



Captain Wallet
by Brevo

The Customer Relation Guide :

Mobile Wallets at the Heart of Retail Strategies



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Introduction

Welcome to the world of retail, where every interaction matters, and the major challenge is not just attracting customers, but keeping them engaged and enthusiastic. Imagine a scenario where increasing customer retention by 5% could boost your profits by 25% to 95%. According to Bain & Company, this is the real power of keeping your customers satisfied.

In this context, the mobile wallet emerges as a promising solution, directly targeting the connected consumer in search of personalized, frictionless shopping experiences. Natively integrated into most smartphones, the mobile wallet provides a unique platform to strengthen the customer relationship. How? By personalizing interactions, simplifying transactions, and opening a direct and efficient communication channel.

Based on concrete data, case studies, and testimonials, we present a practical guide for marketing and CRM professionals in the retail sector. Here is an overview of the challenges of customer retention in retail and how the mobile wallet can be used to improve customer retention.



The Challenges of Retention in Retail

What is the difference between customer retention and customer loyalty?

Let's begin this book by clearly defining what customer retention is and the difference from customer loyalty (which can be subtle!).

In marketing, customer retention and customer loyalty are two closely related concepts that differ in their strategies and objectives:

La rétention client

Customer retention focuses on a company's ability to keep its existing customers, thereby reducing the churn rate (or attrition rate), which refers to **the number of customers who stop using the company's products** or services over a given period.

Retention initiatives are typically focused on enhancing the customer experience, solving problems, and meeting customer needs to encourage them **to continue doing business with the company**.

This can include actions such as **improving customer service, personalizing the shopping experience, or offering after-sales support**.

La fidélisation client

Customer loyalty, on the other hand, aims to create a long-term relationship between the company and its customers, encouraging them not only to stay but also to increase their engagement and purchases over time.

Loyalty programs, such as points systems, membership clubs, or exclusive offers, are **typically implemented to reward customers for their loyalty**.

This creates a **sense of belonging and encourages repeat purchases** by offering tangible benefits for continued interactions with the brand. In this case, **the emotional aspect is more prominent**.

Understanding the Value of Customer Retention

Investing in customer retention is **investing in the sustainable growth of your business**. The idea is simple in theory but complex in practice. **Retaining a customer costs five times less than acquiring a new one**. However, in the frantic race for acquisition, this principle is sometimes relegated to the background.

Why should retention be at the heart of your strategies? Because it is directly linked to profitability.



according to a Bain & Company study, as we mentioned earlier.

Loyal customers not only buy more often, but they are also inclined to spend more on each transaction. **Harvard Business School highlights that a loyal customer can spend up to 67% more after three years than in the first six months of the relationship.**

But that's not all. Retention has a positive impact on word of mouth. Satisfied customers are your best brand ambassadors. According to a Temkin Group study, **customers who have had a positive experience are five times more likely to recommend your business to their friends and family.**

However, **achieving effective retention requires more than just willingness**. It requires understanding your customers, their needs, their expectations, and most importantly, creating experiences that positively impact them.



5 Tips to Optimize Your Customer Retention Strategy

The quest to keep customers engaged and loyal is paved with several key factors, each playing a distinct yet equally important role in the retention equation.

1. Offer a High-Quality Product and Service

At the heart of customer retention lies the undeniable quality of what you offer. **A product or service that not only meets but exceeds expectations creates a lasting first impression.** According to a PwC study, **73% of consumers point to product quality and reliability as the most important attributes** that make them loyal to a brand. It's simple: for customers to return, they must believe in what you're selling.

2. Reward the Customer at the Moment of an Action

Rewarding the customer at the exact moment they take an action **proves to be a particularly effective strategy** for improving retention.

This approach, based on the principle of instant gratification, **positively reinforces the customer's behavior, encouraging them not only to repeat the action but also to strengthen their commitment** to the brand.

For example, offering an immediate discount voucher or extra loyalty points upon making a purchase or leaving a review **creates a positive association in the customer's mind.** This strategy, in addition to valuing the customer for their engagement, **transforms the shopping experience into a series of rewarding incentives**, thereby fostering a lasting and mutually beneficial relationship.

3. Personalize the Customer Relationship

Personalizing the customer relationship is a **fundamental strategy to boost retention**. In a market flooded with offers and messages, personalization allows businesses to stand out by treating each customer as a unique individual with specific preferences and needs. **Salesforce reports that**

66%

of customers expect companies to understand their needs and expectations.

By tailoring communications, offers, and even the shopping experience to these distinct elements, brands can **create a deep and meaningful connection with their customers**. This customized approach makes **the customer feel truly valued and understood**, strengthening their loyalty and increasing the likelihood that they will stay engaged in the long term.

For example, sending a personalized birthday message with a special offer or recommending products based on past purchases are simple yet powerful tactics. **Yves Rocher**, for instance, offers this through personalized mailings sent to customers on their birthdays or other special occasions.



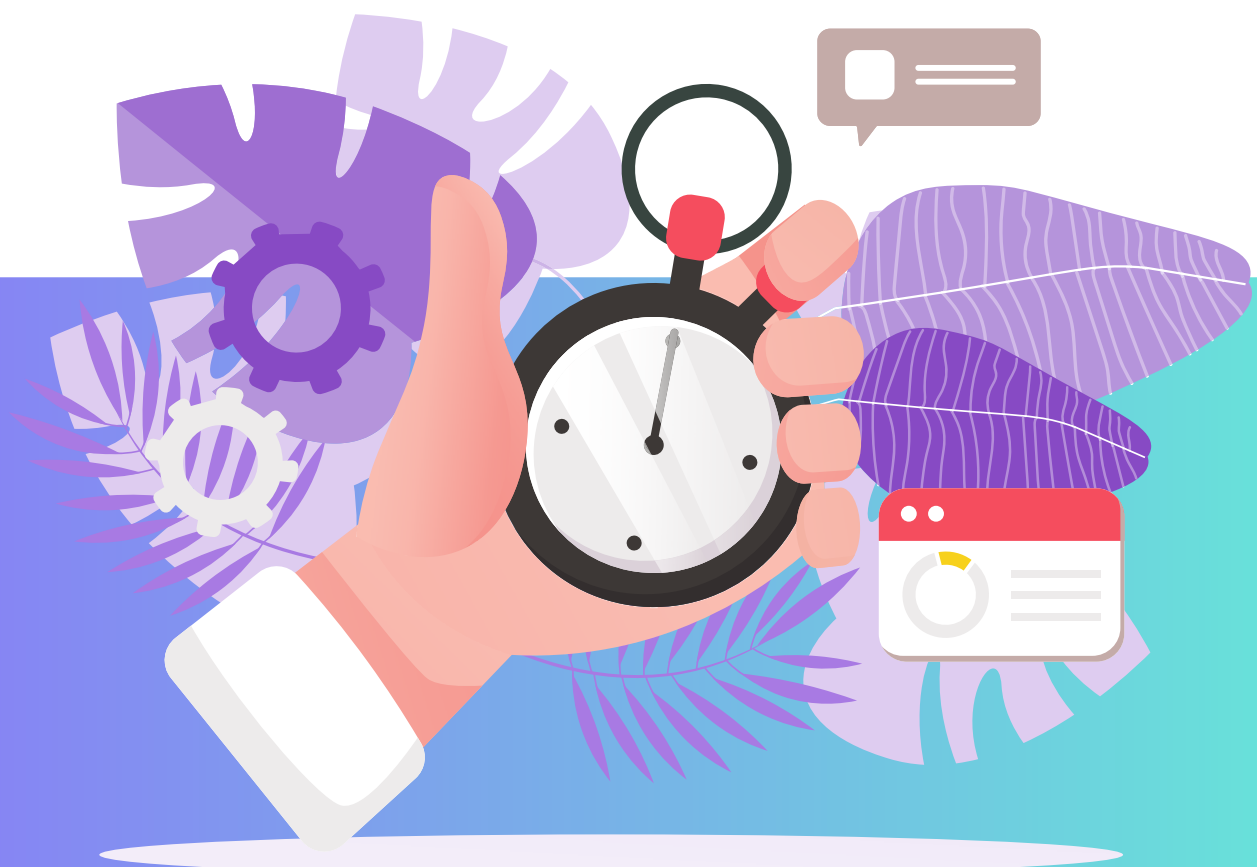
4. Provide Quick Assistance

Providing quick and efficient assistance by responding promptly to customer inquiries is a cornerstone for boosting retention. In a world where impatience is the norm, response speed can make all the difference between a satisfied customer and a lost one. Reactive support shows customers that they are valued and that their time is respected, which greatly contributes to their overall satisfaction.

This quick intervention **creates a sense of trust and security, which are crucial elements for building a long-term customer relationship.** Indeed, according to a Forrester study, **73% of consumers say that the most important factor in their satisfaction is how well companies respect their time.** By ensuring that requests are handled quickly, brands can not only resolve issues efficiently but also **turn potentially negative situations into positive experiences,** thereby strengthening loyalty and customer retention.

In this context, reactive customer support is not just good practice ; **it is essential for cultivating a loyal and engaged customer base.**

For example, you could **implement a chatbot on your website to guide customers in real-time,** provide a FAQ section to answer common questions, or offer a fast and efficient after-sales service.



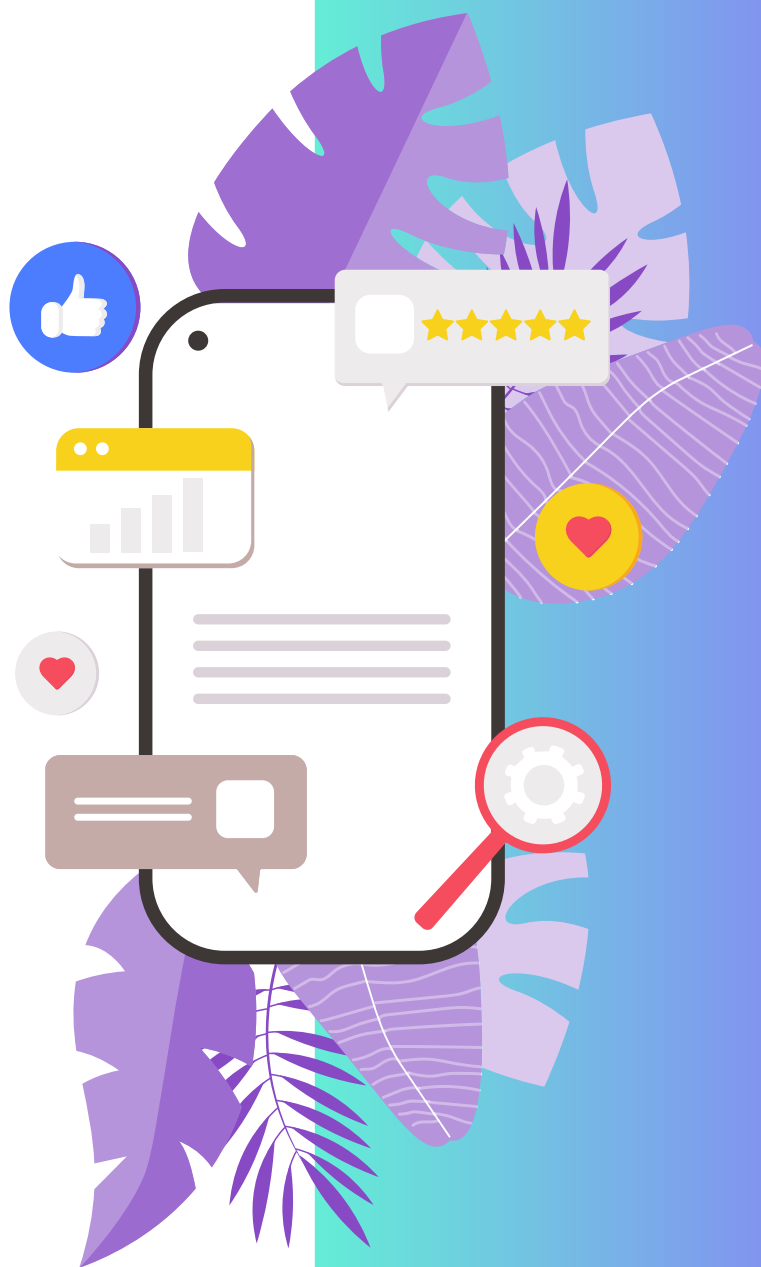
5. Ensure an Omnichannel Presence and Thoughtful Communication

Finally, we encourage you to establish a follow-up or contact service across all your channels. Customers should not have to go to a specific communication channel to find the answer to their question. **They should be able to access all information, regardless of the channel they use to interact with your business.**

Additionally, communication with your customers should not be limited to promotional bombardment. It must be thoughtful, relevant, and, most importantly, timely. Using data to understand when your customers are most likely to be receptive and what type of content resonates with them can turn a simple notification into a meaningful interaction. **A report from Accenture shows that 91% of consumers are more likely to purchase from brands that recognize, remember, and provide relevant offers and recommendations.**

This is precisely where the mobile wallet comes into play. **This marketing channel allows you to send push notifications not only to your entire customer base for general promotions (sales, special offers, etc.) but also to highly targeted segments.** The goal is to deliver offers and services that are tailored to each customer based on their lifecycle, past purchases, age, gender, and more.

Let's dive deeper into this topic.



The Mobile Wallet Serving Retail and Customer Retention

The mobile wallet emerges as a powerful tool to address the previously mentioned challenges and fits perfectly into an optimized customer retention strategy.

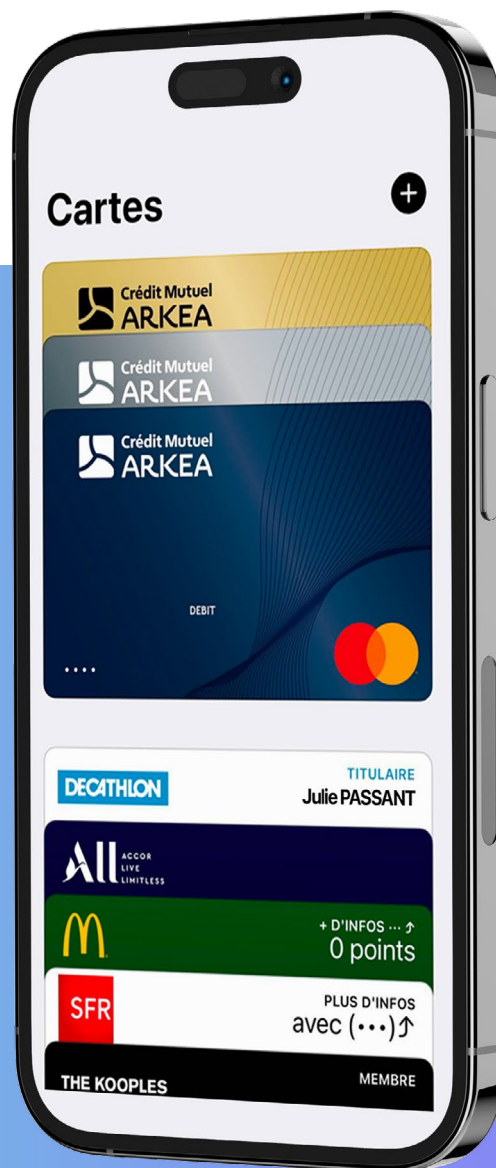
The mobile wallet enables **direct and personalized communication**, enhances the quality of the shopping experience with simple and effective features, and ensures that **the message delivered is always relevant and appropriate**. By strategically leveraging the mobile wallet, **brands can not only meet but anticipate their customers' needs**, propelling them to the forefront of customer retention.

Here are its key advantages:

Simplicity and Accessibility

The first major advantage of the mobile wallet is its ease of use and accessibility. Pre-installed on most smartphones, it removes the barrier of downloading a new app, making customers more likely to use it to store loyalty cards, coupons, and more.

According to Vibes, 54% of consumers aged 25 to 54 use or plan to use the mobile wallet to store their loyalty cards, coupons, and other content.



Personalization of Offers

The ability to personalize offers directly within the mobile wallet represents a significant competitive advantage. **By collecting loyalty and purchase data, brands can offer tailor-made promotions that resonate with customers' individual preferences, increasing the likelihood of repeat purchases.** The brand can also notify a customer when their points balance has increased, their membership status has changed, or a reward is waiting for them in-store, all through push notifications.

This is the case, for example, with Jacadi, a children's clothing brand. The brand uses the mobile wallet to **communicate about its offers and new services**, but also to boost customer retention. After a purchase, Jacadi automatically **sends a personalized push notification** to its customers to inform them that their points balance has increased following their recent purchase.



«The wallet allows us to boost customer value while offering a personalized experience, which is one of our major challenges today»



Déborah Mazzucato

Customer Marketing & Communication
Director at Jacadi



The gardening brand Botanic also uses the mobile wallet **to notify a user that a gift voucher is waiting** for them thanks to the loyalty points they've accumulated.

This is an excellent way to encourage customers **to make another purchase** at the store!

Push Notifications and Real-Time Engagement

Push notifications sent through the mobile wallet enable instant communication with the customer. This tool is particularly effective for reminding customers of time-limited offers or special promotions, encouraging real-time engagement.

It is far more efficient than traditional channels, such as emails, where offers and promotions can easily get lost in a crowded inbox.

In this example, we can see that the offer presented by Printemps during Black Friday, a period when consumers are heavily targeted, **is much better highlighted** through a push notification than via email.



Email vs. Wallet



Better Retention Than Mobile Apps

Compared to traditional apps, the mobile wallet boasts a significantly higher retention rate. While **most apps lose 77% of their users within the first three days after download**, the mobile wallet maintains a constant presence on the customer's phone due to its practical utility and frequent usage. Customers use it and keep it in their wallet! We observe **an average retention rate of 95% among our clients**.

The brand The Kooples offers a loyalty card for its customers, downloadable on the mobile wallet. **This card achieves a retention rate of 98%!** This figure proves that customers keep their card in their mobile, unlike apps that are quickly uninstalled for various reasons.

In summary, the mobile wallet has proven to be an essential ally for brands looking to strengthen their customer relationships and optimize their retention strategy. **Its integration into the retail purchase journey, thanks to its simplicity, personalization capabilities, real-time engagement, and superior retention rates, makes it a powerful tool in the marketing arsenal of modern businesses.**

THE KOOPLES

“Our communications are more personalized thanks to push notifications, and they allow us to reach customers who are difficult to target through traditional channels.”




Inès de Champroux
Customer Acquisition and Experience
Manager at The Kooples



Conclusion

Customer retention is not just about adopting advanced technologies; it lies in an approach that values, understands, and meets the needs of the customer. The mobile wallet emerges as a key communication tool, enabling brands to forge lasting relationships with their customers.

Succeeding in retail today requires placing customers at the heart of all strategies. Through the smart use of the mobile wallet, brands have the opportunity to turn each interaction into a step toward optimized customer retention. So, what are you waiting for to dive into the mobile wallet journey? More than 250 retailers in France, most of them in retail, have already adopted it!





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