

The Mobile Wallet Advantage

Elevating Fan Experiences &
Business Insights

venueize
powered by event



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This report, produced in partnership with Venuetize, powered by Everi, delves into the importance of mobile wallets in the digital evolution of transactions, with a specific emphasis on their relevance in sports and entertainment venues. It explores how mobile wallets can be leveraged for business intelligence, discusses their impact on fan engagement, their role in optimizing operational efficiency, and provides guidance on seamlessly integrating them into a comprehensive mobile strategy.

Key Takeaways

- Mobile wallets are becoming increasingly popular for their convenience and security in digital transactions. Global digital wallet users are projected to grow by over 53% by 2026.
- Mobile wallets offer a number of benefits for sports teams and venues, including increased fan loyalty and engagement, operational efficiency, and sponsorship opportunities.
- Mobile wallets can be used for business intelligence, to track fan spending habits, personalize offers and promotions, improve the fan experience, and build relationships with fans.

Mobile Wallets and Why They Matter

Mobile wallets: The next frontier in the digital transformation of transactions. In recent years mobile wallets have gained significant popularity as a streamlined and efficient way to make payments, and the total number of global digital wallet users is estimated to grow over 53% by 2026 ^[1]. In the world of sports and entertainment, they bring a range of advantages to fans, including a quicker and more effortless checkout process, the opportunity to earn rewards and discounts, personalized experiences, and the ability to make in-venue purchases without relying on physical cash or cards.

So, what exactly is a mobile wallet? It's a digital application that stores your payment information, like credit card details and loyalty benefits. With a mobile wallet, you can make payments by scanning a QR code or tapping your phone on a payment terminal.

The Wallet Loops

There are two main types of mobile wallets: open loop and closed loop. Open loop wallets, such as device-based wallets (ex: Apple Wallet), can be used at any merchant that accepts contactless payments. Closed loop wallets, such as the Venuetize Mobile Wallet, or the Starbucks Wallet, are only accepted at specific merchants or venues, but can contain open and closed loop payment methods.

What's driving the surge in mobile wallet adoption at venues? Two key things: **convenience** and **security**. Mobile wallets simplify the payment process, saving valuable time, especially in venues where fans don't want to miss a moment of the action: 81% of mobile wallet users cited speed as a key reason for using their mobile wallet ^[2]. Moreover, they enhance security by employing encryption to safeguard your payment information.

Many mobile wallets go beyond payments, offering extra features like rewards and personalization. These features can include enticing reward programs that help users save money on purchases, and the capability to store loyalty card benefits and other useful information.

The Payment Solution Journey

Understanding the mobile journey of a team, venue, and its fans is critical when considering implementing a new digital payment solution. Across sports, there has been a 21% increase in the percentage of tech-savvy sports fans, which creates an opportunity for mobile wallet implementation, but this varies by property [3]. A good proxy indicator for how willing fans will be to migrate to a mobile wallet is the adoption of digital ticketing since the digital ticket serves as the gateway into the digital fan journey.

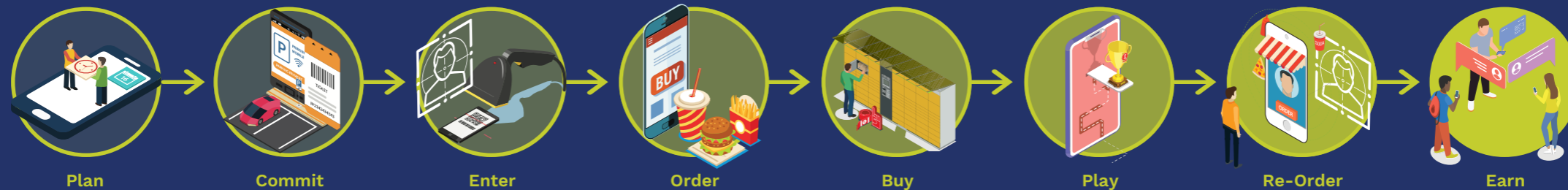
Depending on where a team or venue stands in its mobile journey, it is important to strategize the roll-out phase of any new digital technology. Starting with a blended approach—where mobile is offered as an option, not a requirement—allows the team or venue to onboard new technology while continuing to support traditional methods of benefit redemption and payments. This can help to ensure that all fans have a positive experience, regardless of their comfort level with digital technology.

Once the mobile wallet has been implemented, sports properties need to focus on growing adoption through awareness and education. This can be done via in-venue

signage, email campaigns, SMS, push or in-app messaging, social media, and other channels—we will dive deeper into successful tactics later.

As part of the adoption process, teams and venues can entice guests with incentives exclusively accessible through the mobile wallet. These incentives might include discounts, rewards based on loading a card into the wallet and/or spending, or the opportunity to earn exclusive experiences.

How can you leverage sponsorships for mobile wallet promotion? Sponsors play a pivotal role in enhancing the mobile wallet experience for both fans and sponsors, along with the team and venue. By collaborating with sponsors, teams and venues can extend their brand reach and offer unique sponsor-based benefits to their fans. For instance, a team could partner with a bank sponsor to offer rewards linked to spending with the brand’s credit/debit through the mobile wallet.



Using Mobile Wallets for Business Intelligence

Mobile wallets empower teams and venues to attain a comprehensive understanding of fan spending patterns and their overall value. This capability is linked to the mobile wallet's ability to gather data pertaining to fan expenditure across multiple touchpoints, ticketing, concessions, merchandise, and parking. This data can be leveraged to:

- Identify high-value fans and target them with personalized offers and rewards.
- Understand the fan journey and identify areas where the fan experience can be improved.
- Develop new marketing and promotional campaigns.

The data collected from mobile wallets is only valuable if it is used to drive insights. Teams and venues need to have a way to understand the data and use it to make informed decisions. This can be done by using analytics tools to track fan behavior and identify trends.

By understanding fan behavior, teams and venues can create a more personalized and engaging fan experience. This can lead to increased fan loyalty and spending.





Benefits of Mobile Wallets

Mobile wallets offer several benefits for sports teams and venues, including:

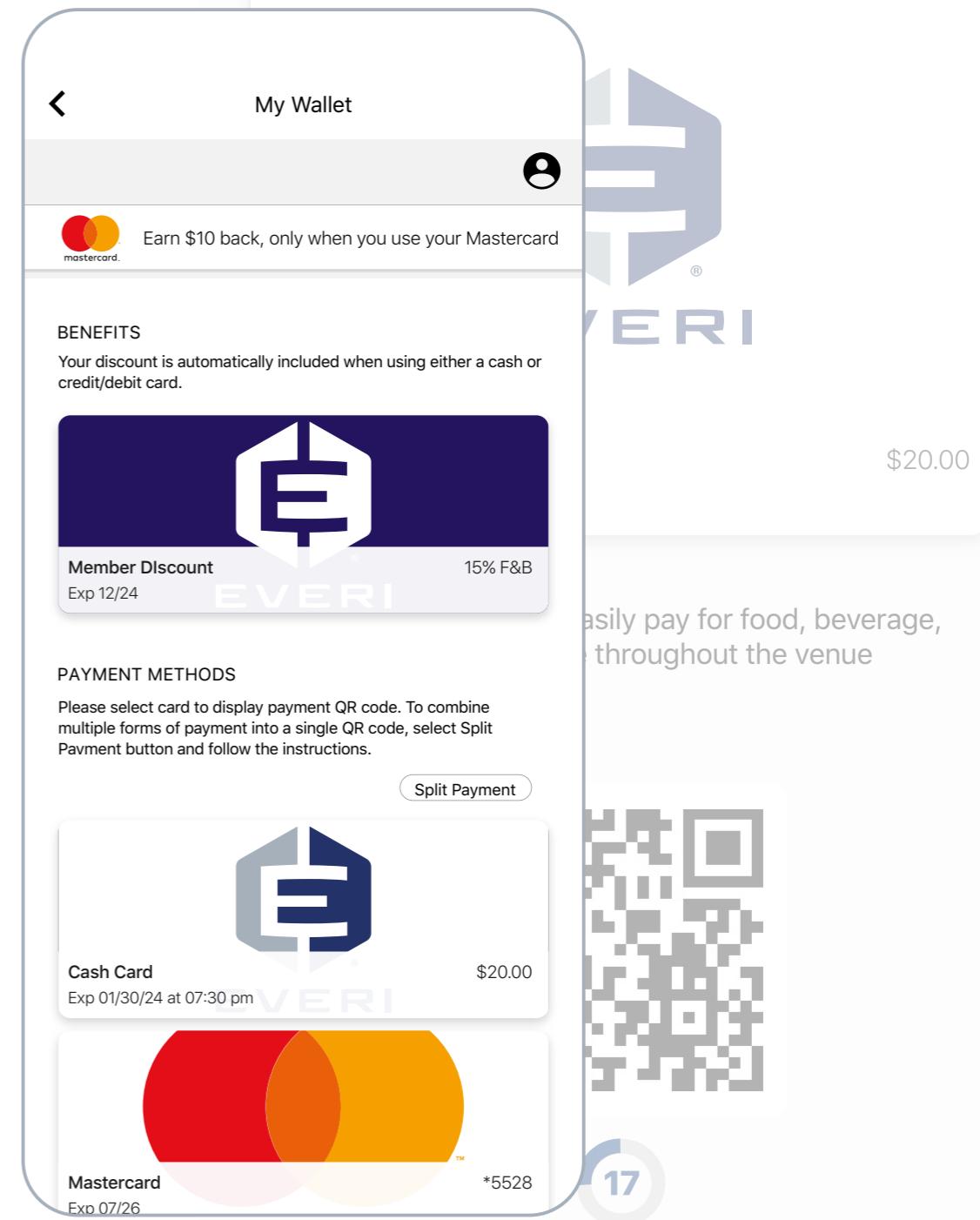
- **Opportunities for Increased Fan Loyalty:** Mobile wallets can help teams and venues build loyalty with fans by offering them benefits, rewards, and discounts.
- **Improved Operational Efficiency:** Mobile wallets can help teams and venues improve operational efficiency by reducing the need for cash and credit card transactions, leading to shorter wait times and concession lines.
- **Sponsorship Opportunities:** Open new marketing opportunities and sponsorship assets exclusive to the mobile wallet.

Increase Fan Loyalty

According to Forrester Research, 57% of U.S. online adult smartphone users are interested in having access to loyalty program value and rewards within a mobile wallet. When personalization is provided, the outcomes are tremendous. A Mastercard rewards study found that personalized offers to cardholders resulted in up to 75% reduction in churn ^[4], while other studies have found that personalization leads 80% of consumers to being more likely to make a purchase ^[5], makes consumers 40% more likely to spend more than planned ^[6], and ultimately increases revenue by 5 to 15% ^[7]. By offering benefits, rewards, and discounts, teams and venues can incentivize fans to make the mobile wallet a part of their in-venue game-day experience.

- Creating a consistent experience across in-venue touchpoints as mobile wallets can make it easy for fans to pay for food, drinks, merchandise, and even parking without having to fumble with cash or credit cards, making the purchasing experience more enjoyable, consistent and increases the likelihood that fans come back.
- Tracking fan spending habits in the mobile wallet can be used to personalize offers and promotions, giving fans the feeling of being valued and appreciated, which can lead to increased loyalty.
- Building relationships with fans and encouraging them to come back by communicating via push notifications and messages can help build awareness of exclusive offers, direct guests to shorter concession lines, or just to continue engaging the fan on-site with relevant messaging.

Overall, mobile wallets offer many benefits for teams and venues that are looking to increase fan loyalty and engagement.



Improve Operational Efficiency

Mobile wallets can play a pivotal role in enhancing operational efficiency by minimizing fan wait times and alleviating congestion within the venue. According to research conducted by LevelUp, mobile payments have the potential to reduce wait times by as much as 30%. This reduction is possible because guests can seamlessly purchase food, beverages, merchandise, and parking with a single tap or QR code scan, eliminating the need to queue up or rely on cash or credit cards.

- **Boosted Throughput:** Mobile wallets can contribute to increased throughput, or the number of people that can be efficiently processed through a checkout line within a specific timeframe. This improvement is due to the streamlined nature of mobile payments, eliminating the need for fans to search for cash or credit cards, which can slow down the checkout process.
- **Advanced Security:** Mobile wallets employ tokenization, a robust security technique that replaces sensitive payment information with a randomly generated code. This security feature renders mobile payments more secure than traditional credit card transactions.
- **Elevated Customer Experience:** Mobile wallets have the potential to elevate the customer experience by offering fans a more convenient and seamless payment process, giving the customer support team on-site more time to focus on other operational needs.

Sponsorship Opportunities

Sponsored assets within the mobile wallet represent a novel and dynamic avenue for teams and venues to amplify their brand reach and fan engagement. Sponsors and properties alike are searching for new categories and ways to engage fans with meaningful activations, and connecting with them through their payments provides that new channel. By seamlessly integrating sponsor assets into the mobile wallet, such as partnering with a bank sponsor to promote top-of-wallet usage and offering rewards linked to brand-related spending, teams and venues can cultivate a mutually beneficial relationship.

Furthermore, harnessing the potential of linking wallet rewards to fan behaviors beyond the wallet - such as attendance, ticket purchases, seat upgrades, content engagement, trivia participation, and more - creates a comprehensive ecosystem. This can not only incentivize fans but also foster a deeper connection between sponsors, teams, venues, and their dedicated fanbase.



Earn \$10 back, only when you use your Mastercard

BENEFITS

Your discount is automatically included when using either a cash or credit/debit card.



Is Adding a Mobile Wallet Right for Your Mobile Strategy?

When considering a mobile wallet solution, it is important to consider the following factors:

- The current state of mobile adoption among your fans - How interested are your fans in mobile technology? How big a change in behavior would a mobile wallet be?
- The goals of your team / venue - Are you focused on selling tickets? Creating sponsorship inventory? Engaging fans outside of your venue?
- The resources available to support this effort - Who in your organization is owning the mobile opportunity? What are the financial resources available to both implement and activate?
- The timeline for implementation - When do you need to deploy a mobile wallet?





These questions cannot simply be answered once and forgotten. Teams and venues should set realistic goals each year for moving the digital needle and measuring their progress. It is important to be realistic, as mobile wallet uptake demands a change in habitual behavior and that will need to be supported by driving awareness, providing education, and incentivizing usage.

Realistic Expectations:

- Take a blended approach. It is important to note that even teams and venues with a high level of digital adoption will still have some fans who prefer to use traditional payment methods.
- Incentivize your fans to adopt mobile wallet payments by offering discounts or rewards.
- Be patient. It takes time to move to a mobile wallet. Don't expect to see overnight results. Just keep moving forward and gradually increase the percentage of mobile wallet purchases.
- The greater the adoption of mobile, the more intelligence you can gather on your fans' behavior, which creates more opportunities for personalization and ways to drive spend.

Because mobile ticketing is the main entry point to mobile for fans, it is crucial for teams and venues to integrate the mobile wallet with the ticketing system to provide fans with a smooth mobile payment experience. To begin, select a compatible mobile wallet platform that integrates seamlessly with your ticketing system and extends across all venue experiences, such as concessions and retail. Once this integration is finalized, fans gain the ability to use their mobile wallet for convenient purchases across concessions, merchandise, parking at the venue and more.

Driving Adoption Through Awareness, Education & Incentives

Once a mobile wallet has been successfully integrated into your team or venue mobile application, it is necessary to expand awareness of the tool, facilitate education on how to use it, and increase usage. This multifaceted approach can be executed across various channels and tactics.

Awareness

Signage

Communication Plan

- News Release
- Email Campaign
- Social Media Campaign
- Push Notifications or Message Center



Education

Landing Pages

Step by Step Guide

Instructional Video

On-Site Assistance

In Venue Near

Concessions

In-Seat



Incentives

Rewards and Incentives

- Discounts
- Loaded Value (ticket based)
- Stored Value (earned or assigned)
- Sponsor Value

Retroactive Marketing

Awareness

A strategic communication plan is essential to successfully launch and drive awareness of your mobile wallet. Start by creating press releases and engaging landing pages that highlight the benefits and features of the mobile wallet and utilize social media channels to reinforce the messaging. Additionally, provide accessible links to tutorials that enable guests to familiarize themselves with the technology, ensuring they feel confident and prepared for a seamless experience on game day.

Maintain and expand awareness among guests leading up to events through proactive communication. This includes sending informative ‘Know Before You Go’ emails, delivering timely push notifications and engaging fans via in-app messaging. One of the most impactful methods for fostering awareness among fans inside the stadium is through strategically placed signage. These visual cues help fans discover the benefits of the mobile wallet when it’s the most relevant.

Education

Education is the second pillar of a communication strategy and is a cornerstone in ensuring a seamless transition to the mobile wallet experience. Education is achieved by offering guests the knowledge and resources they need to confidently embrace this digital solution. Teams and venues can provide comprehensive guides, instructional videos, and step-by-step tutorials accessible through the mobile app. Effective instructional signage on-site can also serve as visual aids, guiding fans through the mobile wallet process.

To complement these educational tools, training on-site staff to assist during events can help to guide and encourage fans to use the wallet as well as immediately address any inquiries or concerns. By prioritizing education, teams and venues empower their fans to maximize the potential of the mobile wallet, creating a sense of ease and familiarity with the technology that enhances their overall event experience.

Incentives

Incentives are a powerful motivator to encourage fan adoption of the mobile wallet, as they can increase consumer interest in money-storing apps by 49% [8]. Teams and venues can entice fans by offering exclusive rewards, benefits, and discounts, solely accessible through the mobile wallet. This can add tangible value to the fan experience and can also create a sense of excitement and anticipation surrounding mobile wallet use.

A comprehensive communication strategy is key to unlocking mobile wallet adoption in venue. The three pillars of promotion: awareness, education, and incentives, serve as the guiding framework for successfully integrating this digital payment solution into the fan experience.

Conclusion

This report underscores the growing significance of mobile wallets in the ever-evolving landscape of digital transactions, with particular emphasis on their relevance within the sports and entertainment industry. Mobile wallets have emerged as a convenient and secure means of making payments and enabling seamless, contactless transactions.

One of the primary insights discussed in this report is the remarkable surge in the adoption of mobile wallets, projected to grow by over 53% globally by 2026. This trend highlights the increasing demand for streamlined and efficient payment methods among consumers.

For sports teams and venues, the benefits of mobile wallets are manifold. They not only offer fans a quicker and more effortless checkout process but also foster increased fan loyalty and engagement. Through the utilization of mobile wallets, venues can optimize their operational efficiency, reducing wait times and congestion while enhancing the overall fan experience. Additionally, the integration of sponsor assets within mobile wallets creates unique marketing opportunities and strengthens the relationship between sponsors, teams, venues, and fans.

Going one step further, mobile wallets can provide a valuable source of business intelligence. They enable teams and venues to gain insights into fan spending habits, allowing for personalized offers and promotions. This data-driven approach empowers teams to enhance the fan experience and build lasting relationships with their audience.

In determining whether to implement a mobile wallet solution, factors such as the current state of mobile adoption among fans, the organization's goals, available resources, and implementation timelines must be considered. Setting realistic expectations, using adoption tools and strategies, and employing a blended approach is crucial.

Mobile wallets represent a pivotal component in the digital transformation of transactions within the sports and entertainment industry. Their convenience, security, and potential for enhancing fan engagement, loyalty, and operational efficiency make them an invaluable asset in the evolving landscape of venue management. By recognizing the opportunities, adopting a comprehensive approach, and by selecting the right technology partner, teams and venues can capitalize on the benefits of mobile wallets to create a more seamless and rewarding experience for their fans.

Appendix

- [1] Digital Wallet Users To Exceed 5.2 Billion Globally By 2026, As Digitisation Accelerates Cashless Transition (2022)
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