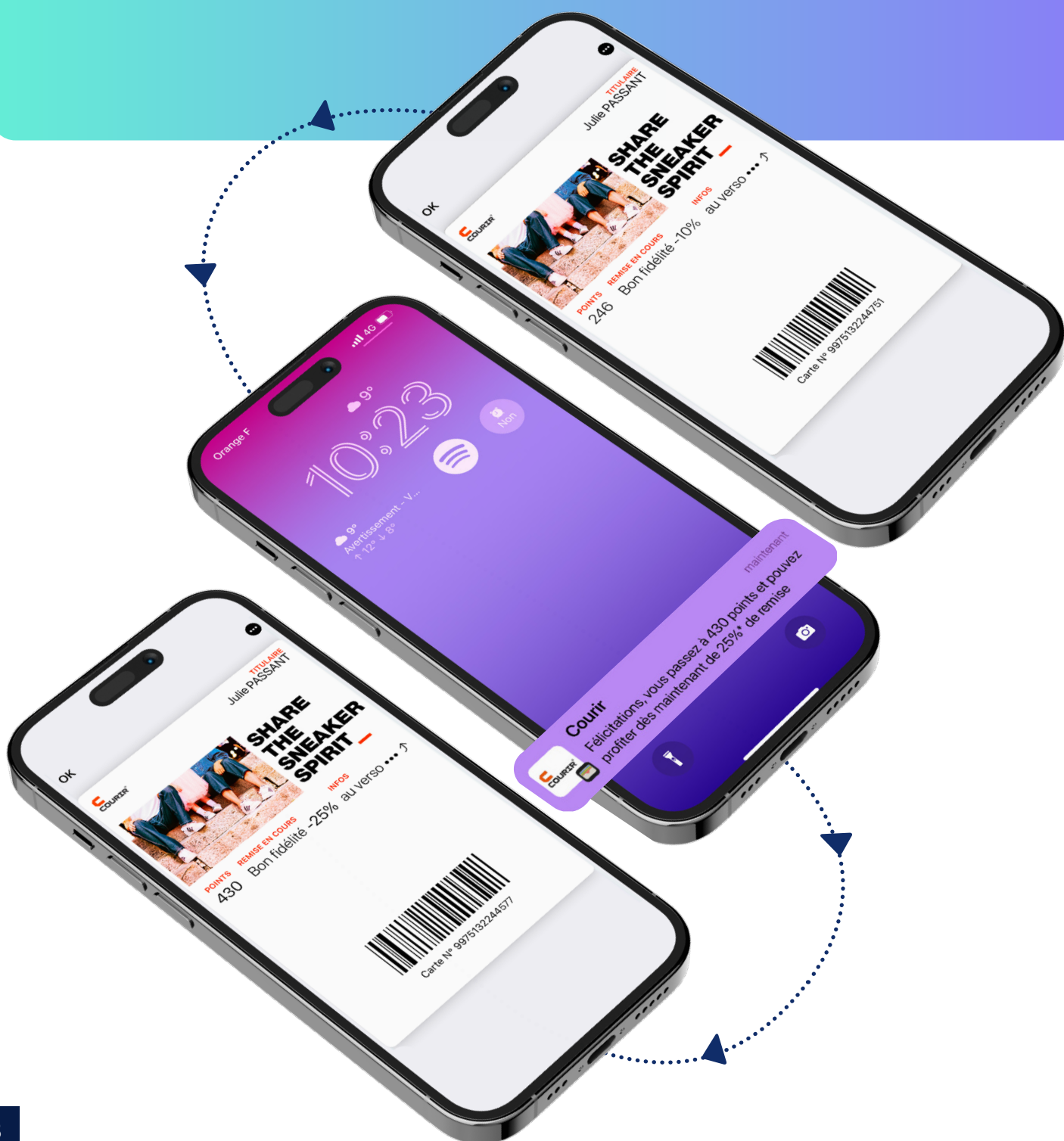


# After the Purchase: Strengthening the Customer Relationship

## Post-Purchase Experience Tracking

After the purchase, **the mobile wallet can be used to send personalized** thank you messages or re-engagement offers, helping to build a lasting relationship with the customer.

For example, Courir updates the customer's point balance in real time, along with the offer related to their status change. **The cardholder is notified of this change via a push notification.**





## Loyalty Data Updates

The mobile wallet allows loyalty points to be automatically updated after each purchase, encouraging customers to return for future rewards. Push notifications can also be sent to remind customers of expiring points or offer special deals for members.

## Exclusive Events and Special Offers

To continue engaging customers, brands can use the mobile wallet to invite customers to exclusive events or offer them post-purchase promotions, thus reinforcing the feeling of being part of a privileged community.



# The Successful Case of Maison

Maison 123 successfully integrated the mobile wallet into its phygital strategy through an eco-friendly and modern approach, aiming to strengthen the connection with its customers while making its loyalty program more accessible. Here's how the brand proceeded:

## Diverse Use of Contact Points for Recruitment

Maison 123 varied the contact points to «walletize» its customers, using personalized emails, newsletters, website links, and Instagram stories.

In-store, the brand even facilitated the addition of the loyalty card through fitting rooms, ensuring a seamless integration between the brand's digital and retail aspects.



## Communication and Re-engagement

The brand used the mobile wallet to inform customers in real time about updates to their loyalty accounts, send reminders, and communicate news and key events throughout the year, all through targeted push notifications.

The results speak for themselves. Customers with the wallet showed twice the sales and purchase frequency compared to those without the wallet.

Furthermore, the experience revealed a 99% retention rate for the card in consumers' wallets, demonstrating the effectiveness of the mobile wallet as a tool for loyalty and strengthening the customer relationship.





# **Part 3 : Best Practices and Recommendations**

As brands increasingly leverage the potential of phygital experiences and mobile wallets to enrich the customer experience, it is crucial to adopt thoughtful strategies and avoid common pitfalls.

# The 5 Common Pitfalls to Avoid

## 1 Silos Between Online and Offline Experiences

A major pitfall is treating online and offline channels as separate and non-integrated. For a successful phygital strategy, **it is crucial to ensure seamless transitions between these spaces**, allowing customers to move smoothly from one to the other. This includes harmonizing inventories, prices, and promotional offers across all channels.

## 2 Underestimating the Importance of the In-Store Experience

In the excitement of digital advancements, it's easy to overlook the in-store experience. However, the store remains a crucial touchpoint where the phygital approach truly makes sense. Using the mobile wallet to enhance this experience, such as facilitating access to special offers or product information via QR codes, is key.

## 3 Lacking Personalization in the Phygital Journey

Each customer is unique, and their phygital journey should reflect this individuality. Therefore, it is essential to collect and analyze behavioral data across channels to offer a personalized experience that truly resonates with the customer's expectations and preferences.

## 4 Ignoring Customer Feed-

In a phygital strategy, **customer feedback is invaluable**. Failing to implement an effective system to collect, analyze, and act on customer feedback, especially regarding the use of the mobile wallet and in-store interactions, can lead to missed opportunities for improvement and engagement.

## 5 Forgetting to Train In-Store Staff

Staff who interact directly with customers are at the heart of the phygital experience. Their lack of familiarity with digital tools, such as the mobile wallet, can hinder the seamless integration of online and offline experiences. Proper and ongoing training is essential.

# The Future of Phygital and Mobile Wallets

Anticipating the future of phygital and mobile wallets is essential to remain competitive in a rapidly evolving retail landscape. Here are emerging trends and future prospects that will shape the integration of these technologies into marketing and customer relationship strategies:

# Hyper-Personalization

Thanks to advancements in artificial intelligence and data analytics, the mobile wallet **will become an even more powerful tool for delivering hyper-personalization.**

Businesses will be able to automate ultra-personalized experiences that adapt in real time to customer preferences and behaviors, both online and in-store.

## Staffless Phygital Stores

Inspired by the success of Amazon Go, more retailers are experimenting with staffless stores where customers can enter, select their products, and leave without going through a traditional checkout. Visual recognition technology and IoT sensors **enable tracking of purchases and automatic billing** through a mobile app.

## AI-Guided Shopping Experiences

Artificial intelligence is playing an increasingly significant role in delivering personalized and interactive shopping experiences. AI-driven chatbots and virtual assistants can provide tailored product recommendations, answer customer questions, and even complete purchases, creating a seamless and engaging shopping experience.

## Social Media as Shopping Channels

Social commerce continues to grow, transforming social platforms into fully-fledged sales channels. Brands are leveraging integrated shopping features on Instagram, Facebook, and Pinterest to enable users to purchase products directly from posts or stories, **creating a seamless shopping journey that connects social engagement with e-commerce.**



Carrefour has launched its first staffless phygital store in Paris, «Carrefour Flash.»



## Smart Mirrors and Virtual Fitting Rooms :

In the fashion and beauty sectors, smart mirrors and virtual fitting rooms offer customers the ability to try on clothes or makeup virtually using augmented reality. This technology enables customers to make more informed **purchasing decisions** and enhances **the in-store experience**.



## Loyalty Programs Integrated into Multichannel Experiences :

Loyalty programs are evolving to become more integrated and multichannel, rewarding customers not only for purchases but also **for interactions across various channels**, including social media, mobile apps, and in-store experiences. This approach creates a more holistic and engaging loyalty system, strengthening the connection between customers and brands across all touchpoints.

## Sustainability and Ethical Commerce :

As consumers grow more aware of the environmental and social impact of their purchases, brands are increasingly incorporating sustainable and ethical practices into their phygital strategies. This includes using sustainable materials, ensuring supply chain transparency, and engaging in social initiatives through various platforms. These practices not only align with customer values but also create stronger bonds between brands and their audiences, fostering a more responsible and conscious retail environment.



# Conclusion

Through this white paper, we have explored the nuances of the phygital landscape, highlighting the crucial importance of seamlessly merging digital and physical experiences to provide an unprecedented customer experience. The mobile wallet has proven to be an indispensable tool in this pursuit, offering personalization, convenience, and direct communication with the consumer.

Continuous innovation is the driving force behind success in an ever-evolving market. Brands that embrace and adapt to the latest technologies, such as the mobile wallet, are not just keeping up; they are setting trends and shaping a customer experience that distinguishes their offering in a world saturated with choices.

Integrating the mobile wallet into your phygital strategy is not just about technological evolution, but a deliberate strategy to build deeper connections with your customers, enhancing their experience at every touchpoint. By leveraging the insights from this white paper, brands ready to dive into the phygital universe will find in the mobile wallet a powerful ally to captivate, engage, and retain their customers.





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