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**Subject:** Strategy Canvas for Shopkick

### Introduction:

Shopkick provides a unique way for brands to market specific products to consumers through strategic, multifaceted campaigns aimed at getting consumers up close with items. Shopkick differentiates itself by offering low-value rewards for walk-ins and scans that force users to interact with a retailer and then a specific item to 'kicks.' While Shopkick struggles to find the same success as its competitors at the moment, it is important to understand how these competitors operate and how Shopkick can leverage its unique value proposition to succeed in a competitive rewards market.

### Strategy Canvas:

Company	Shopkick	Fetch	Ibotta	Upside	Rakuten
Fraud Software	Sift	Kount (by equifax) <sup>2</sup>	C.I.A & ImPLY <sup>3</sup>		In-House Software
Receipt Software	Blink	Blink	Blink	Debit/credit card	N/A, used debit or credit card for it
User base (# Millions)	~400,000 active monthly users	17 million active users <sup>8</sup>	50 M registered <sup>6</sup> (as of 04/2024)	~35M consumers <sup>20</sup>	21 million users <sup>13</sup>
Value Proposition	Hands-on marketing through walk-ins and scans  Allow brands to run campaigns	Gather data on consumer behavior  Allow brands/retailers to run campaigns	1.Nothing unique (SWOT) 2.Cash back (not points) 3.Scan barcode anytime to check if there's an offer	1.Cash back on gas, restaurants, groceries 2.In-app promotions, ads 27gift card options	Highly personalized, merchant focused business model <sup>15 16</sup>



<b>Metrics</b>	\$2.2 million in fraud	\$152bn in transactions <sup>4</sup> \$900mil in rewards	\$38 million net profit <sup>6</sup> 2700+ retailers <sup>18</sup> \$800 million in rewards <sup>18</sup>		\$2 billion USD in Q2 2024 <sup>17</sup>
<b>Require a phone #</b>	No	Yes	No	Yes	No
<b>Send promo w/o phone #</b>	Yes	No	Yes	No	Yes
<b>Currency</b>	Kicks	Points	Dollars (\$)	Dollars (\$)	Dollars (\$)
<b>Time from receipt to currency</b>	Kicks are immediately rewarded for scans and walk-ins  Receipts are reviewed manually	Points for receipts go straight to your account - point values are low for large purchases (only points for offers)	Users' rewards will be sent 24 hours after receipts submission <sup>14</sup>	10 days to process the receipt 24-48 hours to get funds in bank account <sup>21</sup>	Every 15 <sup>th</sup> day of the month, once every 3 <sup>rd</sup> month <sup>10</sup>
<b>Time to receive gift card</b>	Most are immediately available (can take a few hours depending on shopper traffic) <sup>7</sup>	3-day delay for "account security"	Immediately for PayPal/gift card  1-3 days for bank	Immediately	Every 15 <sup>th</sup> day of the month, once every 3 <sup>rd</sup> month <sup>10</sup> (quarterly payments)
<b>Redeem minimum</b>	\$5	\$10 for the first time and after that you can redeem for \$3, \$5... <sup>8</sup>	\$20		\$5.01 <sup>10</sup>



<b>How long can you redeem a receipt for?</b>	10 days	14 days <sup>8</sup>	7 days <sup>12</sup> Can only submit receipt after adding offers to list <sup>9</sup> Add offers-shopping-upload receipts		N/A
<b>Additional verification to redeem</b>	Yes, must verify the phone number again	No	Real name, email, and phone number	Yes	Verify address <sup>10</sup>
<b>How to earn points</b>	Walk-ins, scans, purchases, videos, referrals	Receipts (e and paper), play apps, buy offers, refer a friend, point boost <sup>11</sup>	1.Redeem: link account/upload receipt 2.Bonus: depends on retailers (shop 3 times/redeem 2 offers...) 3.Referral	Claim a nearby cash back offer, then make your purchase at that location and pay with a credit or debit card to earn rewards.	Shop at partnered stores and activate cashback. In-Store Cashback: Link your credit card on Rakuten, activate in-store offers
<b>E-account linking</b>	Not yet	Yes	Yes	Yes	Yes
<b>Bank Account withdrawal</b>	No	No	Yes	Yes	Yes
<b>Other notes</b>	Lose kicks if inactive for more than 6 months	If inactive for 90 days, then your points expire  Only 2% manual reviews	Deduct <u>\$3.99 per month from your earnings</u> if you don't use the app for 180 days.		

### Description of Strategy Canvas:

Shopkick differentiates itself with a hands-on approach to marketing through walk-ins and scans, allowing brands to engage directly with consumers through in-store activities, unlike more purchase-centric platforms like Rakuten. A significant strength is the immediate reward of "kicks" for certain actions and the quick redemption of gift cards. While this makes the platform



more user-friendly and appealing to those looking for quick rewards, it also invites the potential for fraudsters. As seen by its lower user base compared to competitors and a relatively high fraud loss, this user-friendly experience is not necessarily translating to success but rather playing into its competitors' hands. The current implementation of Sift is therefore not cutting it, and Shopkick's manual review process for receipts may introduce delays and are a massive barrier for scaling.

### **Projected Blue Ocean Position:**

Applications like Shopkick, Ibotta, Fetch, Rakuten, and Upside focus exclusively on retail purchases. Shopkicks can explore other markets or domains like travel, dining, and entertainment for rewards and cashback opportunities. Entering these industries would result in an increased user base and engagement.

### **Unique Value Proposition:**

Shopkick's unique value proposition focuses on providing an engaging shopping experience, collaborating with major retailers.

1. **Diverse reward-earning actions**  
Shopkick allows users to earn kicks both online and offline, such as walk-in, scan product barcode, receipt upload, and promo code. Users can earn or redeem kicks in a way they prefer, and this kind of flexibility encourages customers to keep a long-term engagement, enhancing user loyalty.
2. **Partnership with major retailers**  
Through deep partnerships with major retailers like CVS, Walmart, and Whole Foods, Shopkick not only provides customers with diverse options and exclusive promotions but also allows brands to run their own promotional campaigns. This creates a win-win situation that fosters long-term and stable collaboration between Shopkick and retailers.

### **Conclusion:**

Through thorough research and hands-on experience using Shopkick's main competitors (Fetch, Ibotta, Upside, and Rakuten), we try to gain insight into their fraud prevention and management patterns. This comprehensive exploration has allowed us to identify potential areas of improvement and pivot strategy for Shopkick, enabling us to contribute meaningfully to the enhancement of its fraud prevention framework.



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