



**Rachel Wallace**

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# Wallace Oil

## Makes Mobile Payments and Loyalty Program a Profitable Reality

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— **Rachel Wallace** Marketing Director, Wallace Oil Company

### Business Before Bling Nation

Founded in 1962, Wallace Oil is the only family-owned and operated service station in La Junta, Colo. The business started with just one gas station and has grown over the years to eight convenience stores and gas stations, offering automotive repair, gas, diesel, propane and fueling for trains that come through La Junta.

Rachel Wallace, marketing director at Wallace Oil, recounts how larger chain stores purchased many locally-owned stores in the La Junta area over the years. "Wallace Oil has had countless offers from big box chains," said Rachel. "Our family loves the business, the people and the rural personal relationships we have. We've seen how big box chain stores take away from rural communities, and we didn't want to be a part of that."

For years, Wallace Oil did not have a logo or marketing campaign, but instead conducted business under the Phillips 66 banner. Rachel, who has taught small business management at a local college, was charged with rebranding the company and defining how it rewarded loyal customers.

"We do not have the same resources as large gas chains that can spend as much as they want on volume discounts, coop advertising, etc.," said Rachel. "That is why we were so interested in Bling Nation. Between the cost saving on mobile transactions versus traditional plastic and the option for a multi-pronged loyalty program, we couldn't afford not to listen."

### What is Bling Nation?

Bling Nation mobile payment services connect local financial institutions and businesses, allowing customers to use their mobile phones to tap and pay for purchases and receive text account balance and transaction confirmations at the point of sale.

Businesses and financial institutions eliminate payment processing middlemen, while differentiating their services and supporting community "shop local" programs.

### The Decision to Bling

Rachel's primary financial institution, The State Bank, first brought Bling Nation to her attention. The bank was seeking support from the La Junta Chamber of Commerce.

"I initially evaluated local mobile payments with the Chamber in mind – would Bling Nation be a good fit for our local economy and businesses?" asked Rachel. "I then put on my business owner and consumer hats. The loyalty programs, brand awareness and resources offered in support of the mobile payments network made for a quick endorsement."

"Often in business situations, you encounter fly by night organizations that sold something and then were nowhere to be found," remarked Rachel. "I found it very valuable that both Cindy Smith and Rod Stambaugh of Bling Nation were consistently here in La Junta to answer our questions and help us get up and running."

### Blinging for Gas and Goodies

While credit card use has gone down in United States and debit purchases has risen, at Wallace Oil, it is exactly the opposite. Rachel laments, "Unless you own a business, your may not be aware of the fees that impact small business accepting credit cards. The higher the transaction amount, the more we're saving," said Wallace. At the low end, we were saving one percent. Now we're reaching 1 ½ - 2 percent. That's really exciting."

Prior to working with Bling Nation, Wallace Oil considered offering a five-cent discount per gallon of gas if the customer paid in cash as a way of limiting credit card purchases. Now, we reward the customer with a \$5 for

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every \$200 spent in addition to the 3%. This is much simpler than the 'discounts' for various items that changed constantly and were rarely redeemed. Bling Nation brought a simple, easy-to-use and understandable loyalty program to Wallace Oil Company's customers.

"While I am personally invested in what Wallace Oil Company has done with mobile payments, I am also very excited to see how businesses and residents around town have embraced tapping their cell phones at the point of sale," said Rachel. "We all benefit – the financial institution, the business and the consumer – from Blinging."

### The Bling Nation Learning Curve

"Mobile payments may sound futuristic, but they are easy to explain and even easier to demonstrate and become addicted to," said Rachel.

Wallace Oil as a company immediately understood the benefits of mobile payments and how to operate the system. Small business owners can review even one single transaction and see the fee they pay accepting a credit card transaction versus a Bling Nation transaction. Our employees were excited about using the system, because it's fun and interesting. It did not take long for them to become familiar with tapping and paying instead of swiping.

From the consumer side, the physical process of tapping to pay was quickly picked up. There were a small percentage of consumers, however, who were confused about how loyalty points can be used. Some were saving their points for a big purchase... something "important"... instead of immediately applying them to day-to-day purchases like cash.

The State Bank rolled out a promotion recently of \$25 loyalty points, which helped consumers better understand the rewards program. This promotion drove awareness

of the rewards points and illustrated how they are equal to cash. Now that consumers understand how to Bling, mobile payments are catching on like wildfire in La Junta.

"As a natural supporter of La Junta's shop local initiative, I also appreciated the fact that advertising and marketing collateral for Bling Nation were purchased locally," said Rachel. "Bling Nation was really demonstrating a commitment to our community and local economy."

In December 2009, Wallace Oil had a Bling Nation transaction every day at two of its stores. In November, there were only two days that passed without a Bling Nation transaction. Typically, the company has several Bling Nation transactions per day at each location. Average transaction volume and amount have increased as well at two stores on the interstate: one on the way into La Junta and one on the way out. Wallace Oil has had more than \$900 redeemed in rewards points. At these stores, a huge percentage of the customers don't live here, so the transaction amounts and volume would be much greater in downtown La Junta.

"I jumped into this process early, on faith, and Bling Nation has exceeded my expectations!"



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