

COLUMNS

Rethinking rewards for the millennial consumer

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By **David Hargreaves**

While there are many consumer segments that are highly valuable to marketers, it is no secret that millennials now represent one in three of the United States working population, with a total of 53 million working millennials. But what does this mean for brands when it comes to incentivizing the millennial consumer?

To understand this, it is important to consider their behavioral traits.

While it is easy to make generalizations, Pew Research highlights a number of key differentiating characteristics: technology-savvy, compassionate, spontaneous, adventurers, sociable and collaborative with brands.

By thinking about these characteristics, it quickly becomes apparent that the types of rewards that will motivate the millennial must move on from a check rebate, a print at home coupon or volume brand swag.

Tap dance

The fact that 83 percent of millennials have slept with their phone in their bed illustrates their connectedness and reliance on technology.

But technology does not come cheap.

Mobile phone contracts are expensive, especially with enough data to keep up with the data hungry consumer. The answer: data as a reward.

For example, partnering with a wireless carrier enables the offering of mobile phone data as a reward, instantly. Buy a product, send a receipt, click on a link and get 1GB data on your account. This is just one of a number of innovative data-driven rewards on offer.

Tapping into millennials' compassionate side, we have seen a lot of success with programs where the reward for the consumers is a charitable donation. This can be enabled instantly and viable a simple mobile experience. This reward aligns with the fact that 50 percent of millennial consumers have made donations to charity using their mobile phone.

It does not take much imagination to realize that mail-in rebates are not appropriate for this audience.

We are seeing a lot of success with brands, especially in the alcohol and consumer goods segments, offering digital rebates. Buy the product, take a picture of the receipt, submit the receipt, get cash via direct deposit, via PayPal or online Visa. No forms, no stamps and no eight-week wait.

Will it travel?

Another new digital reward that brands are excited about is an uber credit, tapping into millennials' sociability, lack of car ownership and spontaneity.

Again it is a digital reward, and so is instant, perfect for mobile and a great reward for a number of different consumer packaged goods segments, not least alcoholic beverages. Buy three bottles of vodka, get a \$10 uber credit to get you home.

Finally, travel has always been an important category for the reward industry.

Given the inner adventurer character of millennials, this category is as important as ever, especially given the high-perceived value, low cost of travel rewards. This is particularly true for rewards such as being a fighter pilot for a day or doing a parachute jump.

Brands can take advantage of the fact that a quarter of millennials book travel less than one week before they travel by using digital travel rewards that can be delivered instantly to a mobile.

COMBINING A high-value travel adventure reward with a sweepstakes, all delivered by mobile, perfectly taps into the millennials' no-risk-no-reward approach to life.

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