

MARKETING

Gen Z prefers monetary rewards for sharing personal data

June 15, 2022



Gen Z prioritizes privacy more than other generations. Image credit: FreedomPay

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Gen Z consumers are less likely than other demographics to share their personal information, according to new research.

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A **new report** from payments platform FreedomPay and Cornell University found that consumers are more likely to share personal details if they received a reward in exchange. The effectiveness of this tactic, however, was dependent on the perceived importance of the data.

The research is based on a survey of 200 Cornell University Gen Z students, defined as those born in 1995 or later.

Data risk and reward

Data privacy is increasingly top of mind for both regulators and consumers, with more government policies addressing data tracking and sharing.

Survey participants were first asked about their willingness to share 15 different data types, on a scale of one to six from "very unlikely to share" to "very likely to share." These data items were then sorted by low, medium and high privacy levels.

PRIVACY LEVEL	DATA ITEMS	AVERAGE WILLINGNESS
LOW	Gender	5.24
	Name	5.09
	Age	5.09
	Email Address	4.76
	Date of Birth	4.59
	Phone number	4.04
MEDIUM	Shopping Preference	3.40
	Shopping History	3.36
	Biometrics	3.31
	Expected Monthly Expense	3.03
	Income	2.91
	Social Media Account	2.78
HIGH	GPS Location	1.95
	SSN	1.74
	Medical Record	1.71

Table 2 Categorization of levels of privacy

Consumers are more likely to share details like their gender and age. Image credit: FreedomPay

For instance, gender, name and age were perceived to have a low privacy level, with an average willingness to share above 5.0. Respondents were also more willing to share their email addresses than phone numbers, with an average willingness of 4.76 to 4.04, although both ranked low on the privacy scale.

The medium privacy level included data such as shopping preference, shopping history, biometrics, expected monthly expense, income and social media accounts. Gen Z consumers were more likely to share biometrics information than their social media accounts, with an average willingness of 3.31 to 2.78.

Data including GPS location, social security number and medical records were associated with high privacy and a low willingness to share.

A \$15 reward incentive had the most impact on Gen Zers' willingness to share medium-level privacy details. The reward made these consumers 27 percent more likely to share medium-privacy information, such as biometrics or shopping history, and 24 percent more likely to share high-privacy data such as medical history.

The monetary reward had the most minimal impact on low-privacy data, providing an 11 percent boost. The discrepancy is likely in part because most consumers are already inclined to share details such as their gender and name.



Cash discounts or monetary rewards can encourage consumers to share more personal details. Image credit: FreedomPay

Other reward incentives were also evaluated, with respondents preferring a cash discount to loyalty points at a rate of 69 to 31 percent, respectively.

To encourage consumers to opt for points, a brand or retailer would need to offer loyalty points valued at 20 times greater than the cash discount. Those who prefer loyalty points are most likely to redeem them in the food and beverage industry.

Prioritizing privacy

Consumer data is crucial for brands and retailers looking to learn more about shoppers and leverage more personalized offerings.

When it comes to ecommerce, brands and retailers are hampered because their owned sites do not offer the convenience, customer history or data-driven recommendations that Amazon or search engines offer, according to a report from Coveo.

Shoppers are not making it easy on retailers, however, as many expect both privacy and personalization. Nearly six in 10 consumers are concerned about how their data is being used by retailers and 40 percent remain anonymous during checkout ([see story](#)).

Recent research from consumer data acquisition and audience engagement solutions provider 3Radical found that 84 percent of consumers prefer brands to be more open and transparent about the information they collect and how they plan to use it. Consumers also do not feel as though collected information is being tailored effectively, as 65 percent of respondents feel they have received actively irrelevant offers ([see story](#)).

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