



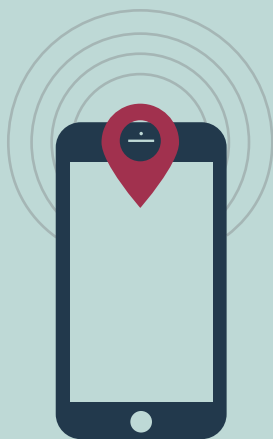
HOW SMARTPHONE CUSTOMER ENGAGEMENT HAS IMPACTED THE EVOLUTION OF REWARDS

Smartphones are ubiquitous today around the world as loyalty marketers seek to fine-tune their loyalty programs with relevant rewards. Smartphones have certainly influenced the evolution of rewards and Loyalty360 spoke to Mark Fortuna, director of sales at Snipp, to learn more about this topic and how brands can optimize their respective strategies when it comes to offering a compelling mix of rewards.

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#1

How have smartphones influenced the evolution of rewards?

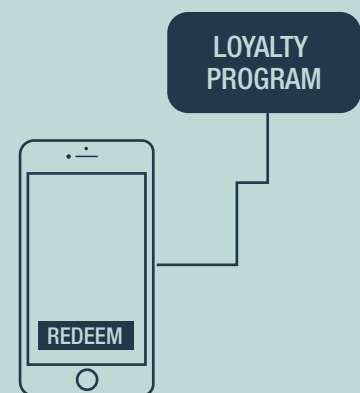


Smartphones have had a tremendous impact on the way consumers engage with brand promotions and loyalty programs. Consumers can now hold, in the palm of their hands, a device that allows incredible access to brands and their competitors. As a result, brands have a way to **connect with consumers in real time** and supply information that can lead to immediate sales. Rewards that were once confined to mail or point-of-sale consumption are now available via these mobile devices. Digital rewards like song downloads, movies, e-gift cards, e-debit cards, and e-books are all available for download directly to smartphones.

Never before have brands had the ability to **engage with consumers** in such an intimate manner. Brands hold at their disposal incredible **targeted messaging capabilities**.

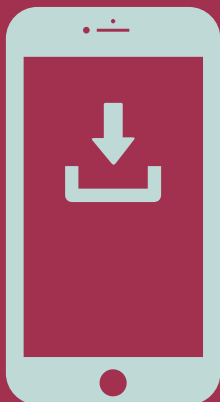
Awareness of reward and loyalty offers are a swipe of the thumb away for consumers via direct email, beacon technology, brand apps, social media posts, POS marketing, QR codes, and brand direct websites.

Rewards have needed to keep pace with smartphone technology and capabilities. The consumer desire to learn about and be **instantly presented with reward offers** correspond to a need for brands to provide rewards that can be **digitally delivered and quickly redeemed on smartphones**. Phone apps are now integrated into loyalty platforms allowing consumers to track spend and reward points earned on their devices. For brands that need the flexibility and benefits of an app-less solution, receipt processing paired with customizable, mobile optimized microsites can provide even more instantaneous connections with consumers - they don't need to download any app to be able to redeem points in a loyalty scheme or rewards in a promotion.



#2

What are the top three things brands need to be cognizant of when strategizing their rewards mix?



Targeting the correct consumer with an **appropriate offer**. This may include a single reward that ties back to the brand or the targeted customer. Additionally, brands could include a mix of reward options the participant could choose from in single promotion to broaden the promotion appeal, as long as these rewards options still **resonate with the consumer** and associate well with the overall position of the brand.

Providing a reward that is **simple to redeem**. Brands seek loyalty and nothing breaks brand loyalty like a clunky, time consuming or multi-step reward redemption experience. When consumers earn a reward, they expect to feel rewarded. Make them know they are appreciated by making that process hassle-free and enjoyable.



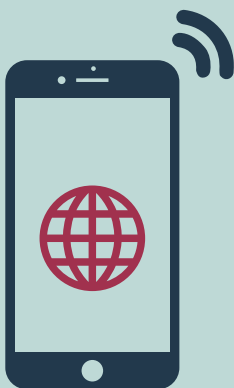
Learn from participation. Understand who participates in these programs and what rewards resonate with them. Use the data and apply it to future marketing. Target the marketing to what they have responded to in the past.



#3

There are so many rewards out there right now.

What are some of your favorites, especially as incentives for CPG shoppers?



I prefer rewards that I can **qualify for quickly** and not have to purchase multiple products over an extended period of time. If I participate in a loyalty program or gift with purchase program, I want to know that I can start to redeem after my first or second purchase. Don't just take my word for it - time and time again, evidence shows that the most successful rewards programs use a combination of **value-add rewards** that are well targeted to the intended demographic. A song download, deposit into a PayPal account, a discount off a movie or dining experience, or reloadable credit card cash or rewards not only makes consumers appreciate the loyalty program and keep them engaged, but it leaves them with tangible value that benefits them directly. Consumers also want the **redemption process to be simple**. They want the ability to complete it on their phone.

And finally, they seek **innovation**—what's the next trend, the cool new incentive? One example I've seen making a particularly vociferous buzz in the industry is "**data as a reward**"; being able to top-up your mobile device with extra data by making brand purchases.



#4

What do you see for the future of smartphone engagement, and any ideas on the “rewards of tomorrow”?



I see **augmented reality** playing a vital role in the future for smartphone engagement. I imagine inputting a shopping list on my phone, arriving at the store and my phone guiding me by map through the aisles, helping me locate what I need with the most direct path to each item on the shelf. Along the way, the phone speaks to me with targeted marketing and pop up advertisements based on previous purchases and tendencies to try similar or potential impulse purchases. Special offers and rewards program participation with a simple click on the augmented reality screen.



I think many of the traditional rewards of today will remain tomorrow. However, I believe there will be a strong move toward **experiential rewards**. Travel and lifestyle experiences will be mixed into the reward choice options to appease the desired tastes of millennials. I also foresee a movement to **apply reward points to everyday bills**, similar to the gasoline discount programs that are becoming evermore popular. Participants in these reward programs will be able to apply credits earned toward mortgage, car, student loan and utility payments. And finally, as mentioned, **“data as a reward”** is now a hard incentive to ignore; consumers eat through more mobile data than ever before, and they love brands that can satisfy their voracious appetites for online content.

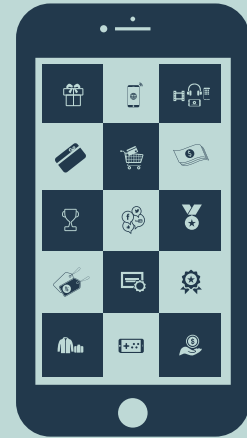


#5

Tips for brands that need to synchronize their rewards portfolio with smartphone savvy shoppers



I cannot stress this enough: brands must be well along the path of smartphone engagement technology and digital reward advances. If you're not leveraging these technologies by now, you're far behind the curve and will be facing some dire consequences because of it.



A snapshot of some of the key best practices that I think most brands could stand to benefit from

- Tune your rewards offerings to the right demographics to keep your loyalty programs and promotions **hyper-personalized**.
- Keep mobile top of mind. If the reward isn't **smartphone-oriented**, there may be a better option out there.
- The reward should **match the offer** - expensive rewards should be earned only when larger purchases warrant their accrual.
- Pay attention to **low-cost/high-perceived value offers**, such as sweepstakes entries - they may be a great boon to your bottom line.
- Have access to a **variety of rewards** to keep your costs down and your options limitless.
- Use **one vendor to streamline and scale** your rewards sourcing, and to stay flexible enough to keep up with the rapid pace of the industry.



Snipp is a global loyalty and promotions company with a singular focus: to develop disruptive engagement platforms that generate insights and drive sales. Our solutions include shopper marketing promotions, loyalty, rewards, rebates and data analytics, all of which are seamlessly integrated to provide a one-stop marketing technology platform. We also provide the services and expertise to design, execute and promote client programs. SnippCheck, our receipt processing engine, is the market leader for receipt-based purchase validation; SnippLoyalty is the only unified loyalty solution in the market for CPG brands. Snipp has powered hundreds of programs for Fortune 1000 brands and world-class agencies and partners.

CONTACT US

 lets.talk@snipp.com

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