



# Building customer loyalty across generations



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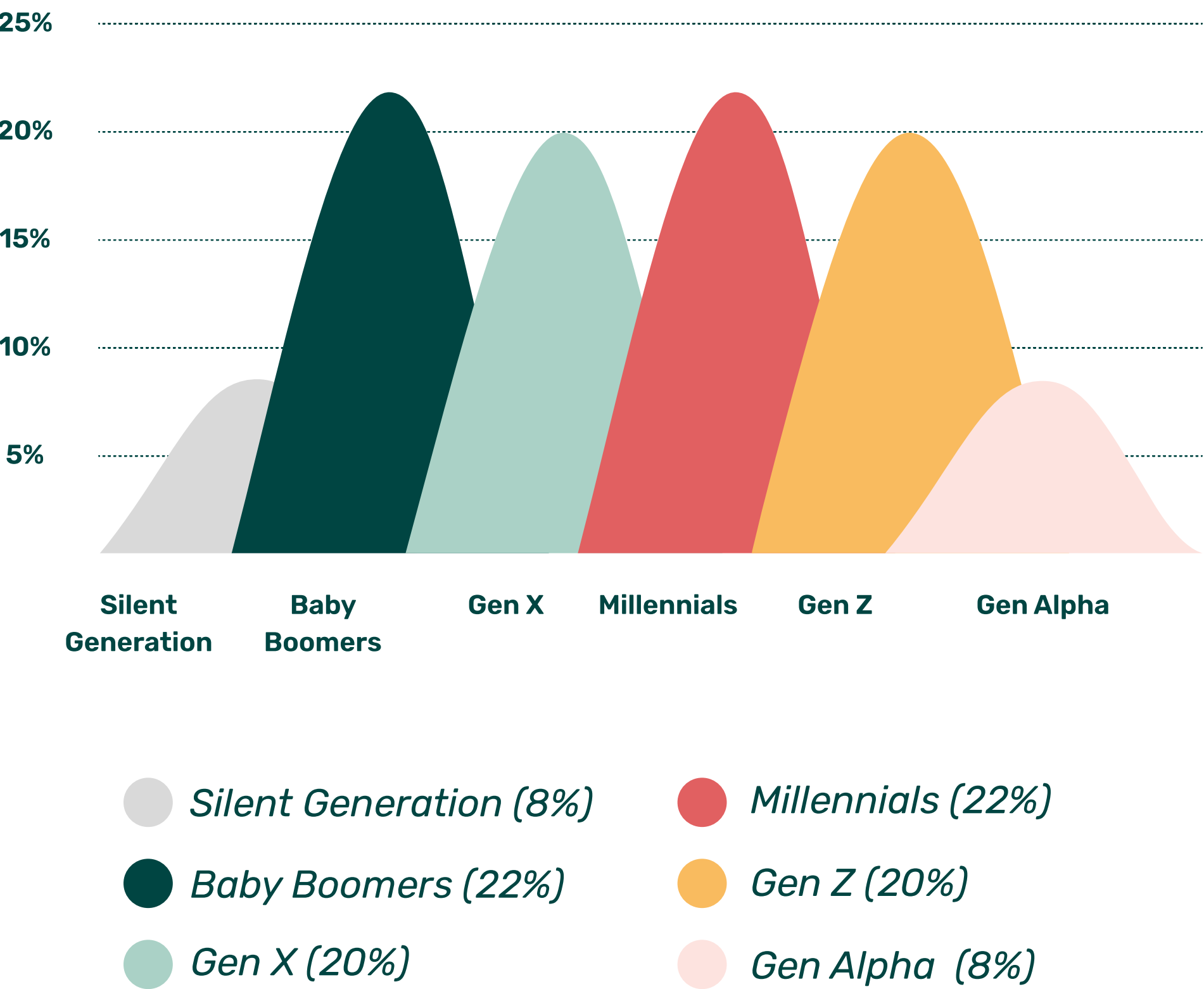
# Loyalty matters, but changes across generations

In recent years, Millennials and Gen X had been the main focus of most brands in terms of loyalty. However, with Gen Z entering the job market and increasing its spending power, a shift in focus could bring brands a meaningful advantage in the years to come.

Currently, six generations make up US society. We examined each generation's personal characteristics and overall attitude towards loyalty. The only exception was Gen Alpha as its members are extremely young, with their most formative years still ahead of them.



**U.S. population by generation**  
as of 2021





# Gen Z

**Born 1997 - 2012**  
**Life-forming events: 2008 Global Financial Crisis, Covid pandemic**

True digital natives, raised on the internet, heavily influenced by social media and the influencers.

The attitude towards money was shaped by economic uncertainties, including the 2008 recession and Covid pandemic. They're saving and investing instead of thoughtless spending.

Mobile phones are an essential part of their lives, also the primary means of communication, especially through texts and social media channels.

The most ethnically diverse generation, its member often mobilize themselves for important causes or boycott brands they do not agree with.

<sup>1</sup> Based on original research by Oracle



- Personal traits**
- Social & environmental responsibility
  - Self education
  - Value of self-care & mental health
  - Activists
  - Experiences over materialism

- Where to approach them**
- Online world
  - Cell phones
  - Social media (Tik Tok, Instagram)

- How they perceive loyalty**
- Expect digital-first & seamless omnichannel experiences
  - Crave experiential rewards (e.g. exclusive access to products, event invitations)
  - Look for personalization at all times
  - Support social/environmental causes
  - Likely to refer the brand to friends, share content

Popular loyalty programs<sup>1</sup>:





# Millennials

**Born 1981 - 1996**  
**Life-forming events: Rise of social media, September 11th**

Introduced to modern technologies at a fairly young age, millennials often research good deals online. They prefer convenience and good value as their entry into adulthood was influenced by the 2008 recession.

Most of their incomes are spent on groceries, gas, restaurants, clothing, and hobbies + their phones.

The millennials like to support the brands with a positive approach towards giving back to society, supporting local communities, local sourcing, and other social causes.

They're more likely than other generations to use the programs daily, especially when it's mobile-based.

<sup>1</sup> Based on original research by Oracle



## Personal traits

- Higher frequency of shopping than other generations
- Use digital devices for shopping & finding deals daily
- Positive attitude towards technology
- Strong sense of community

## Where to approach them

- Social media
- Coupons and offer websites

## How they perceive loyalty

- Strong focus on discounts
- Love to feel treasured and expect personalized offers and communication
- Loyalty programs have to be convenient and easy to use

Popular loyalty programs<sup>1</sup>:



SEPHORA





# Gen X

**Born 1965 - 1980**  
**Life-forming events: Cold War, Arrival of first computers**

Born before mobile phones and the internet were invented, but tech-savvy enough to enjoy the benefits of the digital world.

They remember the world with zero digital marketing and therefore they are equally comfortable with both traditional and new marketing techniques.

Gen Xers are believed to be the most loyal to brands they know and trust, not likely to switch to competition if they get good value.

Careful research foregoes most buying decisions. Once happy with the selection, they are willing to pay a premium for the products. Compared to younger generations, it is more difficult to let them try new brands.

<sup>1</sup> Based on original research by Oracle



- Personal traits**
- Fiercely independent
  - Busy combining career & family life
  - Time-sensitive
  - Looking for ways to improve their family lives

- Where to approach them**
- Both online & offline
  - Cable TV
  - Print
  - Social media
  - Emails

- How they perceive loyalty**
- Extremely loyal to brands they trust
  - Not likely to switch brands
  - Not influenced by big-spend advertising, they'd rather do their research
  - Due to lack of time, they prefer loyalty programs that require minimal action
  - Often look for programs with the potential to simplify their family lives

Popular loyalty programs<sup>1</sup>:





# Baby Boomers

**Born 1946 - 1964**

**Life-forming events: Vietnam War, Cold War, Space exploration**

Raised without cell phones, the internet, or social media, their social interactions were based mostly on face-to-face contact at the time.

They witnessed the introduction of the first “real” loyalty programs, ranging from punch cards to coupons and vouchers. Even though they adapted to the new technology, this generation still enjoys straightforward communication and looks for the best value in the first place.

Baby Boomers are said to be extremely loyal brand advocates, but not for the sake of loyalty itself - they prioritize discounts over everything else and expect to earn rewards fairly quickly.

<sup>1</sup> Based on original research by Oracle



## Personal traits

- Prefer face-to-face interactions
- Financially stable
- Unlikely to succumb to peer pressure
- Make informed purchases and expect enough factual information

## Where to approach them

- Direct mail
- Traditional media
- Cable TV

## How they perceive loyalty

- Saving money and earning relevant rewards over everything else
- Prefer clear, direct language in all communication
- Expect a certain level of appreciation from brands and sales associates

Popular loyalty programs<sup>1</sup>:





# Silent Generation

**Born before 1945**

**Life-forming events: Great Depression, WWII**

The generation that grew up during the Great Depression and World War II is known for its traditional values such as hard work and loyalty in general.

These people were raised to respect authorities and believed that working hard was the only path to success.

While all other generations claim to be influenced by loyalty programs, the Silent Generation is the exception.

They also prefer in-person interactions over any other form of communication.

<sup>1</sup> Based on original research by Oracle



## Personal traits

- The eldest living generation
- Taught to show respect to authorities
- Strong believers in hard work and self-sacrifice
- Striving for comfort
- Patriotic
- Want to feel needed

## Where to approach them

- Face-to-face contact in stores

## How they perceive loyalty:

- Least likely to engage in a loyalty program of all generations
- The only generation not influenced by rewards programs

Popular loyalty programs<sup>1</sup>:

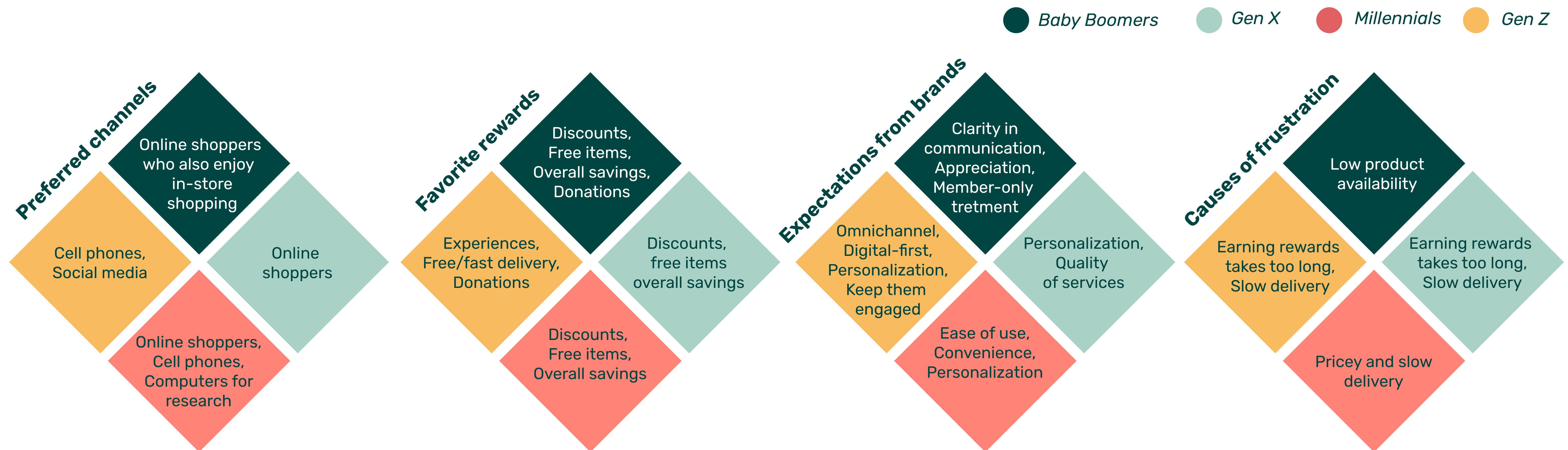




# Loyalty differs between generations

There are four main economically active and almost equally strong generations making up the collective spending market.

**Creating a loyalty program serving all of the groups requires a well thought-out strategy and frequent stress-testing all aspects of your loyalty concept against the needs and preferences of each group.**



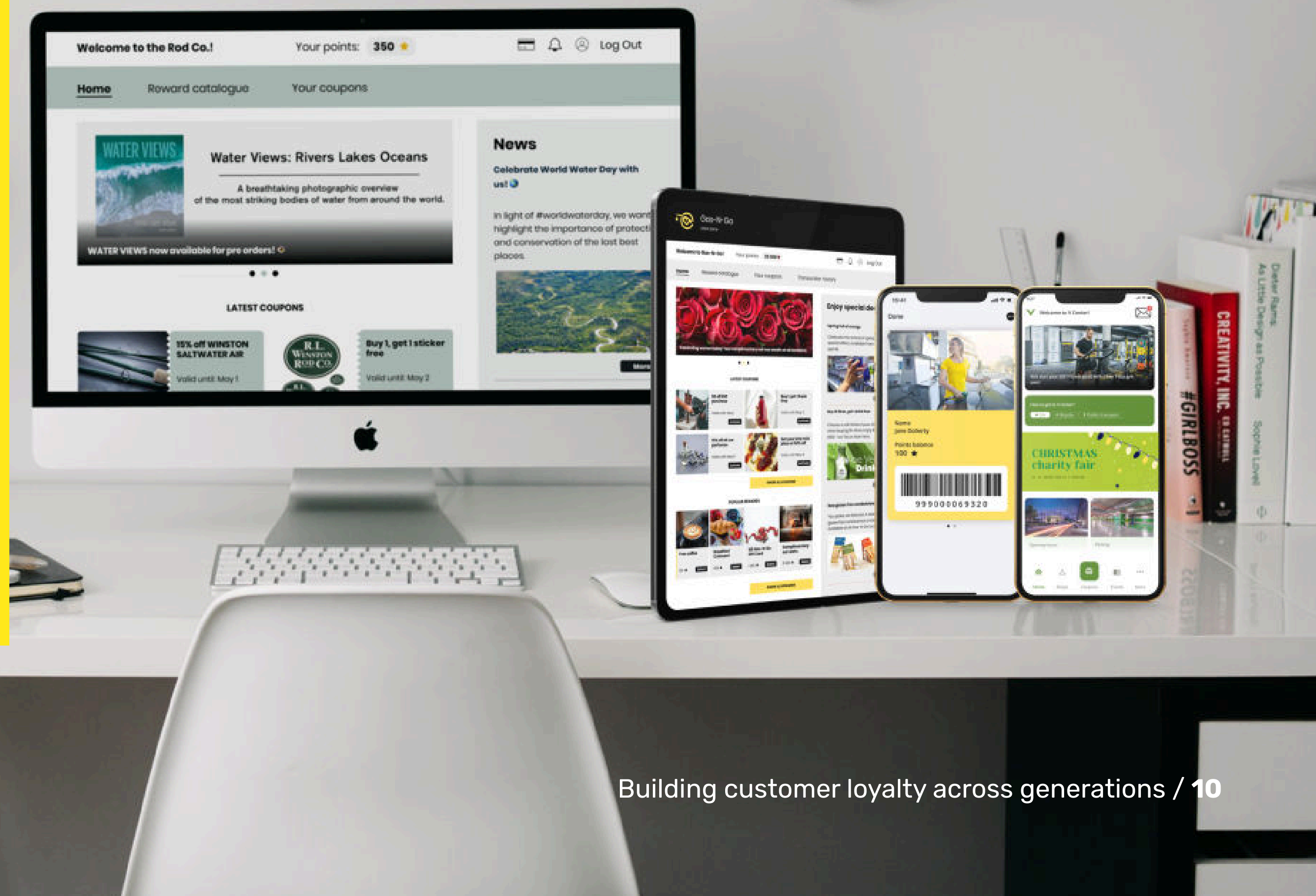


# About TRIFFT

TRIFFT delivers enterprise-grade loyalty to retailers with a complete and ready-to-roll-out toolkit.

This includes a built-in CRM, real-time CMS, and a no-code web/app/card; branded to each of our customers - all in one platform. With this, the toolkit supports all modern loyalty mechanics and features, while helping businesses save money on customer acquisition, expediting revenue growth, and increasing profits.

TRIFFT customers implement and carry out all the needs of a modern club experience designed to attract new customers and retain current members.





# Contributors

## TRIFFT Team



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