

SOLUTION PAPER

# Digital Offers Driving Revenue & Retention

# Table Of Contents

- 03** Introduction
- 04** Trends
- 06** The Digital Offer Network
- 07** Technology
- 08** Use Cases
- 09** Benefits
- 11** Implementation
- 12** Your Investment
- 11** Conclusion
- 13** About P97 Networks



# Introduction

Personalization has become the norm in the digital world as consumers nowadays expect personalized experiences across all touchpoints, including email, social media, and mobile apps. Personalization helps businesses to create relevant, engaging, and valuable experiences for their customers, which can lead to increased engagement, loyalty, and revenue.

Digital offers are an effective way to deliver those personalized experiences to. It drives revenue and retention by attracting new customers, increasing loyalty, creating urgency, enhancing the customer experience, and encouraging referrals. Digital offers refer to deals, promotions, discounts, or coupons that are available online or through digital channels such as email, social media, mobile apps, or websites.



## Engagement

Consumers are more likely to perceive a digital offer as relevant and meaningful when it is personalized to their interests, preferences, and behavior.



## Loyalty

Demonstrating that you understand and care about your customers' needs and preferences, helps to create a sense of trust and loyalty.



## Revenue

Personalized offers drive revenue by their positive impact on conversion rates, average order value, customer lifetime value, and customer retention.

# Trends

## BACKGROUND

The Digital Offer Network operates in the broader digital advertising and marketing industry, which is rapidly growing as more businesses move their advertising efforts online. Mobile internet advertising is a heavily invested sub-sector of the digital advertising industry. Mobile internet advertising spending is forecast to increase from 276 billion U.S. dollars in 2020 to nearly 495 billion U.S. dollars in 2024. Following this pattern, mobile advertising spending in the U.S. is also forecast to grow in the coming years. Mobile ad spending in the U.S. is projected to gain nearly 25 billion U.S. dollars in 2023. This growth is driven by the increasing use of digital devices and channels, such as smartphones, social media, and connected TV.

### MARKET CONDITIONS

#### Shift to Retail:

Lower fuel margins forces market to increase offers additional to fuels.

The growth of digital / mobile app offers comparable to retail will continue to be significant.

**15%**  
Expected growth of digital offers in the US

### TECHNOLOGY TRENDS

#### Mobile Payment Acceptance:

Mobile payment, payment processing, and payment gateways are gaining momentum.

#### Super Apps:

The use of mobile payments through social media shopping jumped by 14% during the pandemic.

**34%**  
Of US consumers use mobile payments

### CONSUMER BEHAVIOR

#### Focus on Relationships:

Since product offers are similar personalization is key.

#### Convenience Trend:

Driven by changes to people's lifestyle, such as social commerce, and commuting times.

#### Loyalty Rewards:

Consumers want something in return for their loyalty

**5-10%**  
Of US consumers act on digital offers





### Increased Competition

As more businesses move their advertising efforts online, the digital advertising and marketing industry has become increasingly competitive. Advertisers and marketers need to find innovative ways to stand out and reach their target audience effectively.



### Shift Towards Personalization

Consumers are increasingly demanding personalized experiences, and this trend is reflected in the advertising and marketing industry. Advertisers and marketers need to find ways to deliver relevant, personalized content to consumers at scale.



### Emphasis on Data-Driven Insights

With the increasing availability of data, there is a growing emphasis on data-driven insights to inform advertising and marketing decisions. Advertisers and marketers need to have access to accurate, real-time data to make informed decisions and optimize their campaigns.



### Role Of Technology

Technology plays a crucial role in the digital advertising and marketing industry, from programmatic advertising to artificial intelligence and machine learning. Advertisers and marketers need to stay up-to-date with the latest technologies and tools to stay competitive.



### Impact of COVID-19

The COVID-19 pandemic has had a significant impact on the digital advertising and marketing industry, with changes in consumer behavior and economic uncertainty leading to shifts in ad spend and strategy.



# The Digital Offer Network

The Digital Offer Network is a solution that enables advertisers and marketers to distribute targeted offers and promotions to consumers across various digital channels. The solution aims to provide a more efficient and effective way for advertisers and marketers to engage with their target audience and drive conversions.

## Targeted Offers

The Digital Offer Network allows advertisers and marketers to create targeted offers and promotions based on various criteria, such as demographics, behavior, and location. This ensures that the right message is delivered to the right person at the right time, increasing the likelihood of conversion.

By leveraging data-driven insights and real-time analytics, advertisers and marketers can optimize their campaigns and achieve their business objectives.

## Funded by CPGs

Digital offers refer to promotional deals, discounts, or coupons that are made available to consumers through digital channels, such as websites, mobile apps, social media, email, or text messages.

These offers are usually provided by retailers and funded by consumer packaged goods (CPG) companies as a way to incentivize consumers to make a purchase or try a new product.

The Digital Offer Network refers to the network of digital channels and platforms that businesses use to distribute their digital offers. This network can include websites, social media platforms, mobile apps, email marketing platforms, and other digital channels. By leveraging the Digital Offer Network, businesses can reach a wider audience and increase the visibility and effectiveness of their digital offers.

The Digital Offer Network also enables businesses to track and analyze the performance of their digital offers, including metrics such as redemption rates, click-through rates, and conversion rates. By monitoring these metrics, businesses can optimize their digital offer campaigns and improve their return on investment.

## DATA PRIVACY

The Digital Offer Network complies with data privacy regulations such as the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA), ensuring that personal data is collected and used in a secure manner and for the purpose for which it was collected.

# Technology

## ECOSYSTEM

A Digital Offer Network is essentially an ecosystem that connects various stakeholders involved in the process of delivering offers to customers, such as retailers, CPGs, and consumers. In this ecosystem technology is extremely important as it enables the network to function and deliver its services effectively. Technology enables the digital offer network to facilitate the exchange of data and transactions among these stakeholders.

## DATA ANALYTICS

Data analytics are a critical component of a Digital Offer Network. The Digital Offer Network leverages data analytics to collect and analyze user data, such as demographics, behavior, and location. This data is used to create targeted offers and promotions that are personalized to the user's interests and preferences.

## CLOUD COMPUTING

Cloud computing is the technology that enables businesses to store and access data and applications over the internet, rather than "on prem" hardware. The Digital Offer Network is typically hosted in the cloud, which provides scalability and flexibility for advertisers and marketers to distribute offers and promotions across various digital channels.

## APPLICATION PROGRAMMING INTERFACES (APIs)

Application Programming Interfaces (APIs) are a set of protocols and tools for building software applications. They are used to enable integration with other marketing technologies, such as CRM systems, marketing automation platforms, and ad networks, to provide a seamless end-to-end solution for advertisers and marketers.



# Use Cases

A Digital Offer Network can be a powerful tool for retailers looking to attract new customers, retain existing ones, and drive sales. By providing customers with targeted, relevant offers and promotions, retailers can increase engagement and loyalty while also improving their bottom line.

## **ADVERTISING**

Retailers can use the Digital Offer Network to deliver targeted ads to consumers based on their demographics, interests, and behavior. This allows them to reach their target audience more effectively and measure the performance of their ads. For example, a convenience retailer can use the network to deliver ads to consumers who have previously purchased items from their store. By targeting these consumers with relevant ads, the retailer can increase the likelihood of a purchase and measure the impact of their campaign.

## **PROMOTIONS AND DISCOUNTS**

The Digital Offer Network can also be used for promotions and discounts. Retailers can use the network to deliver promotions and discounts to their customers in real-time. This can help drive sales and customer loyalty. For example, a CPG can use the network to promote certain products by offering a special discount to customers. By delivering the right offer at the right time, via the right channel, the CPG can incentivize customers to buy the promoted items and measure the impact of their promotion.

## **LOYALTY**

The Digital Offer Network can be used for loyalty programs. Retailers can use the network to manage and deliver loyalty programs to their customers. The network can track customer purchases, reward loyal customers, and deliver personalized offers and rewards. For example, a fuels retailer can use the network to track customer purchases and reward frequent customers with a free coffee or 15 cents off the gallon after a certain number of visits. By using the network to manage their loyalty program, the fuels retailer can incentivize customer loyalty and measure the impact of their program.

## **MOBILE MARKETING**

A Digital Offer Network can be used for mobile marketing. Businesses can use the network to deliver targeted offers and promotions to consumers on their mobile devices. The network can use geolocation data to deliver offers based on the consumer's location and track the performance of mobile campaigns. For example, a retailer can use the network to deliver a promotion to customers who are near their physical store. By using the network to deliver targeted mobile offers, the retailer can drive foot traffic to their store and measure the impact of their campaign.



# Benefits

Digital offers are a versatile and effective marketing tool for retailers and CPG companies as they help to drive customer acquisition and retention, increase sales, and build brand loyalty by creating personalized and engaging promotions that resonate with their consumers.

## Cost-Effective Marketing

A Digital Offer Network can be a cost-effective way for retailers to reach their target audience with offers and promotions. By targeting specific segments of their audience and measuring the impact of their campaigns, retailers can optimize their marketing spend and achieve a better ROI.

## Increased Customer Engagement

By delivering offers that are relevant to their interests and behavior, retailers can foster a deeper connection with their customers and encourage repeat purchases.

## Improved Targeting and Segmentation

It enables retailers to target specific segments of their audience with offers that are tailored to their preferences and behavior, leading to higher conversion rates and a better return on investment (ROI) for marketing campaigns.

## Real-Time Tracking and Measurement

This allows retailers to quickly adjust their strategies and optimize their performance, leading to more effective campaigns and a better understanding of what resonates with their audience.

## Integration with other Marketing Channels

A Digital Offer Network can be integrated with other marketing channels, such as social media, email marketing, and mobile apps, to create a more cohesive and effective marketing strategy. By leveraging the network's capabilities alongside other channels, retailers can deliver a consistent message to their audience and increase their overall impact.

### SIGNIFICANT COMPETITIVE ADVANTAGE

A Digital Offer Network is a powerful tool for retailers to drive sales, improve customer engagement and loyalty, and gain valuable insights into customer behavior and preferences. By providing targeted offers and rewards, retailers can create a more personalized and engaging customer experience that fosters loyalty and repeat business. Additionally, by collecting customer data and analyzing customer behavior, retailers can gain insights into customer preferences and pain points that can be used to improve the overall customer experience.

### RETAILERS & MERCHANTS

By offering personalized incentives to customers, retailers can improve customer engagement and loyalty, leading to increased sales and revenue. The cost-effectiveness of a Digital Offer Network can optimize marketing spend and track ROI. Additionally, better customer data can be collected and analyzed for future marketing campaigns.

### CPGs

By using a Digital Offer Network to deliver offers through convenience and fuel retailer consumer apps, CPGs can develop direct-to-consumer relationships, increase product sales, increase brand awareness, deliver personalized offers, improve customer loyalty, optimize marketing spend, and collect valuable customer data.

### CONSUMERS

Digital offers provide consumers with increased purchasing power and a better shopping experience through savings. Additionally, the convenience of digital offers being accessible through various channels enhances the customer experience. Receiving personalized offers make consumers feel more engaged and valued by businesses which might lead to increased loyalty and satisfaction.

#### RETAILERS & MERCHANTS

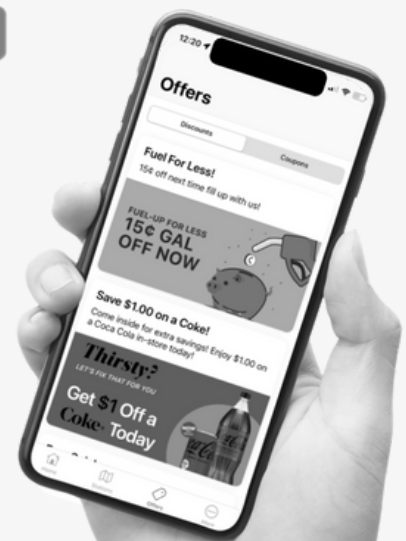
- Customer engagement
- More sales (fuel and instore merchandise)
- Customer satisfaction
- Brand loyalty
- Data insights
- Better targeting
- Measurable results
- Free to participate / cost effective
- Offers fully Funded
- No modification to POS

#### CPG

- Reach and accessibility
- Visibility
- More sales
- Data insights
- Better targeting
- Display communications for products in a variety of platforms

#### CONSUMERS

- Convenience
- Savings
- Customized offers
- Increased availability of products



# Implementation

Implementing a Digital Offer Network usually requires some planning and resources, but now retailers can quickly start reaping the benefits of the digital offer network as P97 has built the infrastructure for this. P97 provides an innovative and disruptive offer platform which has strategic partnerships with the world's leading CPG brands enabling retailers to leverage mobile commerce to access new markets, reach new customers, and grow revenue.

## 6 EASY STEPS

The P97 Digital Offer Network runs on the P97 mobile commerce platform. CPGs can set up offers in the Digital Offer Network portal, designating target audiences, trigger-based delivery, and other criteria. With the P97 platform, CPGs gain access to thousands of retail locations for offer promotion. Retailers can choose from the variety of CPG offers, selecting the ones that will drive optimal consumer responses. Based on purchase history, consumer preferences, location, and more, P97 presents the offer via its omni-channel messaging capabilities. Consumers simply redeem the offer and pay for their product by scanning a QR code either in the store or during curbside delivery. P97 manages all payment and settlement activity.

1

**P97 Sources the offers**

2

**Retailer promotes availability of digital offers in digital/physical ad placements**

3

**Customer sees offers in app**

4

**Customer enters the store, selects promoted merchandise, and uses QR code to check out**

5

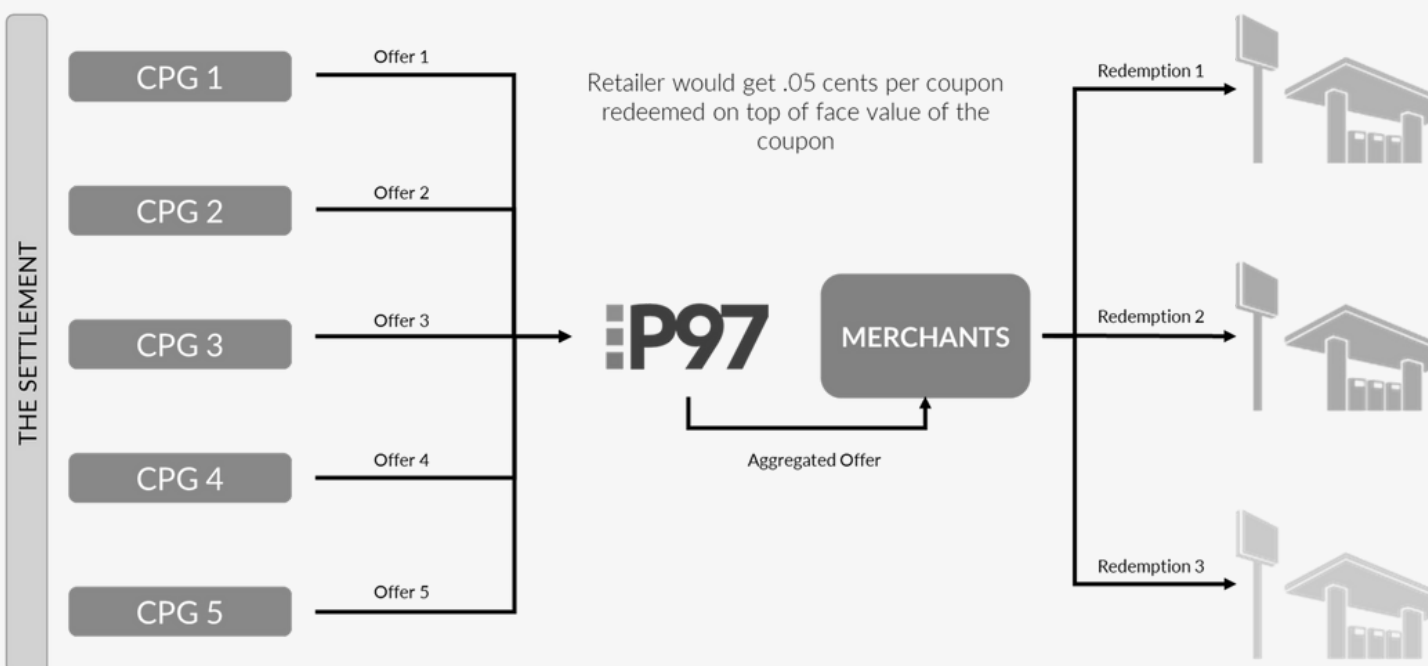
**Discounts and payment are automatically applied**

6

**P97 funds retailer and retailer settles with stations / stores**

# Your Investment

Since the digital offers are funded by CPG companies, retailers can participate in the Digital Offer Network completely free. This is because these CPGs are willing to pay the cost of the offers in exchange for access to the retailer's customers and increased sales of their products. By funding digital offers in a Digital Offer Network, CPG companies can drive sales of their products while providing retailers with a powerful marketing tool at no cost. This allows retailers to compete more effectively in a crowded market and drive long-term revenue growth for their business.



## SETTLEMENT PROCESS

The settlement process is designed to be transparent and efficient, ensuring that retailers are compensated for redeemed offers and that CPG companies or third-party providers can track the effectiveness of their marketing campaigns. By using a Digital Offer Network, businesses can streamline the settlement process and optimize their marketing spend for maximum ROI.



# Conclusion



**Don Frieden**

President and CEO of P97 Networks

We are excited to introduce the P97 Digital Offer Network to CPGs and retailers. CPGs are eager for new revenue models, and mobile commerce within the convenience industry represents one of the largest market opportunities for them. With an automated, end-to-end offer process and significant market reach, P97 gives CPGs a new sales channel, retailers a more loyal customer base, and consumers a personalized shopping experience.

## ABOUT P97 NETWORKS LLC

P97 Networks provides a global, cloud-based mobility services platform that enables mobile commerce, digital marketing, and consumer engagement for convenience retail, utilities, energy companies, and auto OEMs. Over 65,000 convenience retail and fuels marketing sites across the globe rely on P97's connected commerce platform, including more than 240,000 EV chargers, to provide mobile payment acceptance for 137 million daily commuters.

## MORE INFORMATION

For more information, visit [www.p97.com](http://www.p97.com)

Contact: Steven Siegel  
Senior Director Business Development  
[Steven.Siegel@p97.com](mailto:Steven.Siegel@p97.com)

Author: Folkert Ruiter  
Head of Marketing  
[Folkert.Ruiter@p97.com](mailto:Folkert.Ruiter@p97.com)

