

A millennial's take on rewarding his generation

If anyone has intimate knowledge about what millennials think about rewards programmes, it's millennial entrepreneur, founder and managing director of mobile rewards platform, TuYu, Ruan Geyser.



Ruan Geyser

Why are marketers concerned about how to communicate with millennials?

Geyser: Millennials are considered the largest generation and we'll be overtaking previous generations on spending power soon. If you take this into account, it's obvious that communicating and engaging us effectively will put marketers in the pound seats. We're brand influencers and I believe that once you've locked down our generation, previous generations will swiftly follow suit.

Are you and your generation that different from generations that came before? How so?

Geyser: We definitely are. We're more likely to try out new things or take risks than our risk-adverse predecessors. We like to challenge the status quo and speak our minds if we believe something could be better or more effective.

What are the key characteristics of millennials?

Geyser: We're connected 24/7 and dependant on technology. The fact that we align ourselves with technology means the buying cycle is accelerated and we're willing to spend more. Our generation is collaborative and vocal. This leads us to constantly be on the lookout for opinions, validation and recognition from our peers. I think the prime characteristic is that we want instant gratification.

What kind of consumers are you?

Geyser: We consistently follow trends and we're invariably on the lookout for better deals, more value and an improved experience. We're social consumers and we love to share our experiences with our peers both physically and digitally.

What do you look for in a brand, product or service?

Geyser: The cool factor and value play a big role in how we perceive brands. Ease of use and availability are critical in product selection. Quality and turnaround time are key when we consider services.

Are millennials loyal? Are you likely to respond to traditional loyalty programmes?

Geyser: The fact that we're always on the move means convenience is often being mistaken for loyalty. Brand loyalty is big, but you need to take into account the number of channels competitors have in reaching this base. Unless you're continually driving value and offering solutions that are easily accessible, we will jump ship. We want choice and can't be forced into a one-size fits all programme.

Transparency also plays a big role; I don't always believe traditional programmes are user-friendly or easy-to-understand and no one wants to walk around with 15 different cards in their wallet. The fact that most decisions are centred round value means the days of rewards being masked by points – to increase the perceived value – and catalogue buying where the redemption prices have been drastically inflated are far gone. That's why I believe instant in-store discount programmes are more successful.

What kind of loyalty programmes will elicit the best response among millennials?

Geyser: Social and mobile channels should be the heroes. Interactive programs that follow participants' individual buying patterns, needs and products. You need to keep us engaged and interested at all times. Marketers also need to utilise the data being generated to the best of their ability to deliver precision based discounts and rewards.

What do loyalty programmes of the future look like?

Geyser: I'm a big supporter of coalition programs between key retailers and brands that form part of your day-to-day spending habits. There needs to be an aggregated approach to enterprise wide loyalty solutions, which enables you to earn the same points at multiple retailers. I'm very excited about this space in future as technology and data will enable each individual person to have their own tailored loyalty programme that serves their bespoke needs and buying patterns and, once again, moves away from one-size-fits-all approach.

What kind rewards do millennials want?

Geyser: We want rewards that give us the freedom of choice. I would prefer R50 that I can spend on anything I want than an R80 product specific voucher that I don't necessarily need.

When corporates utilise the TuYu rewards platform, they're able to instantly push Rand-based rewards to both consumers and staff members' mobile phones as they qualify for their reward either at the click of a button or through an automated integration. The key is cutting down the time between qualifying for a reward and being rewarded appropriately. Our Rand-based rewards can be spent at more than 60,000 till lanes in the country. The fact that you have your reward on your mobile phone is the main reason why our redemption rate sits just above 90%, which is significantly higher than that of a prepaid/gift card.

Which South African loyal and rewards programmes are getting it right in terms of tapping into the psyche of this generation?

Geyser: I'd like to think, by combining innovation, real-time rewards and freedom of choice, we're getting it right with the TuYu rewards platform. We're also working on a new turnkey digital and in-store solution that will be a game changer in our industry. I'm a big supporter of the Woolworths WRewards programme as it offers instant discounts on your basket. Vida, on the other hand, has a really slick user journey that enables you to earn and burn loyalty points using your mobile phone.