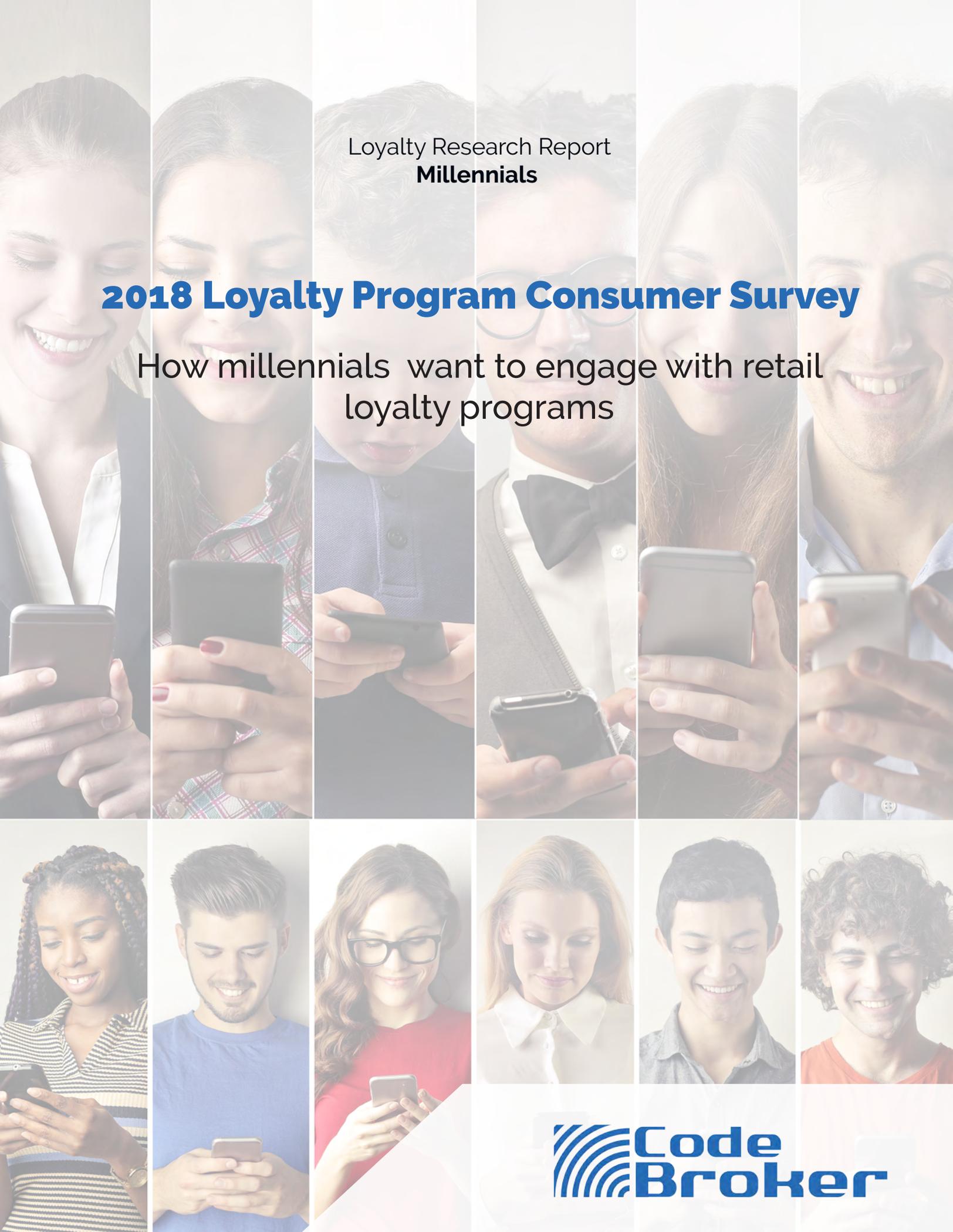


Loyalty Research Report
Millennials

2018 Loyalty Program Consumer Survey

How millennials want to engage with retail loyalty programs



About CodeBroker

CodeBroker's mobile marketing solutions are used by leading retailers to engage shoppers, drive purchases, and build loyalty.

The [CodeBroker Mobile Loyalty Experience Engine](#) gives loyalty marketers a true omnichannel approach to mobile loyalty program member acquisition and engagement.

[CodeBroker Text Message Marketing](#) with [SmartJoin](#) combines advanced SMS marketing capabilities with ease-of-use to help marketers rapidly build and market to subscriber lists and loyalty membership securely and at scale.

[CodeBroker Digital Coupons](#) drive store traffic, purchases and customer engagement through on-demand offers, SMS list promotions and in-app promos.

We invite you to learn more at www.codebroker.com.

Survey Overview

CodeBroker surveyed 1,287 consumers who are members of loyalty programs in a range of industries, including travel, restaurant, credit card, retail and others. Those cross-industry research results can be accessed at www.codebroker.com.

This report is a subset of the of the larger research, and focuses on 441 millennials who belong to loyalty programs. We asked millennials about their frustrations associated with retail loyalty programs, how they would like to engage with loyalty programs, and changes they would like to see

About the Survey Respondents

Number of Respondents: 441

Age range:

18 to 35: 100%

Gender:

Female: 56%

Male: 44%

Number of loyalty programs respondents belong to:

1 - 5: 89%

6 - 10: 9%

10+: 2%

Key Takeaways

1. Only 11% of millennials actively engage with all the loyalty programs to which they are members.
2. 97% of millennials say that they would actively engage with loyalty programs if they could access their rewards information from their smartphones.
3. 28% of consumers want to access loyalty programs via a text link on their smartphone.
4. Millennials have a range of preferences for accessing and engaging with loyalty programs via mobile – including SMS, app, digital wallet, and email.
5. For the broadest reach, loyalty programs must be accessible to millennials through several mobile channels to appeal to each individual consumer's preferred channel.

The Results

Of the loyalty programs you belong to, what percentage do you actively use?



70%

Engage with less than half the loyalty programs to which they belong.



11%

Engage with all the loyalty programs in which they belong.

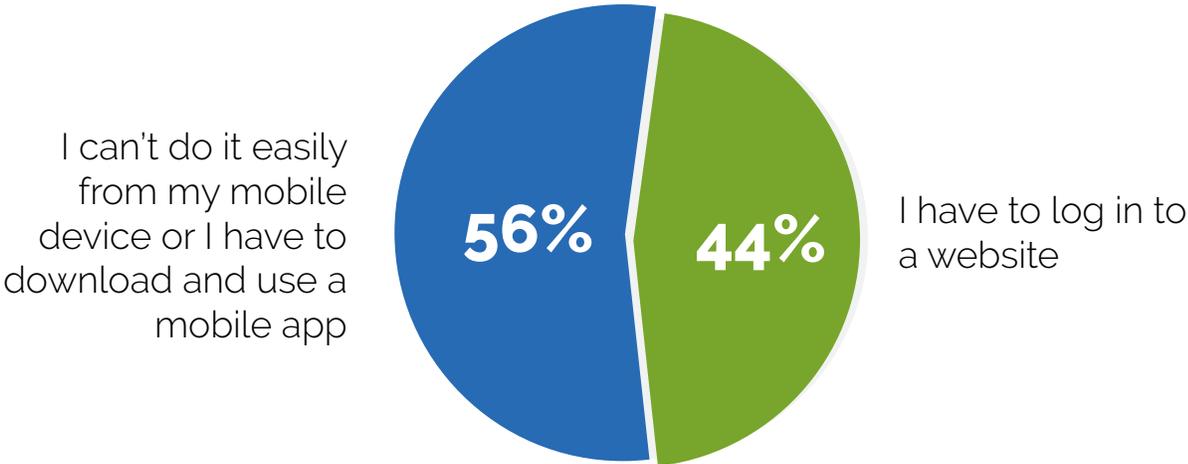
Loyalty program engagement is suffering due to a range of factors, from more loyalty program competition, to uncertainties about the best contact strategy for each individual customer. This is the case across all age groups, and it is especially true with millennials. 70% of millennials actively engage with less than half of the loyalty programs to which they belong – which is 8% higher than other age groups. On the other end of the spectrum, only 11% of millennials actively engage with all the loyalty programs to which they belong – 9% lower than non-millennials.

What is your biggest gripe with retail loyalty programs?



Nearly 60% of the respondents lack basic insights into their rewards, with 58% of respondents unsure when they have rewards available or seeing their rewards expire. Many respondents point to the complexities associated with program participation, which drives engagement down and limits the insights that consumers have into their rewards status.

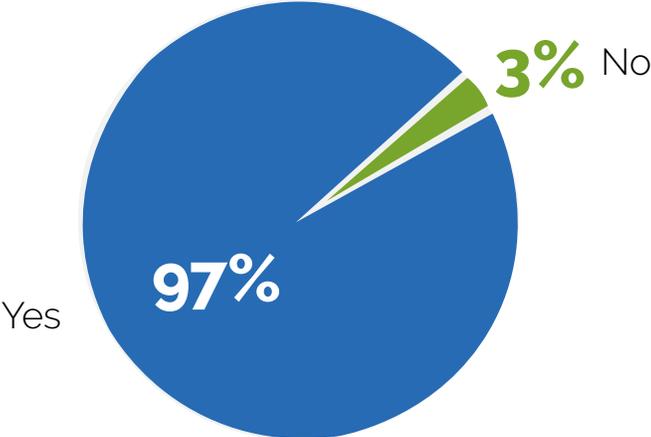
What are your top frustrations associated with accessing your rewards, point balance and other program information?



As we learned from the previous two questions, members lack insights into their rewards status, therefore rewards go unused. Here, we begin to understand one of the chief causes – the difficulties that members experience when they try to simply access their rewards information. Respondents indicate that they want to access their rewards easily from their mobile devices, and they don't want to be required to log-in or download an app.

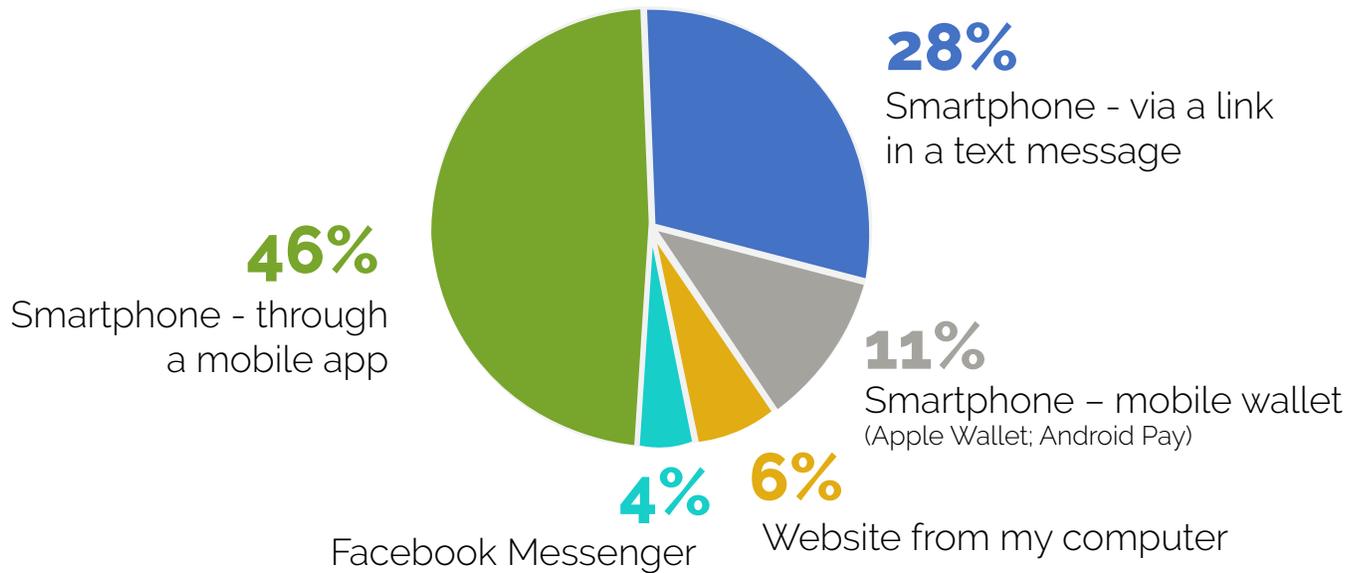
When compared to consumers in other industries, millennials are more frustrated by having to log in to a website to access their rewards information by a percentage points higher than other age groups.

Would you be more likely to participate in a retail loyalty program if you could access the program easily from your smartphone?



Card-based loyalty programs do not work with millennials, with 97% saying that they would engage more actively with loyalty programs if they could do so easily from their smartphones (compared to 69% of non-millennials). As we dig deeper, we learn that there are a range of different ways consumers want to access programs from their smartphones.

What is your preferred method for accessing your rewards program info (points balance, redemption info, available rewards, etc.)?



The large majority of millennials prefer to access loyalty programs from their smartphones, but mobile is a platform with several distinct communication channels. A channel preferred by one consumer may not be favored by another.

Many brands have employed their loyalty program via a mobile app in the belief that they have a mobile loyalty program. However, only less than half of millennials wish to engage with loyalty programs via a mobile app. To engage millennials effectively, loyalty programs must give each member program access via his or her preferred mobile channel.

What is your preferred method to receive communications from your rewards program?



44%

Email



31%

Text Message



25%

Mobile App

Each customer not only has a preferred channel to access loyalty programs, but also has a preferred channel to receive loyalty program communications, such as rewards updates, expiring rewards, promotions, etc.

The challenge for loyalty marketers is that we often don't know the communication method preferred by each individual member. By employing the right contact strategy for each member, loyalty marketers can improve member insights into rewards status and drive higher levels of engagement and ensure more relevant, consistent messaging across channels. Loyalty marketers can take steps to identifying members' preferred communication channel by providing a range of sign-up options on the front-end. Consumers will more often sign up via their preferred channel, giving marketers the information they need to communicate effectively.

Where to Go from Here

Meeting the needs of each member – this is the new imperative for retail loyalty programs. The majority of today's shoppers want it to be easy to access loyalty programs – and their preferences vary, which present both a challenge, and an opportunity for loyalty program leaders.

Loyalty programs that give members options – for program sign-up, access, and communications – have the best opportunity to improve engagement, compete effectively with other programs and to deliver a positive program ROI.

CodeBroker invites you to learn how to add these omnichannel loyalty program capabilities to your existing loyalty platform with the [CodeBroker Mobile Loyalty Experience Engine](#).

Contact CodeBroker to learn more

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