

COLUMNS

Forget mobile payment, think mobile loyalty

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By [Melinda Krueger](#)

A million mobile years ago two, to be exact the experts were somewhat pessimistic about the adoption of mobile wallet due to the many players and regulations involved.

As Forrester Research analyst Charles Golvin summed it up in [an interview with Chantal Tode of *Mobile Commerce Daily*](#), it was "not clear how pulling out a phone, waving it over a device and keying in a code is more convenient than pulling a credit card out of a wallet and swiping it through a point-of-sale machine ... Until we see other benefits being marketed to consumers, such as automatic rewarding of loyalty points, automatic redemption of coupons, digital receipts and a deeper integration into the consumer experience, I don't think mobile payments will take off."

Right vibes

A recent study by Vibes highlights the prescience of this insight.

Eighty-five percent of consumers said they would benefit from storing and organizing offers and loyalty cards on their phones

Sixty-seven percent would try a mobile wallet if it meant better promotions, organized coupons/offers/loyalty cards, more relevant offers and an enhanced brand experience

Fifty-nine percent said these features would positively impact their perception of the retailer

Focus on mobile loyalty not only provides great customer value, it overcomes a major stumbling block in mobile payments.

As Jeroen van Dinther pointed out in [a GFK article on mobile payments](#), "the major question is, Who owns the customers? Is it the carriers? Is it the banks? Is it the retailers or the public transportation companies? That's the question that has been blocking progress over the last years."

Mobile loyalty overcomes the barrier because no one owns the customer. They are far more likely to trust friends or even strangers than your company.

Consumers have access to immediate information and alternatives on a plethora of channels. All of that information is conveniently located on their phones, but where is your latest offer? Where is their loyalty card? If you are lucky, it is on a key chain or in a physical wallet. If you are not, it is in a drawer, or a stack of mail, or an overcrowded inbox.

Playing the card

When business talks about owning the customer, we are really talking about owning customer data. You want to know every time a customer has interacted with you online, in-store, via social.

Customers may not apply for your credit card or download your application, but they may like your brand. They will like it even more when they have a timely, relevant, easy-to-access offer in their hands.

Mobile loyalty not only puts your company in your customer's pocket, it facilitates collection of customer data, regardless of how they choose to pay.

I may pay cash today, but I want my points. I do not always have my loyalty card with me, but I always have my phone with me.

When I pay with my mobile loyalty card or redeem a mobile coupon, you know my mobile number as well as all the data that can be collected with program registration.

Mobile offers can be updated, unlike physical coupons. They can be location specific. They can issue reminders when they are about to expire.

RETAILERS BEMOAN the "speed of retail" and the challenges of harnessing big data, but few are taking advantage of this opportunity to serve the customer with timely, relevant, location-aware offers, connect the data dots across channels and create competitive differentiation.

My advice: Get your loyalty program and offers into your customers' hands. It made sense a million mobile years ago in 2011 and it makes sense today.

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