

After the Tipping Point

Digital Wallets Drive Top of Wallet Status

Digital wallets have reached a tipping point. Fiserv's 2021 consumer survey reports almost 7 out of 10 consumers used a digital wallet in the past 12 months...up from 58%¹ in 2020.

Key consumer insights

Consumers keep fewer digital cards in their mobile wallet than they keep cards in their physical wallets.

61% of consumers report they have 1-2 cards in their mobile wallet.⁵

Ease of use is a big factor in mobile wallet adoption.

88% of surveyed consumers report a mobile wallet is simpler to use than they imagined.⁵

85% of U.S. consumers gave mobile wallets a high rating for convenience.

In addition, 81% of consumers were able to make mobile wallet purchases where they wanted (up from 62% in 2020).⁵

Consumers want a digital wallet experience that enables "everything as currency." (82% of cryptocurrency owners surveyed⁵ would be interested in spending cryptocurrency versus holding it as an investment.)

Why digital wallet payments matter

 **18.9%** YOY growth

The digital wallet market is forecast to grow by **18.9% year-over-year through 2028**²

 **71%** of consumers

pay with a digital wallet **always/sometimes**²

 **4X** more in spend

Consumers typically spend **four times more with their top-of-wallet card** than other payment methods³

 **46%** of Millennials

used digital or mobile wallets when shopping online⁴



The Big Why....

Losing top of wallet status can result in cardmember inactivity, which can lead to roughly **40% of customers switching banks or payment methods.**⁵

7 marketing best practices

to gain and maintain top of wallet status

- 1 Get ahead of plastic.** Follow the leaders – like Apple and Chase – and push enrollment and default new card use plastic delivery. Do this in early card approval notifications to take advantage of new cardmember enthusiasm for the activation bonus and rewards.
- 2 Focus on benefits that matter.** Start with ease, convenience and security, and move to continual reminders about rewards earning potential. Promote rewards, especially any built-in reward accelerators attached to digital wallet payments, as part of the value proposition.
- 3 Incent default position.** Offer an accelerator, bonus rewards or statement credit for enrolling and using the card in default wallet position. Set an appropriate hurdle to drive action.
- 4 Address potential hurdles.** Use education, explainer illustrations and video to demonstrate the ease of digital wallet enrollment and use. Research after a trial use validates that consumers perceive the use of a digital wallet as harder than it actually is.
- 5 Reward broader use.** Promote ongoing offers that reward wallet purchases in underutilized MCCs, based on cardmember data that identifies areas of potential greater use.
- 6 Set expectations about acceptance.** Cardmembers may find digital wallet payments often have less acceptance at restaurants and hotels. Manage expectations through education and be sure to communicate and incent use as acceptance increases.
- 7 Share new innovations as your digital wallet capabilities expand.** Innovations that expand digital wallets to a form of digital identify will increase the difficulty of achieving top of wallet (TOP) status. The biggest differentiators in the quest to be TOW will include “everything is currency” payment functionality that allows the cardholder to use currency, loyalty points and cryptocurrency. Stay aware of other “super app” innovations and communicate regularly about updates in order to stay top of mind and wallet.

¹ <https://thefinancialbrand.com/133635/digital-wallets-set-to-move-beyond-payments-become-super-wallets/>

² <https://www.paymentsjournal.com/the-challenges-rewards-of-digital-wallets-for-e-commerce-businesses/>

³ <https://insight.harlandclarke.com/2022/06/how-to-stay-top-of-wallet/>

⁴ <https://clevertap.com/blog/mobile-wallet-marketing/>

⁵ <https://thefinancialbrand.com/147287/surging-use-of-digital-wallets-threatens-traditional-credit-card-market/>

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