

# The Battle for Share of Wallet

By Sandra Sydlík | Stuzo

Competition for earning and retaining share of customer wallets is more fierce today than ever. Lines between retail channels, such as grocery, convenience and fuel, restaurant/QSR, dollar operators, and more, have blurred. Digital-first operators who built their business models to have competitive advantages in last-mile delivery (such as Amazon and GoPuff) continue eating away at traditional brick and mortar operator market share. This trend was amplified and accelerated further when the pandemic hit the US in March of 2020.

### What does this mean?

It is critical for retail operators to understand (1) which wallets their customers typically shop with them (for example, fuel, beverage, age-verified products, CPG, prepared foods, made-to-order foods, services like car washes, etc.) and on the flip side, which wallets are not relevant to each customer, (2) of the wallets that are relevant to each customer, the total wallet capacity for each wallet that the customer shops across all the

retailers they frequent (for example, the total amount of fuel a customer purchases in a month, total number of 6-packs of beer, total number of cups of coffee, etc.), (3) your retail brand's share of each of those wallets, and thereby (4) your retail brand's incremental wallet opportunity, meaning, the amount of wallet each customer is currently buying from your competition.

### Why is this critical?

Without an understanding of the customer's wallet capacity and your wallet opportunity, an incentive/offer your retail brand provides to a customer to steer a greater share of their wallet to you could (1) be funding a purchase the customer was already going to make, thereby cannibalizing your full revenue potential or (2) be irrelevant and a bother to your customer (as customers who are members in your loyalty programs are providing you their 1st party transactional data, they expect you to know what they buy and do something with that data intelligently to personalize their experience).

### How then can you do wallet steering intelligently?

You need a technology platform and partner that enables you to (1) understand which wallets your customers have, your share of wallet, and the incremental wallet opportunity down to the individual customer level, within each customer profile, (2) track your share of wallet over time as transaction behavior changes, (3) deliver personalized, intelligent incentives/offers to customers that are designed to increase your share of their wallets, and (4) run all of this with a system and method that ensures you are increasing share of wallet profitably.

Technically, how does wallet steering work with existing store/site systems (like POS and fuel dispensers)? You'll need a loyalty and payments software supplier that is integrated and certified compliant with your existing site systems and their standard communications protocols, to enable seamless loyalty and payments interoperability. Ideally, to reduce the complexity of integration, increase speed to market, and to centralize and activate data from across all loyalty, payment, and customer experience engagement channels, you'll select a supplier that offers a fully integrated and unified platform for loyalty, digital payments, and the cross-channel customer experience.

As we're talking about sensitive consumer data, such as PII, transaction history, payments information, etc., what about security and data privacy? It's important to work with software suppliers that are PCI DSS Level 1 certified compliant as this high degree of security ensures that the supplier's systems and the connections between your site systems and those of your supplier are protected by the highest degree of security available in the industry.

Some retailers also require SOC 2 Type 2 compliance and for those which do, this helps narrow down the potential set of vendors to those which support both PCI and SOC.

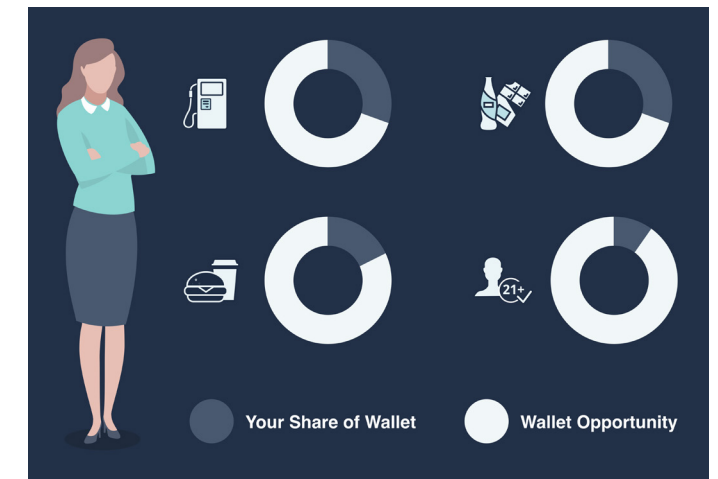
Additionally, data privacy and compliance is a bigger issue and requirement today than ever before. If you do business in California, you'll need a software supplier that supports compliance with CCPA. In Europe, compliance with GDPR will be a requirement. Further, as compliance requirements are expected to increase in scope and extend further geographically, you'll need a software supplier that not only supports CCPA and GDPR compliance today, but is architected

with flexibility and agility built into its business practices so that when the time comes, your partner will be ready to quickly and efficiently meet the new data compliance demands and requirements placed upon your retail organization.

Stuzo, a leading provider of intelligent 1:1 loyalty management, digital payments, and cross-channel customer experience technology, offers a Wallet Steering™ System, powered by its Open Commerce® product suite, its Know and Activate Method, and its program management services. Stuzo's Wallet Steering System is also backed by its 1.5X Performance Guarantee. Stuzo is the only loyalty and payments solutions provider that contractually guarantees business outcomes and has an intelligent platform to systematically steer incremental wallet share to retailers profitably and at scale.

Stuzo's mission is to help retailers get to know and activate more customers and data, defend and grow their market share, and turn their data into dollars. Stuzo works with many leading everyday spend retailers, including operators in the Global Fortune 20.

For more information on Stuzo's solutions, please visit [www.stuzo.com](http://www.stuzo.com).



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