— The Psychological Impact of Rewards! 🏆

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— Recently…

I've started to track my running progress in a
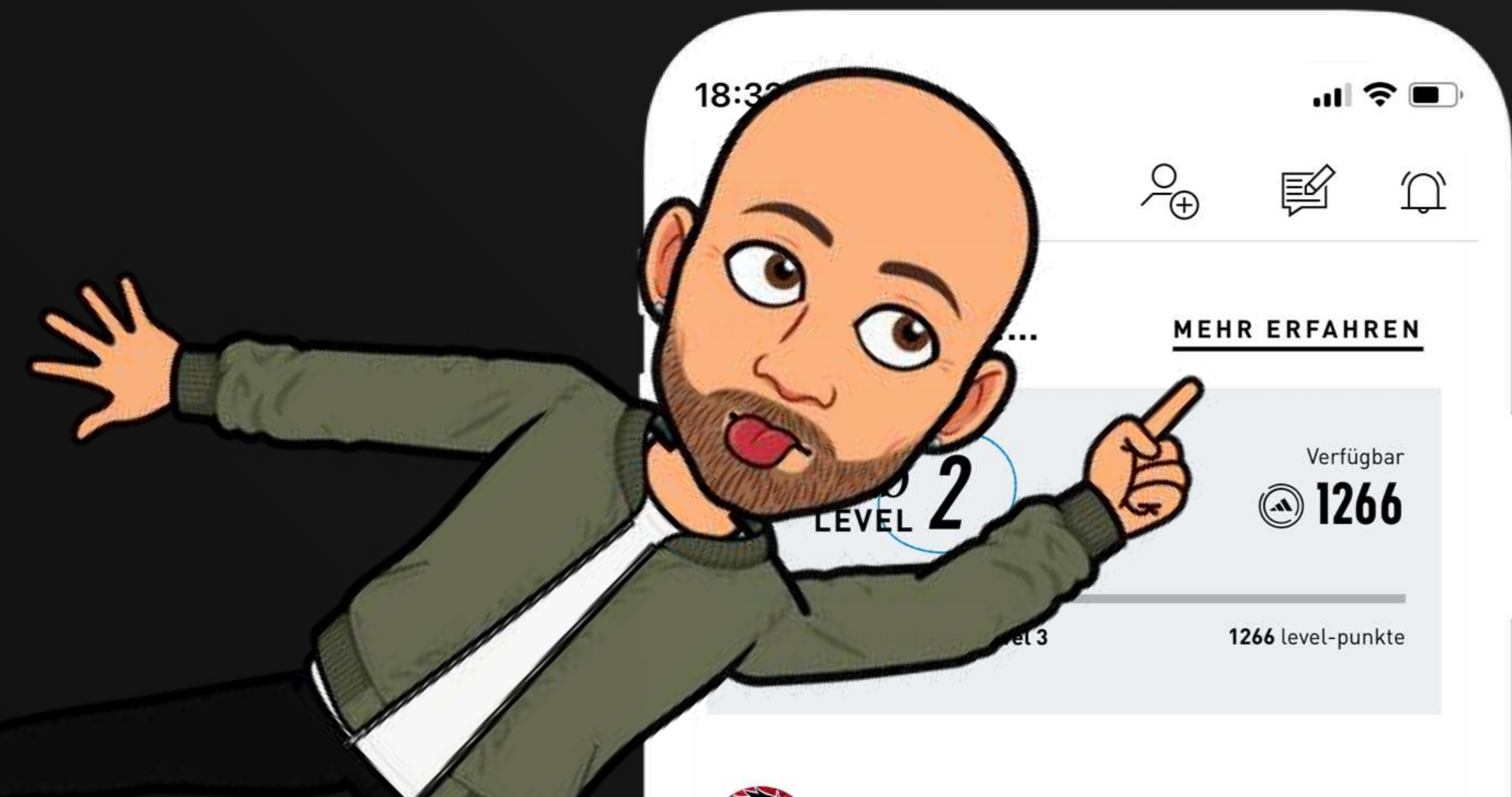running app…

— After a few days…

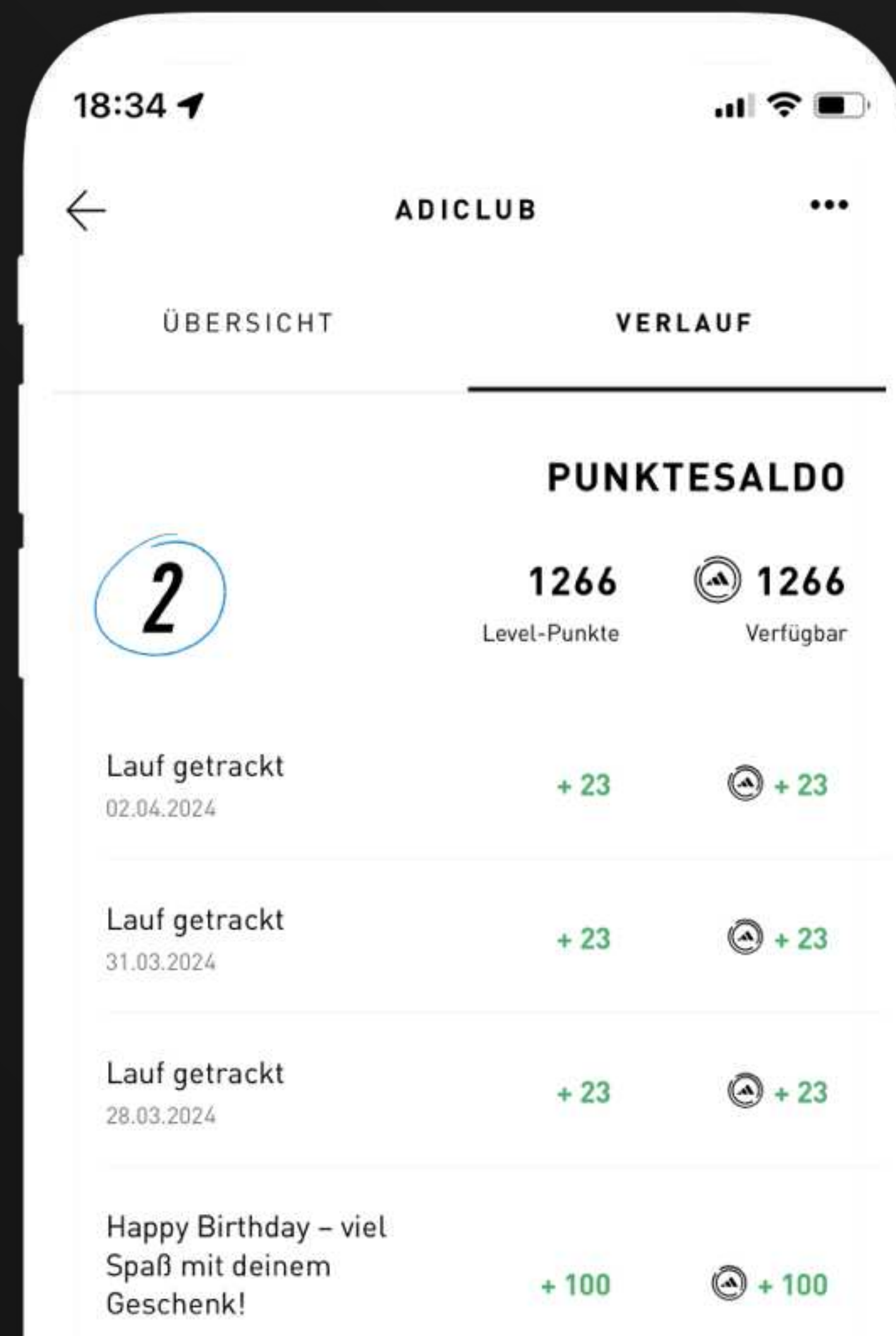I noticed that my adiclub level suddenly jumped from level 1 up to level 2… but I didn't really knew why…

— So I clicked…

In hope I could find out more about it.

— Hmmm…

I didn't even knew that I was gaining „**+23**" points for **EVERY** run….

— And…

I've also got „**+100** additional" points for simply having birthday…

	Level-Punkte	Verfügbar
Lauf getrackt 02.04.2023	+ 23	+ 23
Lauf getrackt 31.03.2023	+ 23	+ 23
Lauf getrackt 28.03.2023	+ 23	+ 23
Happy Birthday – viel Spaß mit deinem Geschenk! 28.03.2023	+ 100	+ 100
Lauf getrackt	+ 22	+ 22

— But...

Being rewarded for simply having Birthday has **nothing to do** with my goals. Which seem like a meaningless & generic reward...
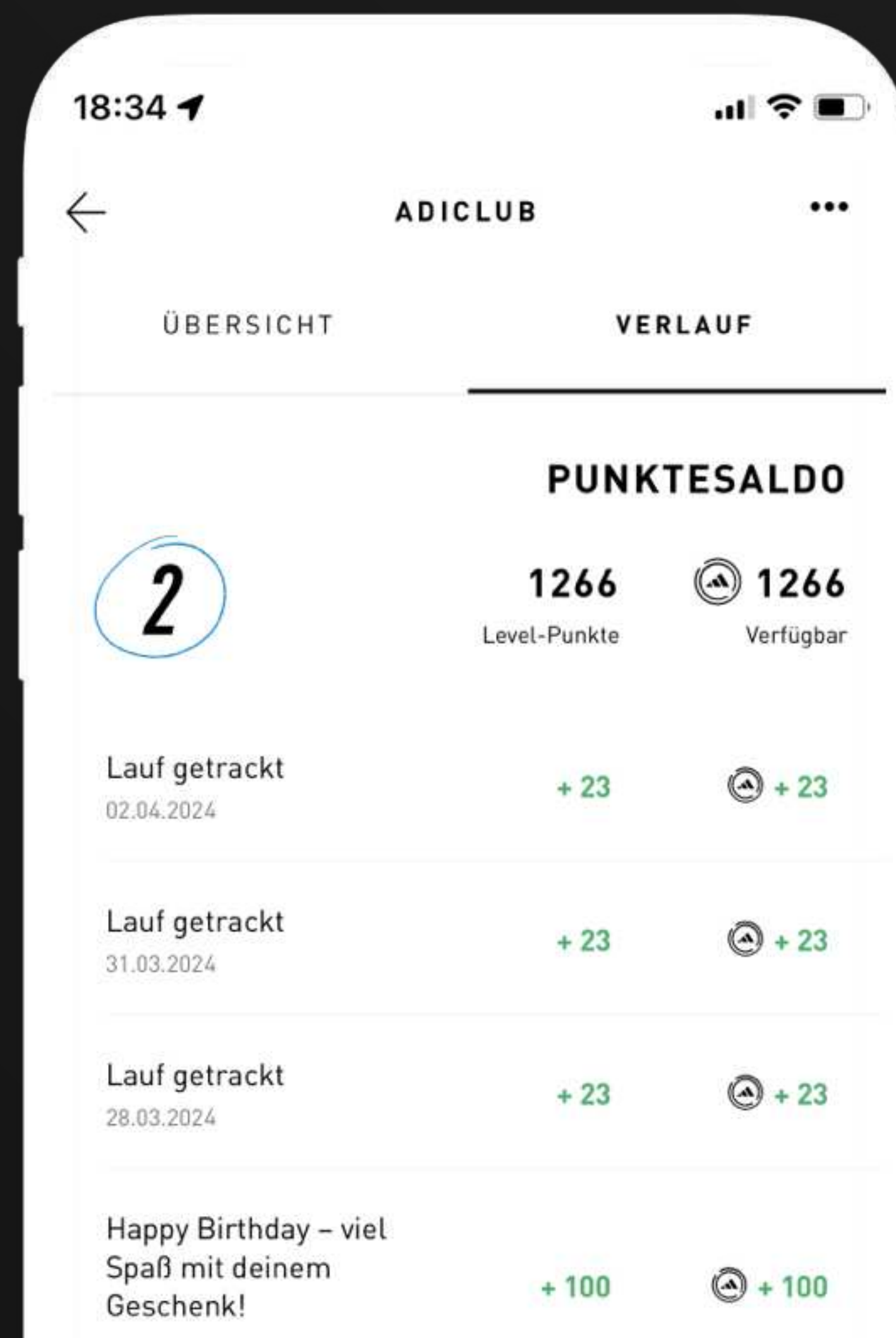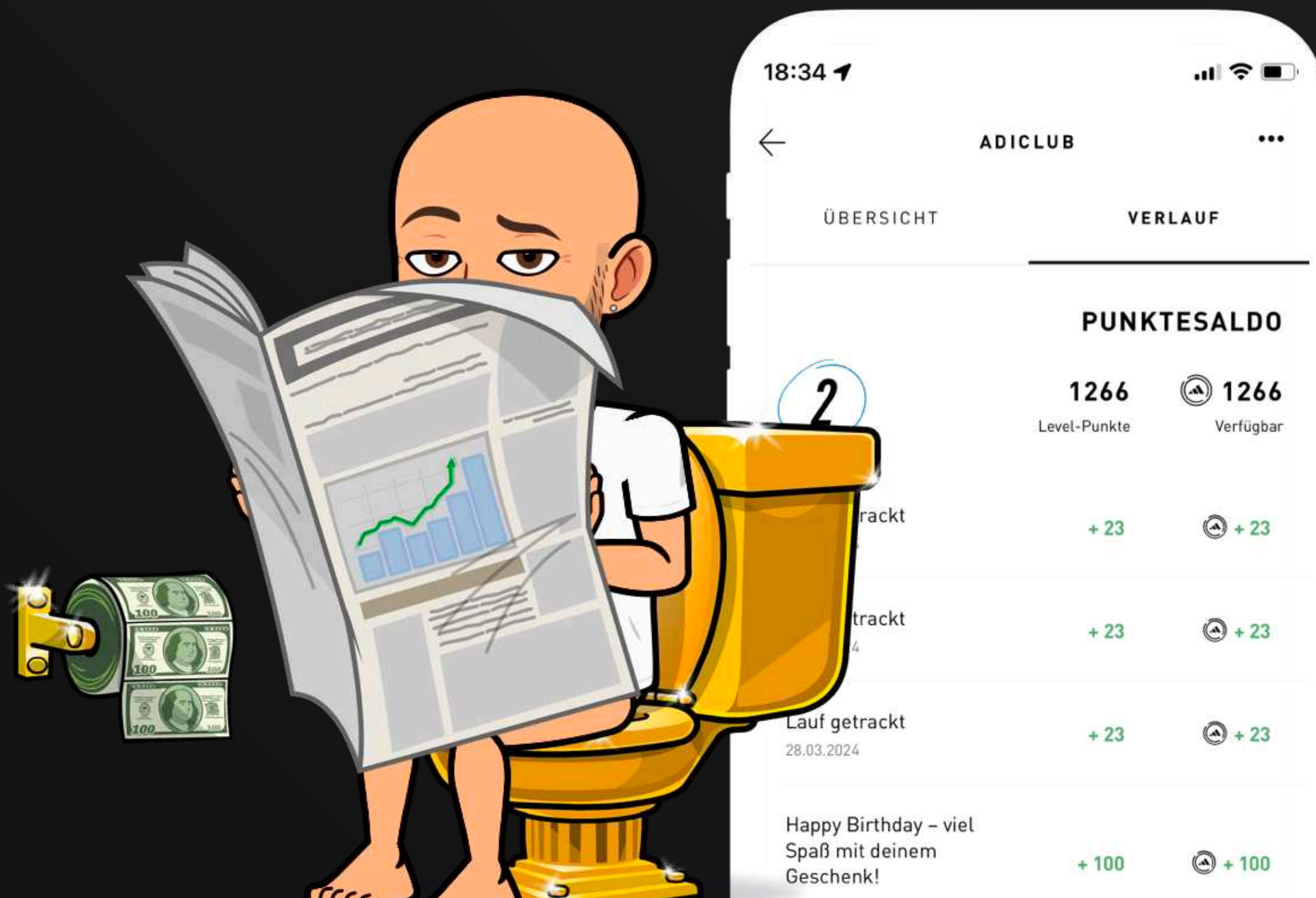
— And…

I still don't understand **how much value** those points have. Is it always +23 points? What is the goal?

— Unfortunately...

This rewards feel **generic & automated**. I do not see it providing any meaningful value nor helping be become a better runner...
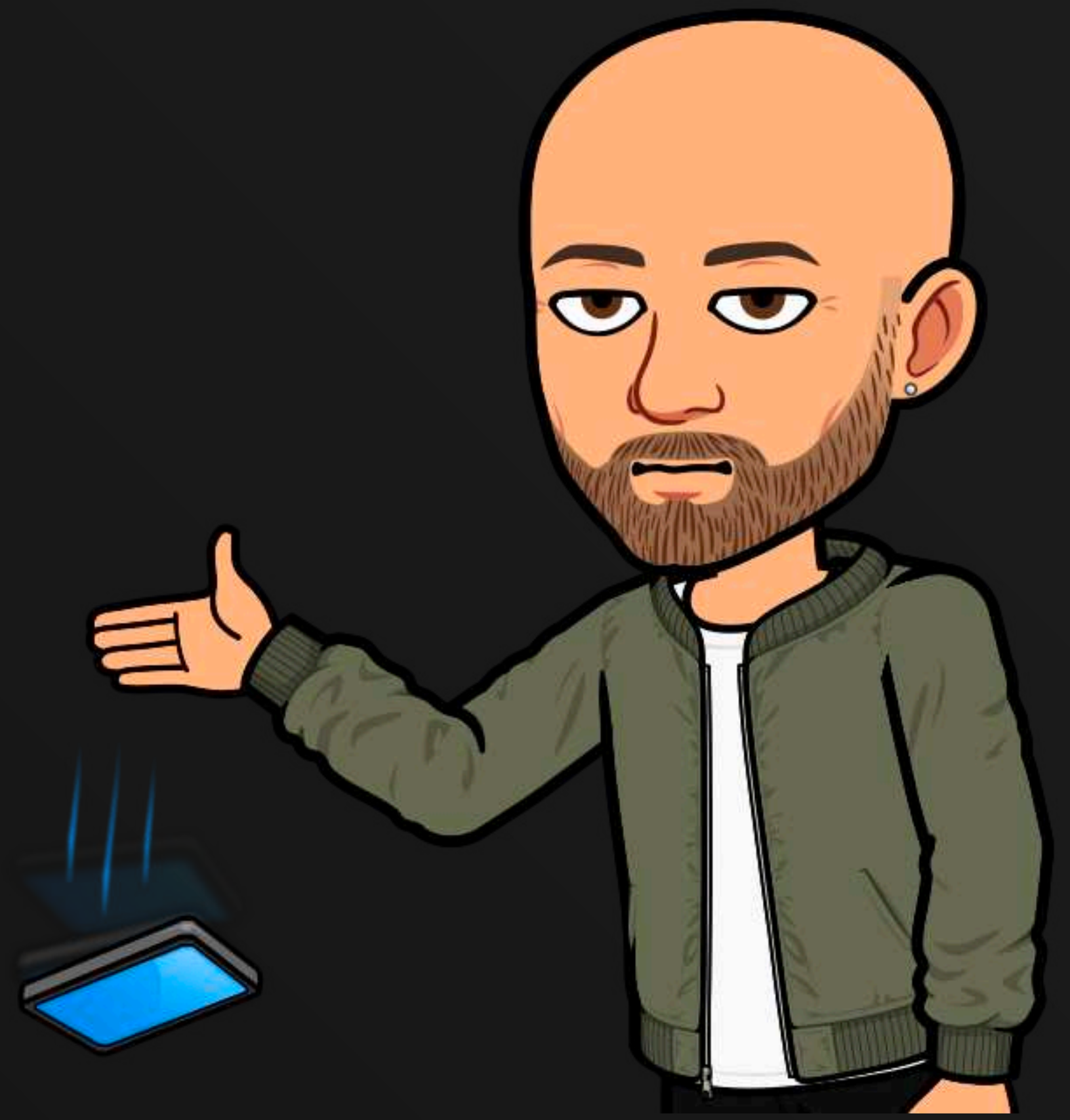
— **Those rewards come with 3 problems…**

— A lack of <u>meaningful</u> rewards…

🚫 **Decrease motivation** to engage with the reward system.

— A lack of <u>meaningful</u> rewards...

🚫 **Decrease motivation** to engage with the reward system.

🚫 **Reduce the perceived value** of the product.

— A lack of <u>meaningful</u> rewards...

🚫 **Decrease motivation** to engage with the reward system.

🚫 **Reduce the perceived value** of the product.

🚫 May **lead to confusion and frustration** among users, resulting in a poor user experience.

— **So, let us take a look at good Examples!**

And how they solve the frustrating experience of waiting.

<u>Here we go</u>:

— Starbucks Rewards…

The Starbucks app **rewards** users with "stars" for making purchases, which can be redeemed for **free food and drinks.**
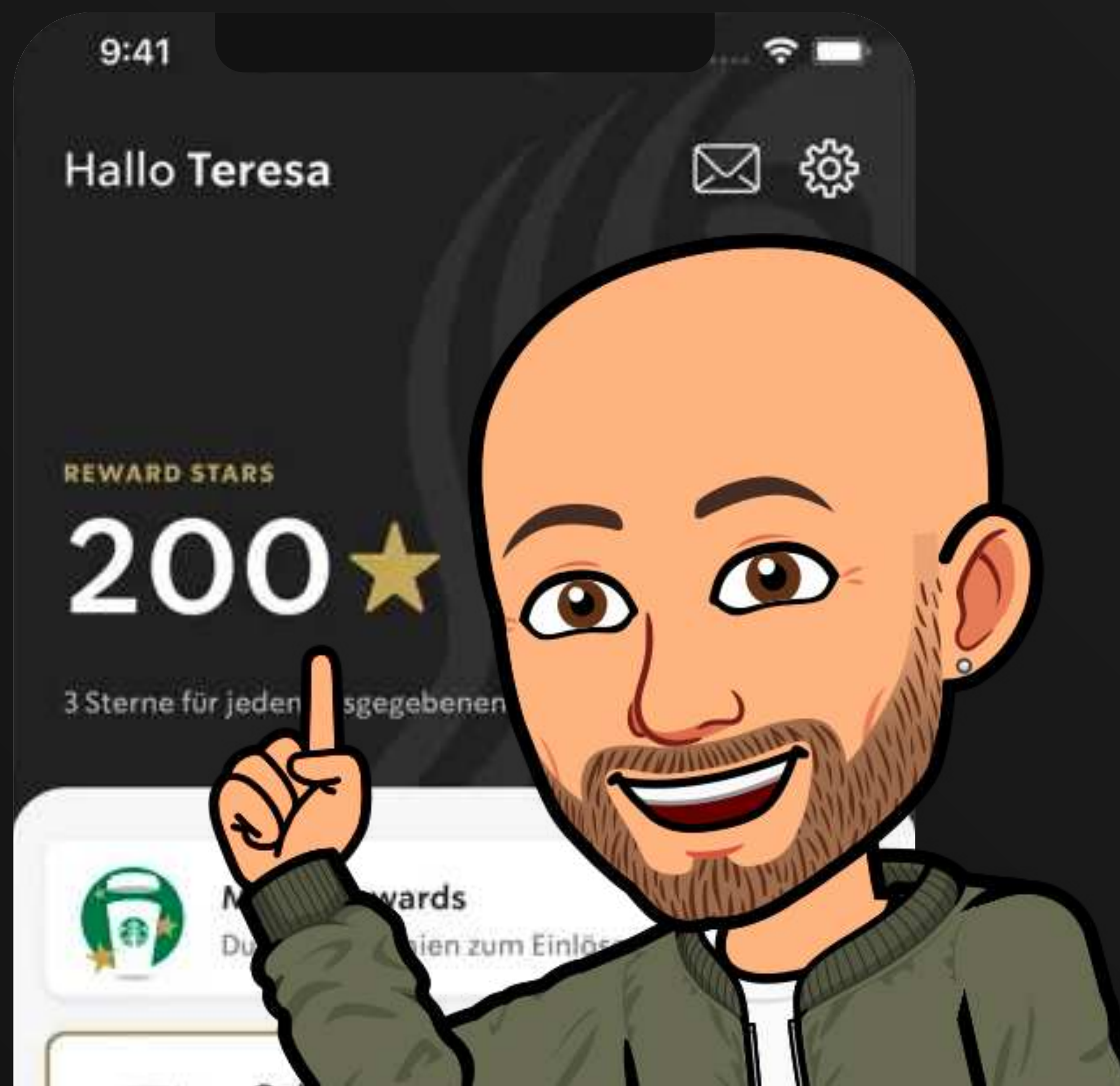
— First...

They explain to me **how much value** rewards have. **1€** spend equals **3 Reward Stars!**

— Second...

They show my **current progress**. This helps users have a clear understanding of their progress.
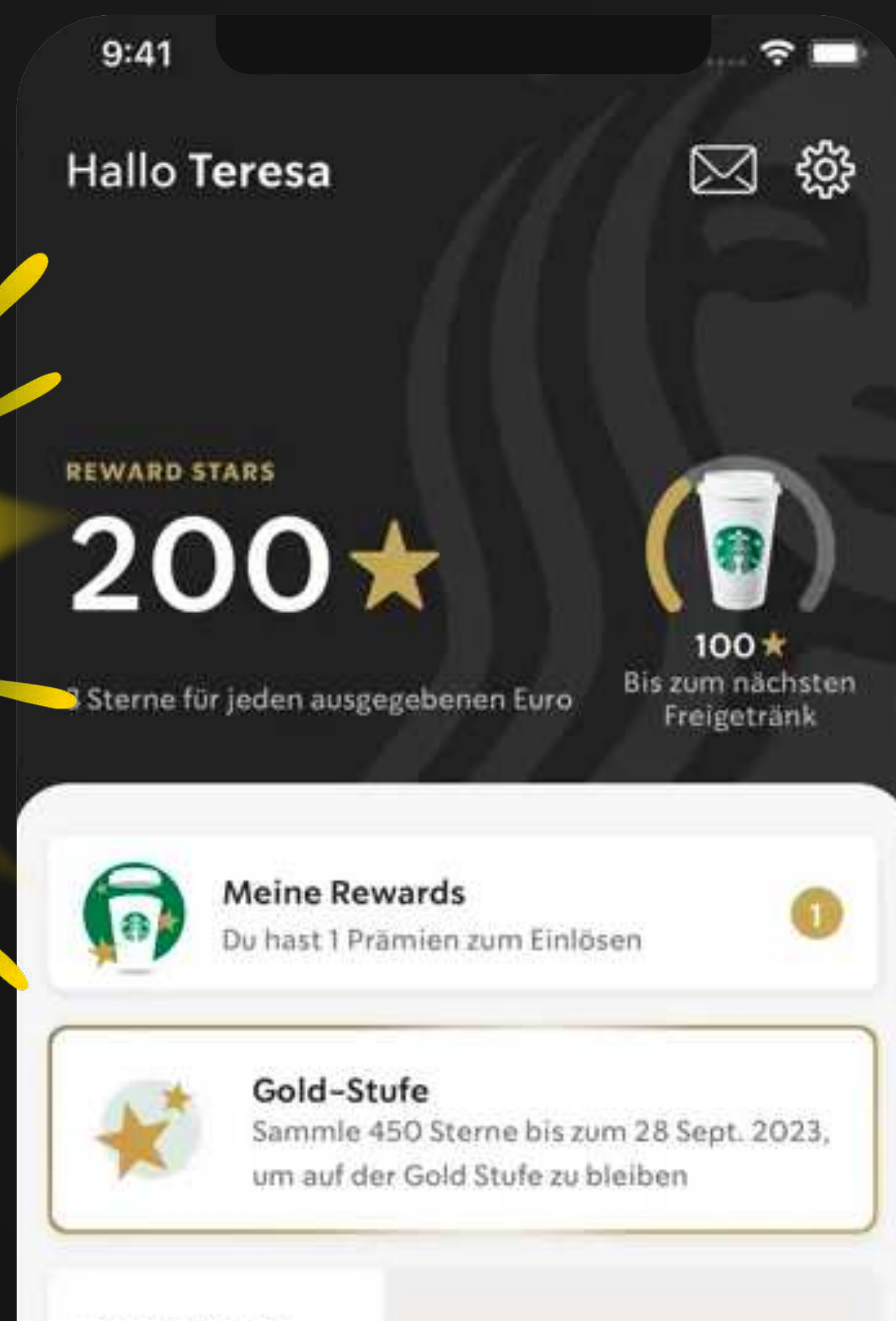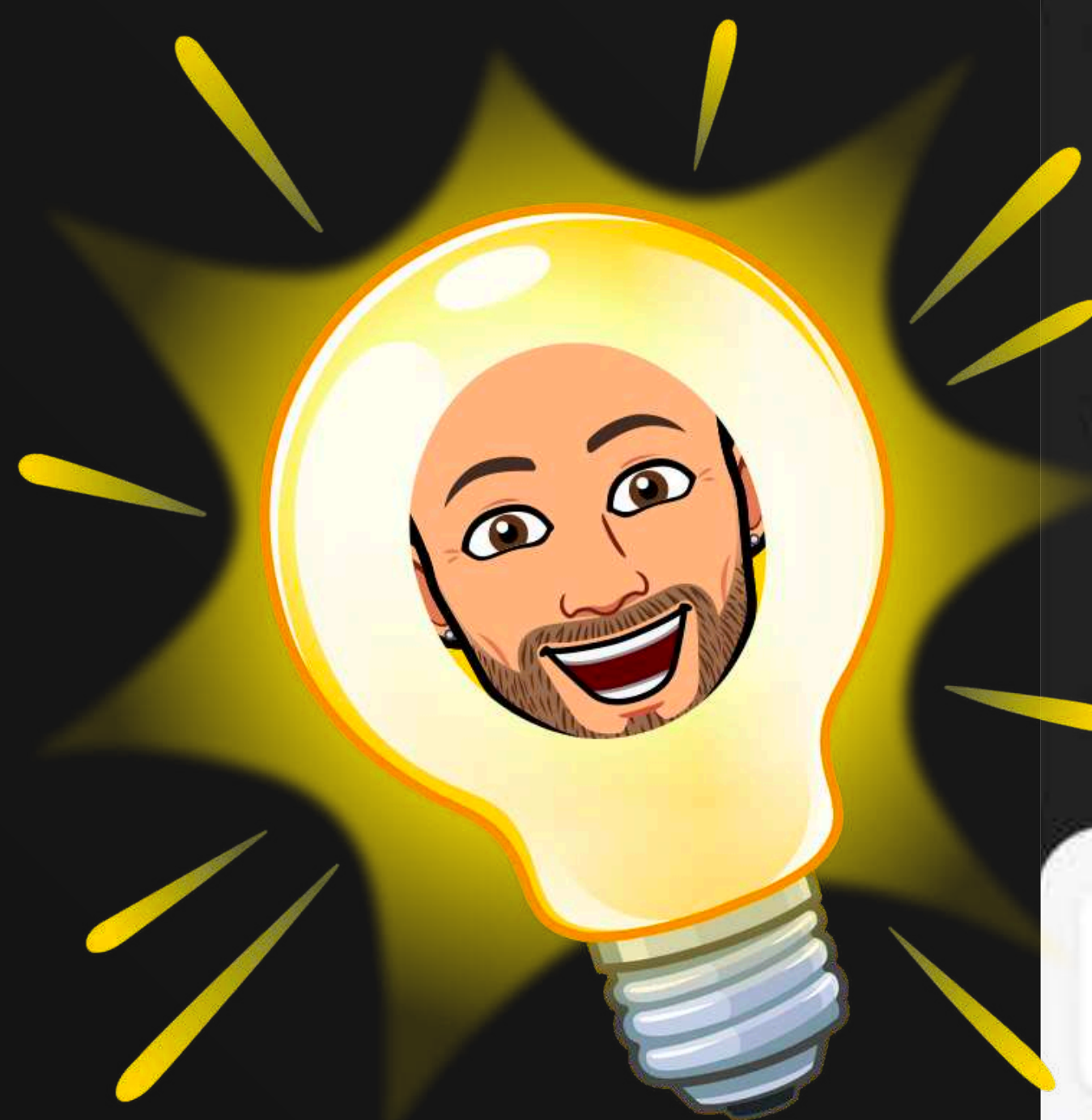
— **And most important...**

They **present the reward** (Free Drink) for reaching my next goal. Which brings 3 major benefits:
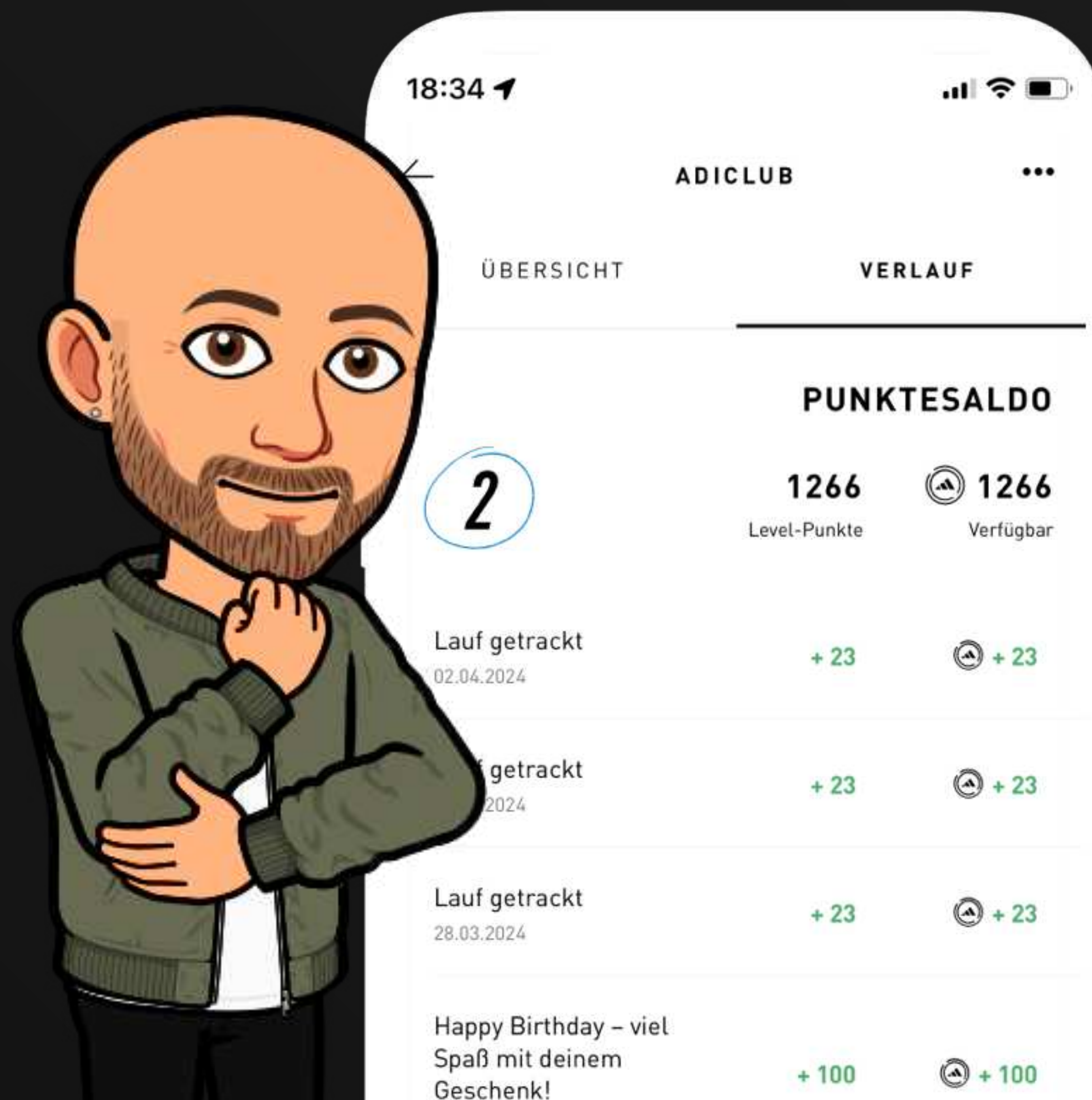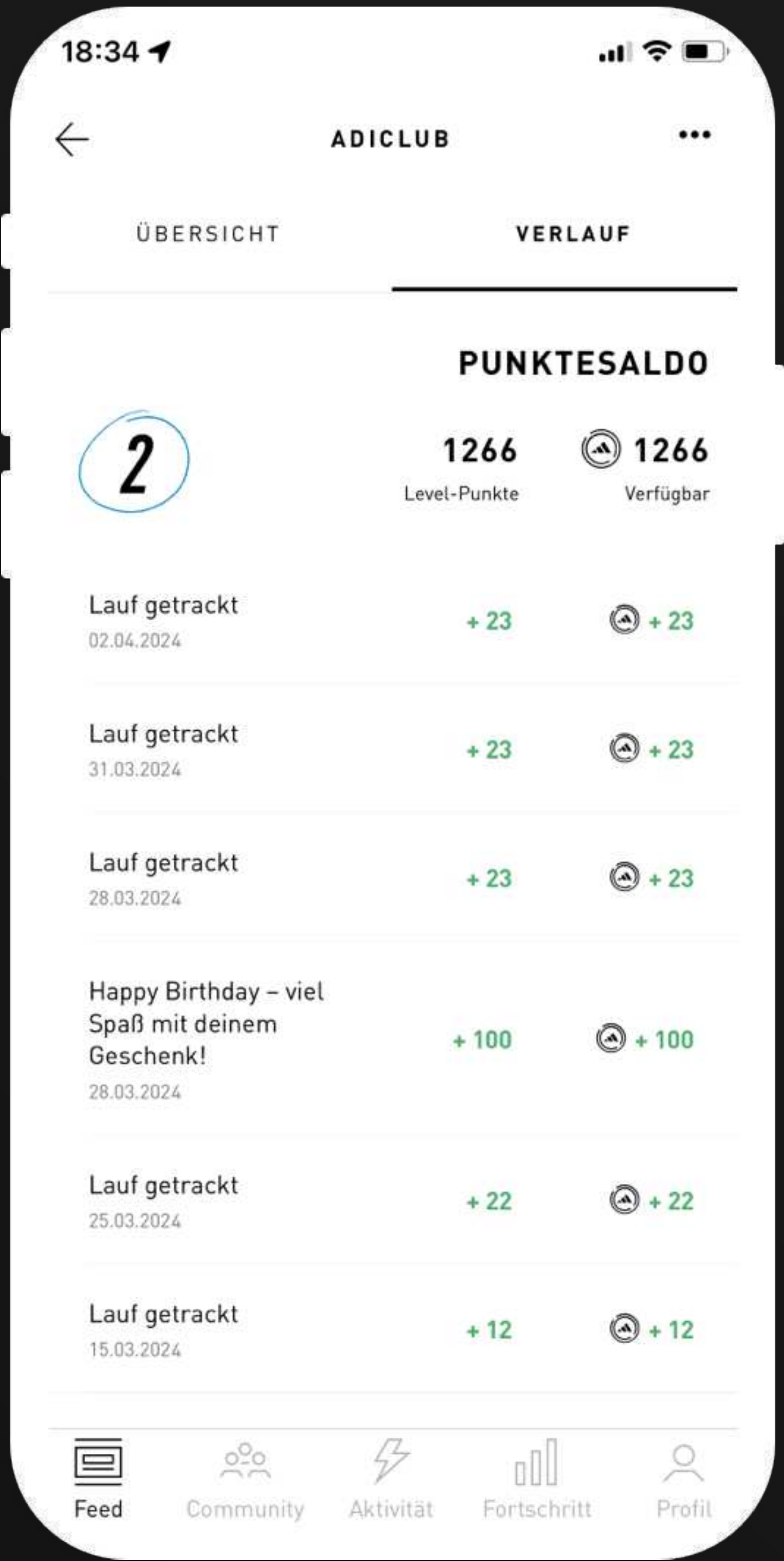
— Did you know?

Loyalty program members visit Starbucks nearly 📈 **2x as often** as non-members and spend 📈 **17% more** per month.
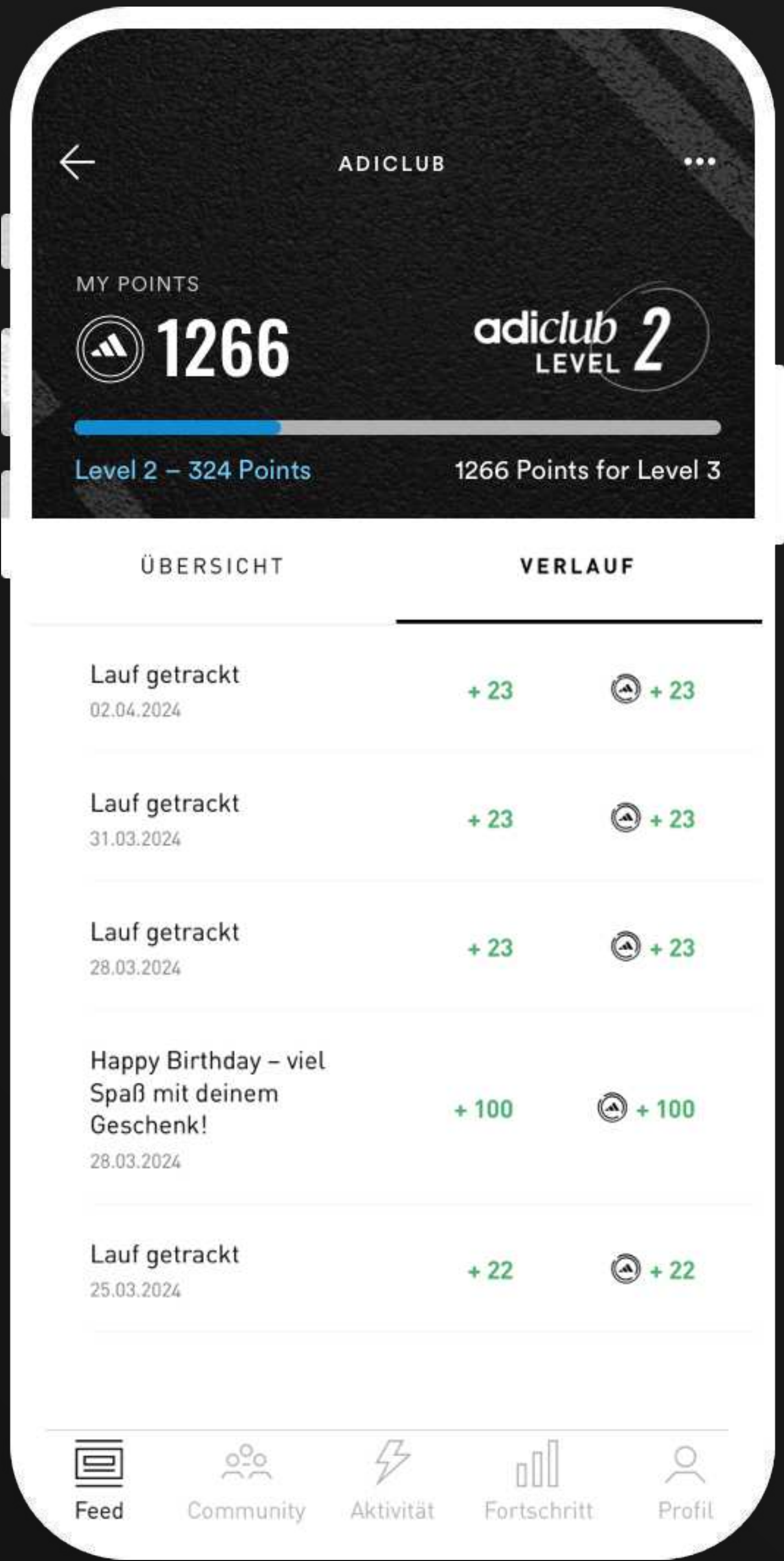
— So, let's see if we can improve this app?

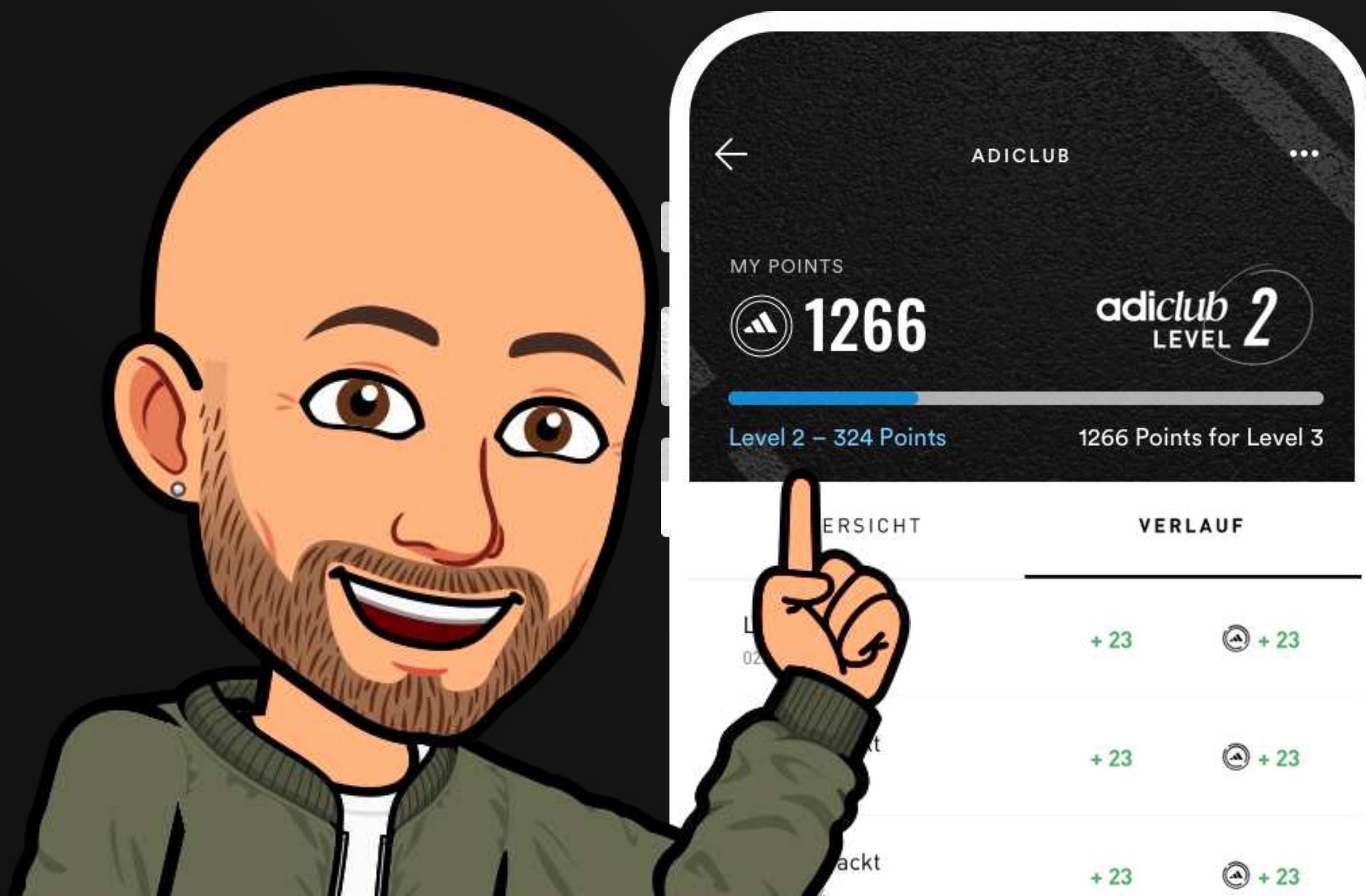In 3 easy steps…

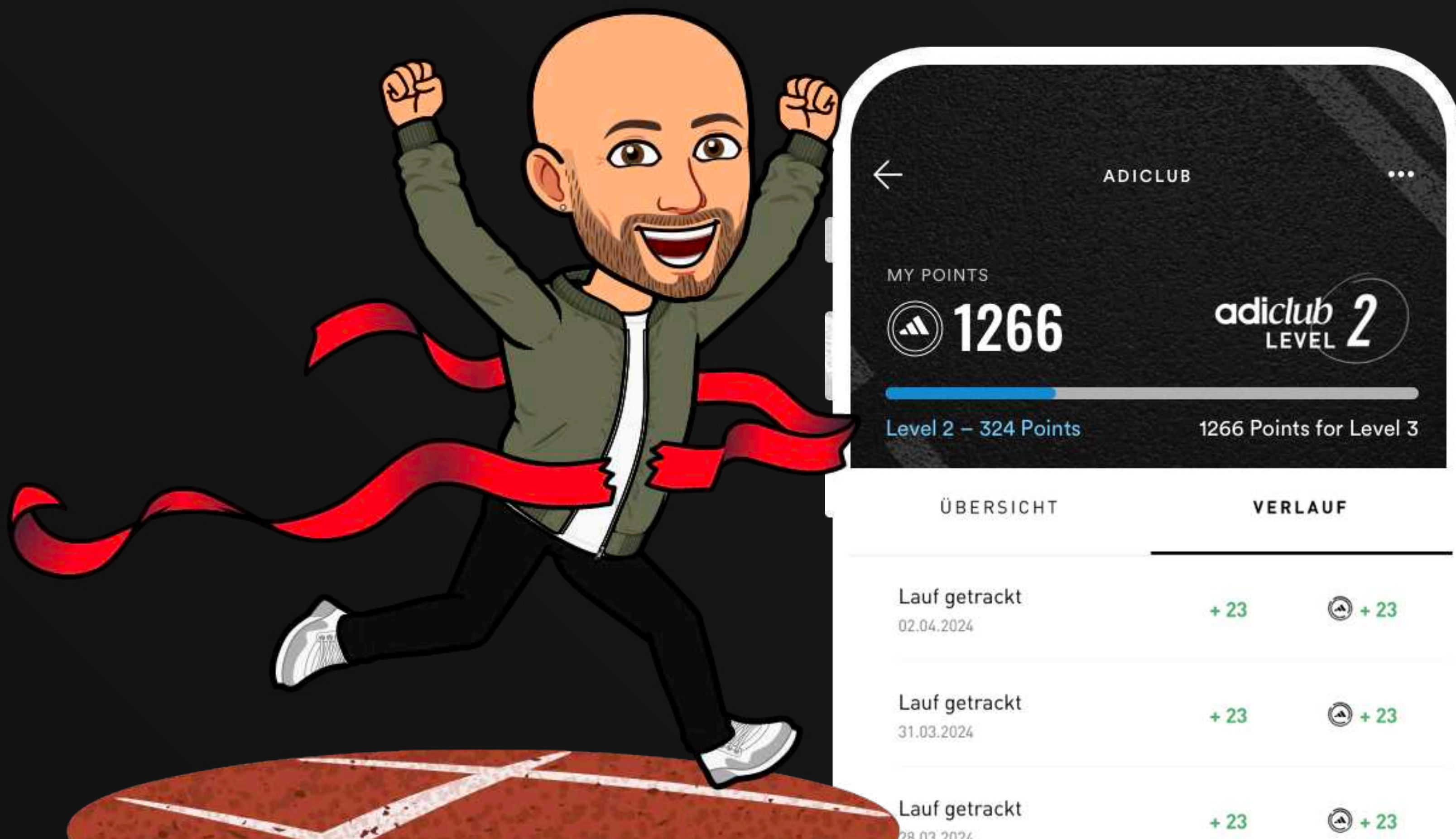## IMPROVEMENTS

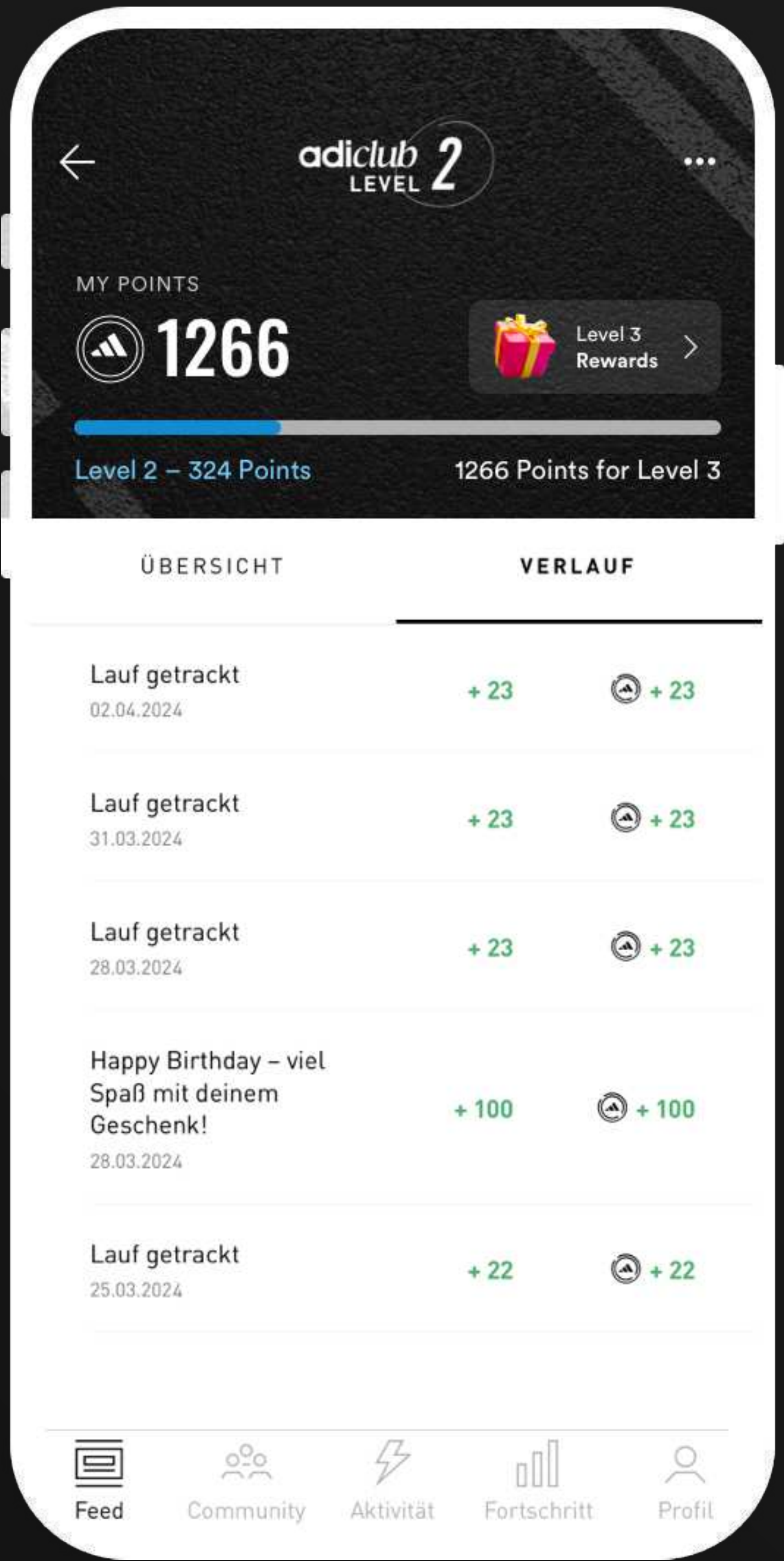**IMPROVEMENTS**

🏁 Show current progress.

— # First...

We're going to create a header element to create visual hierarchy. Then we move the point summary up and display our **current progress** in a classic progress bar.

— This way...

We provide a clear hierarchy between our total points and history. As well as a visual progress bar to visualize the distance to our next goal.
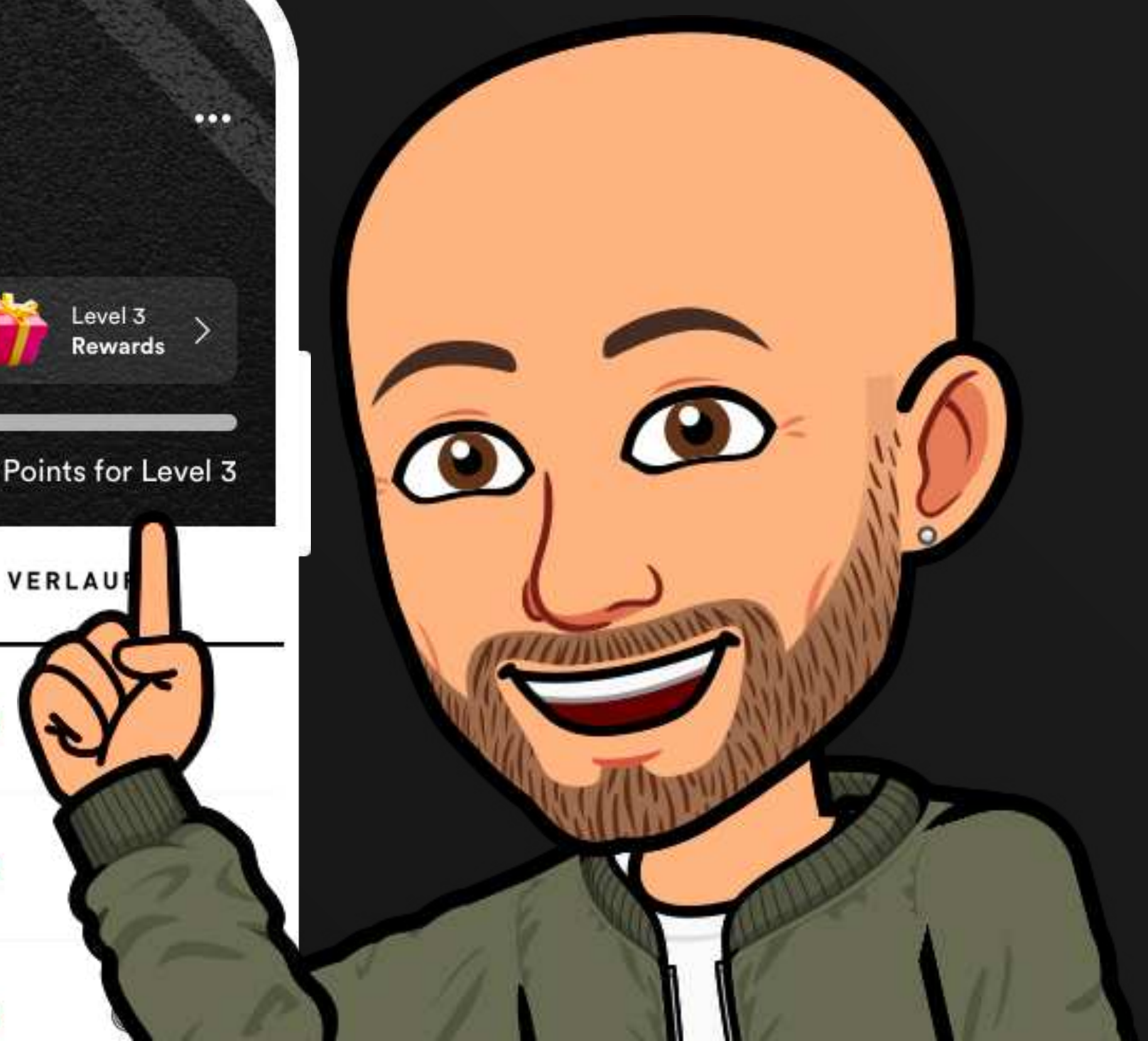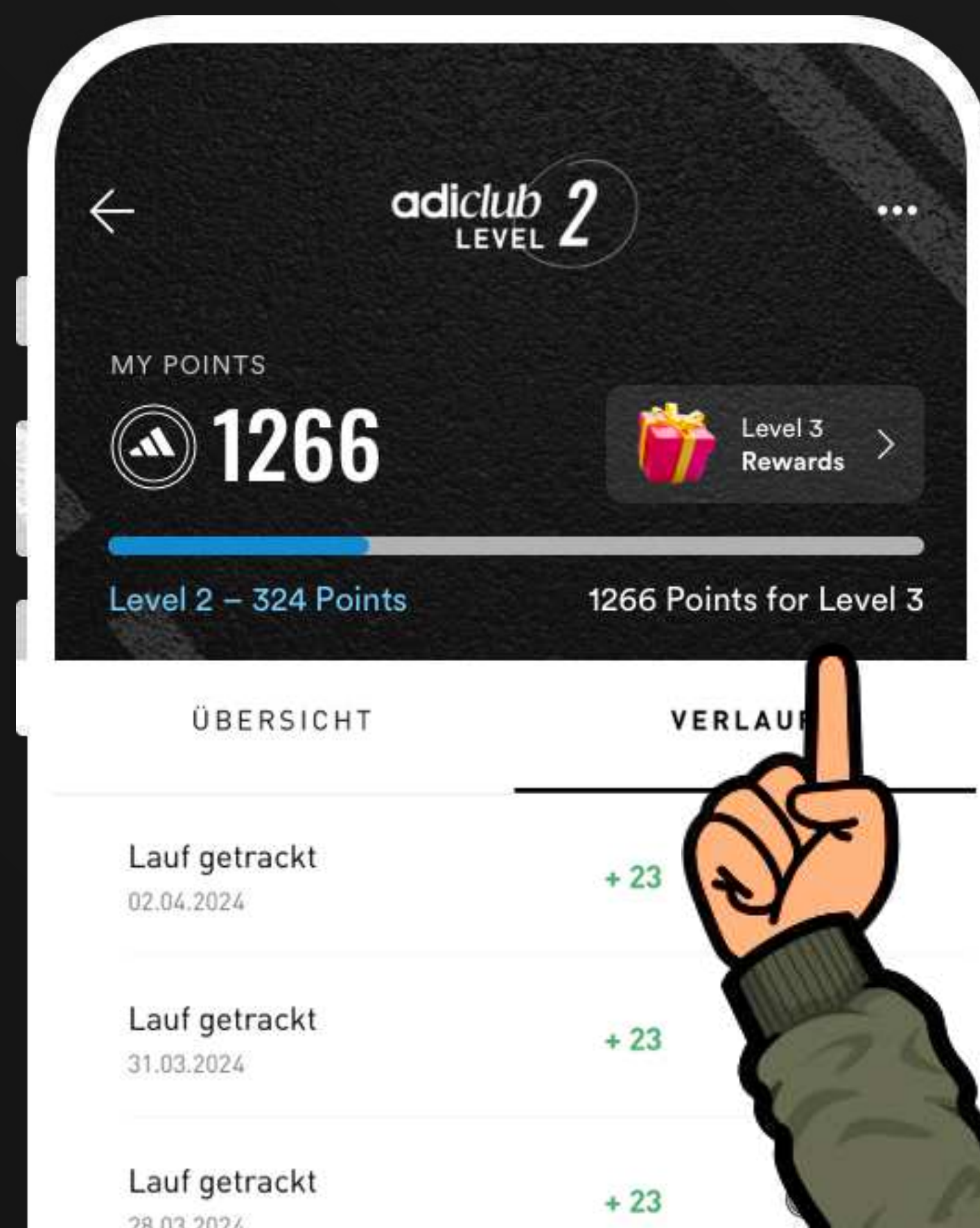
IMPROVEMENTS

🏁 Show current progress.

⭐ Incentives: Display the **next rewards.**
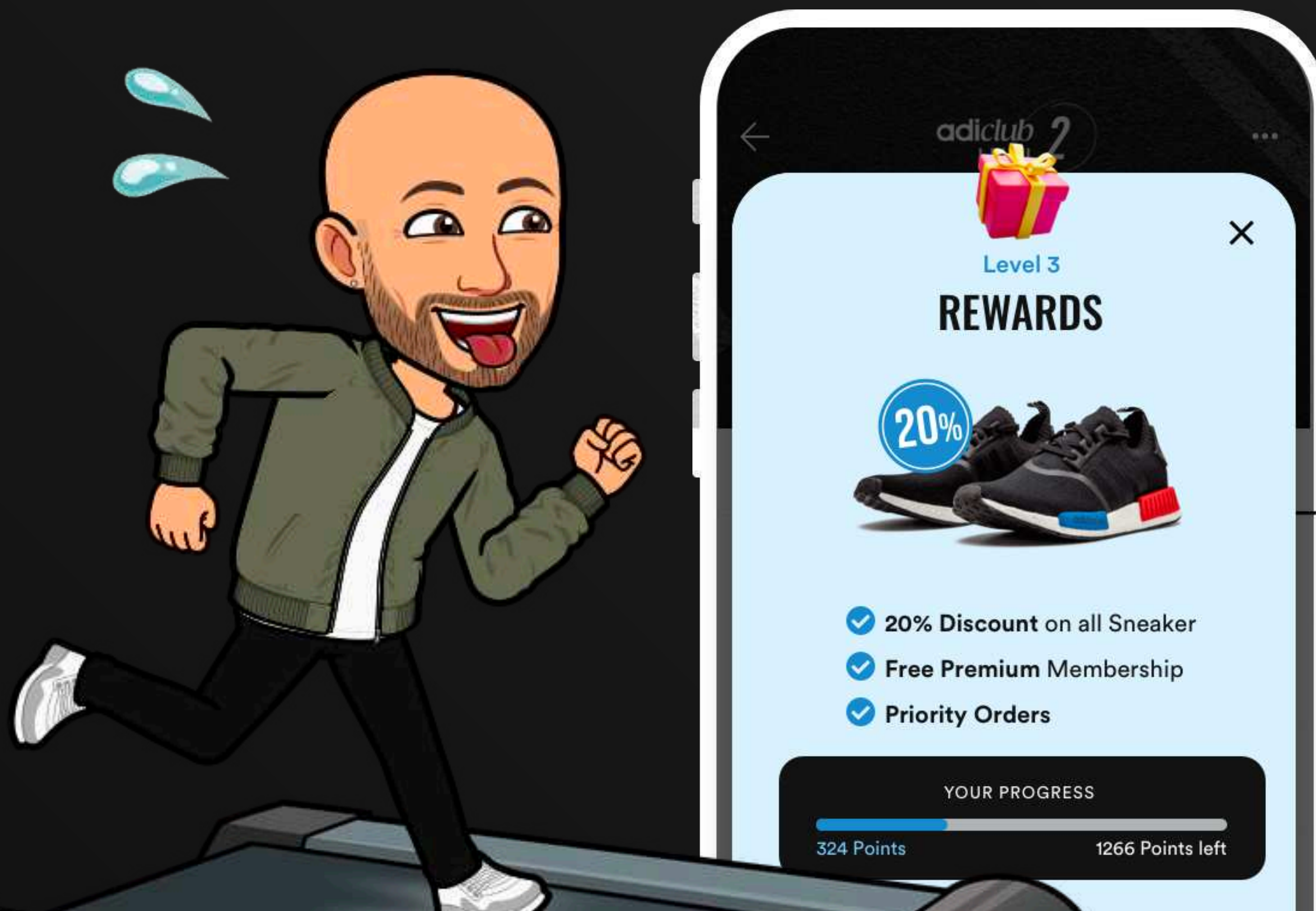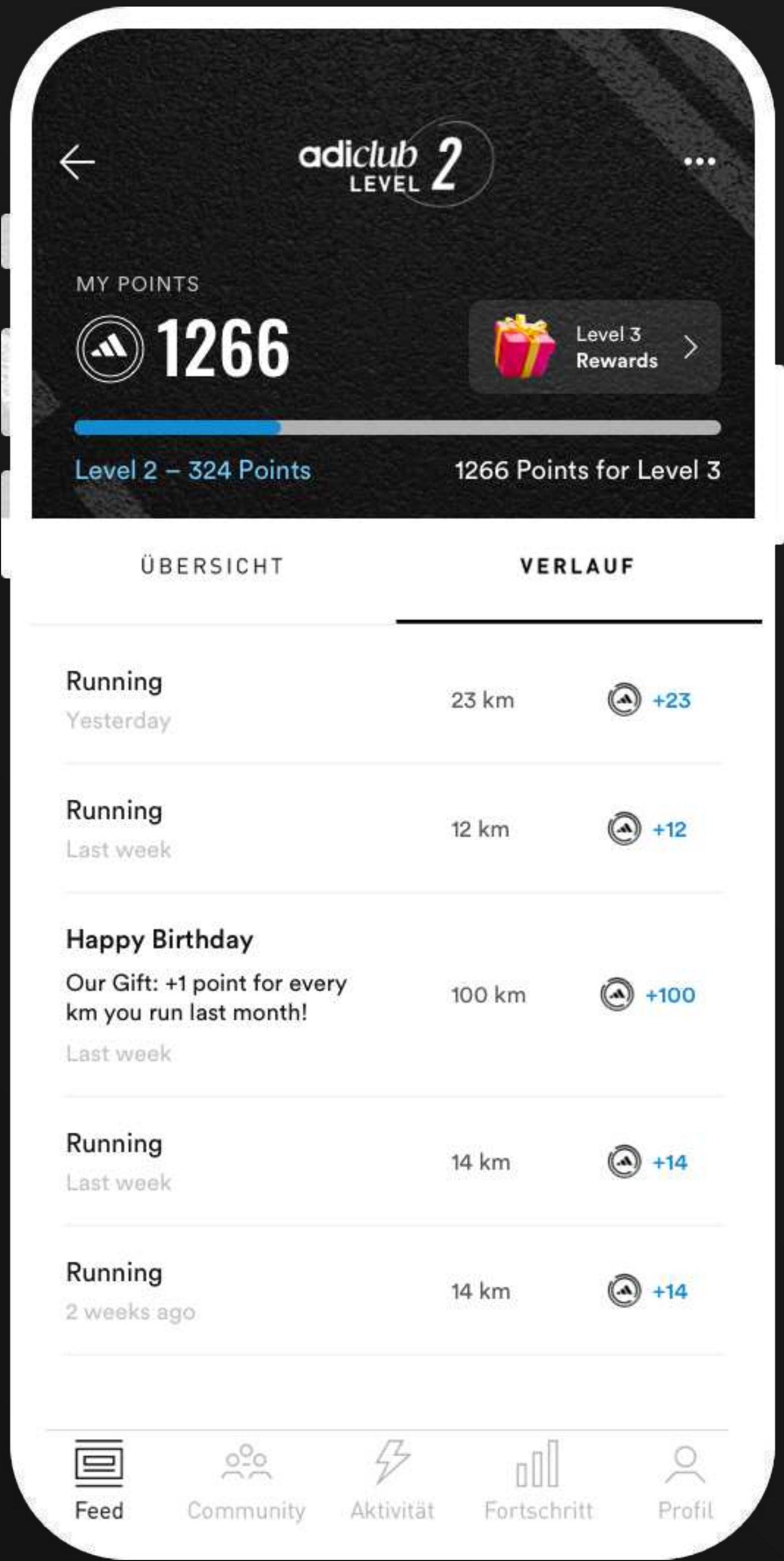
— # Second...

We're going to incentivice our users by adding a

element to teaser the **next rewards**.

— **This way...**

We set clear expectations by communicating the reward when reaching our goal. Keeping us motivated to keep going.
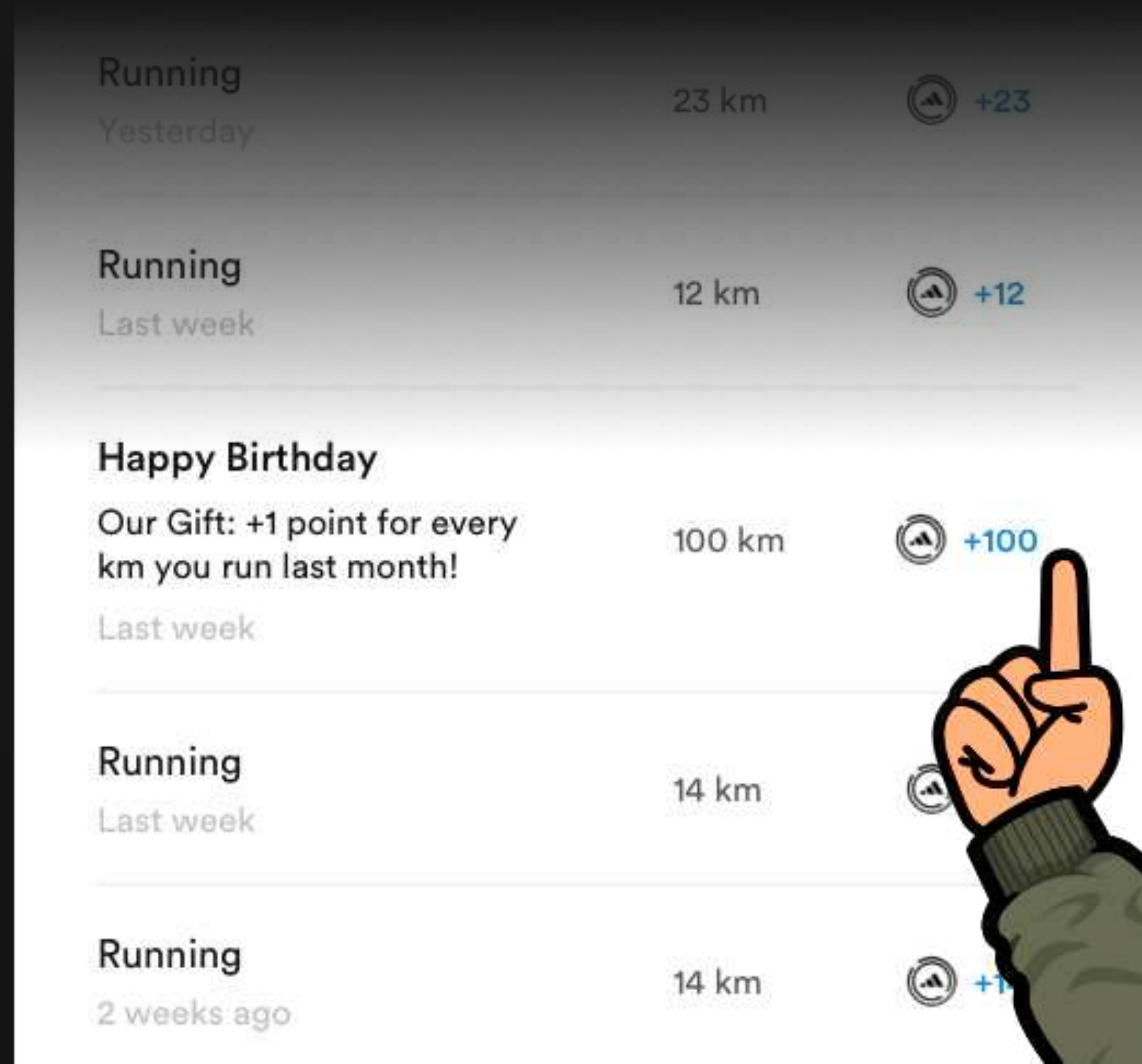
IMPROVEMENTS

🏁 Show current progress.

⭐ Incentives: Display the **next rewards.**

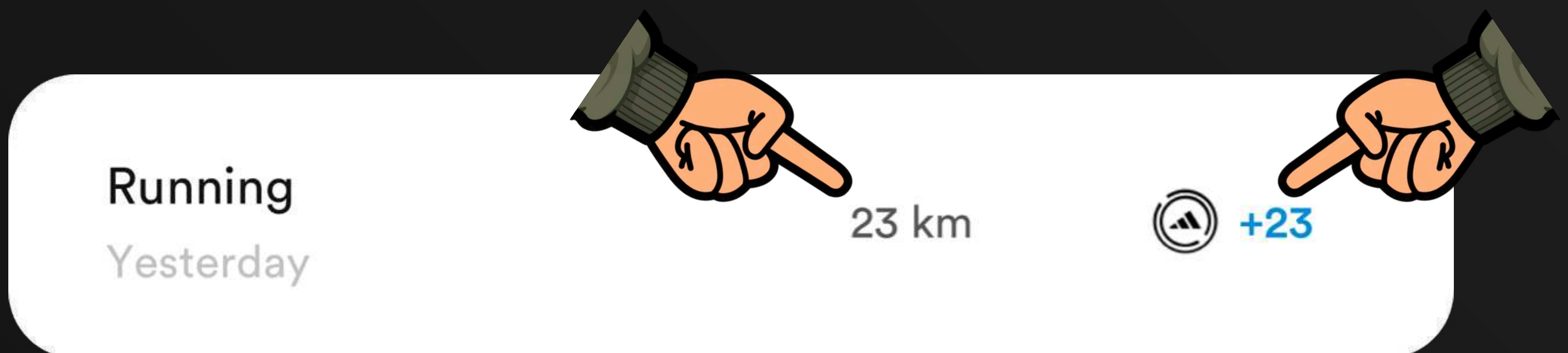💚 Display a transparent **exchange rate**.

— # Third...

We're going to communicate a clear exchange rate for the point. This way you users have a clear expectation of **each points value**.

— In my case...

Im using the app for running so the most transparent exchange rate is distance:

1 km run = 1 point.

Running
Yesterday   23 km   +23

You can use all kind of metrics like distance, time or number of excersises as long as it's relateable to the users task.

— In addition…

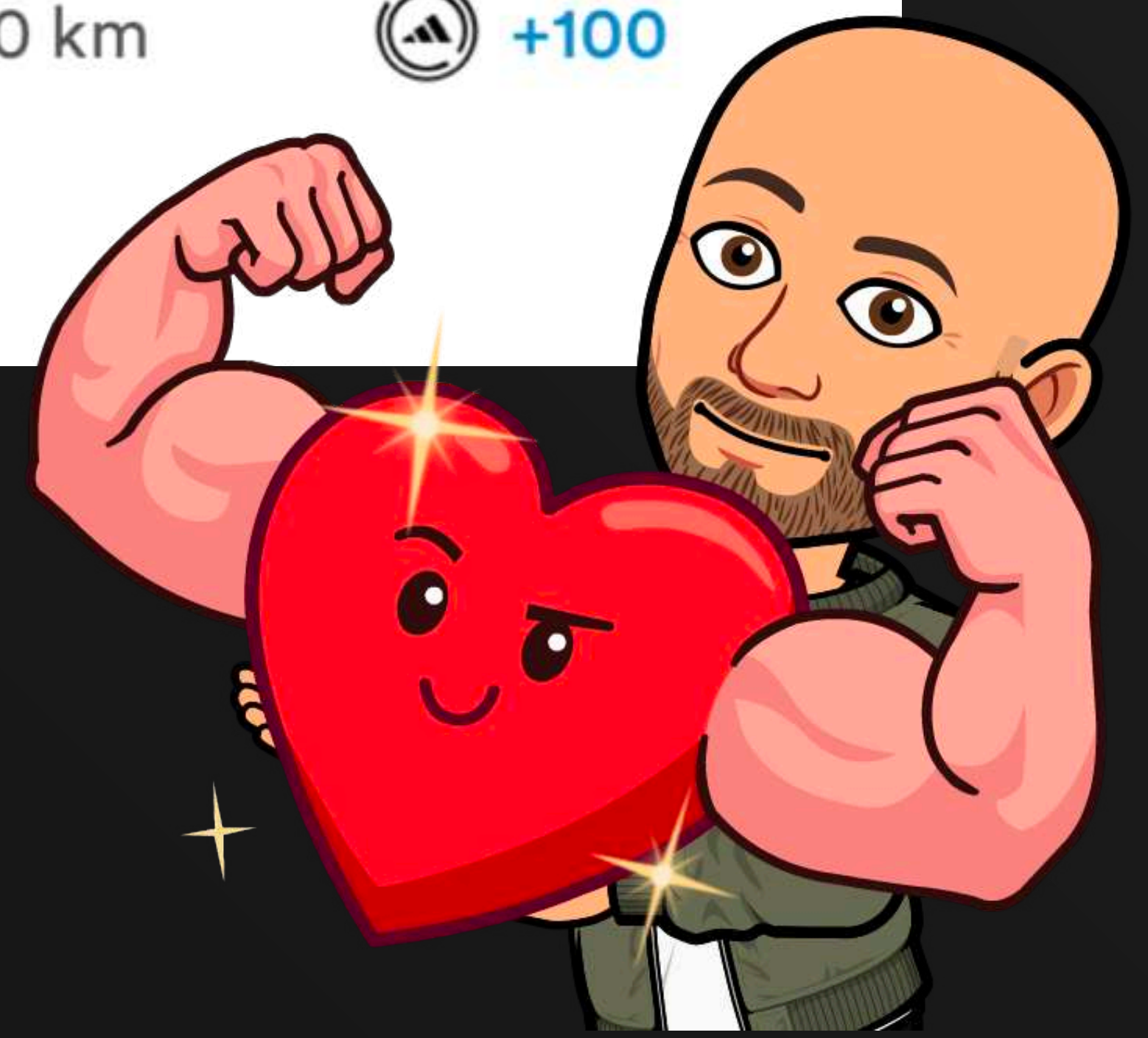Instead giving out generic points for birthdays…
How about we **personalize** the points by
doubling it down with the amout of km we run
last month?

Happy Birthday
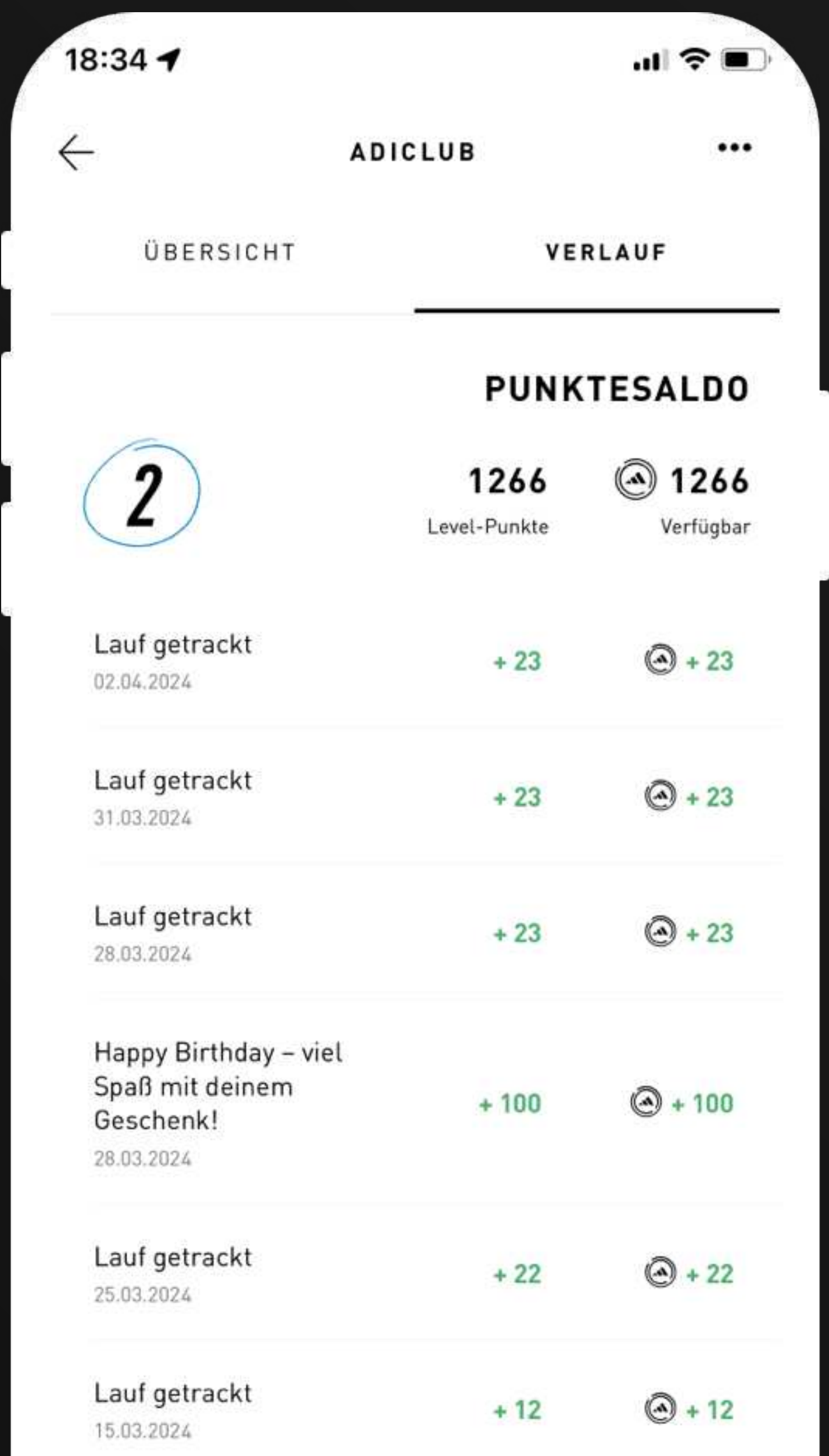
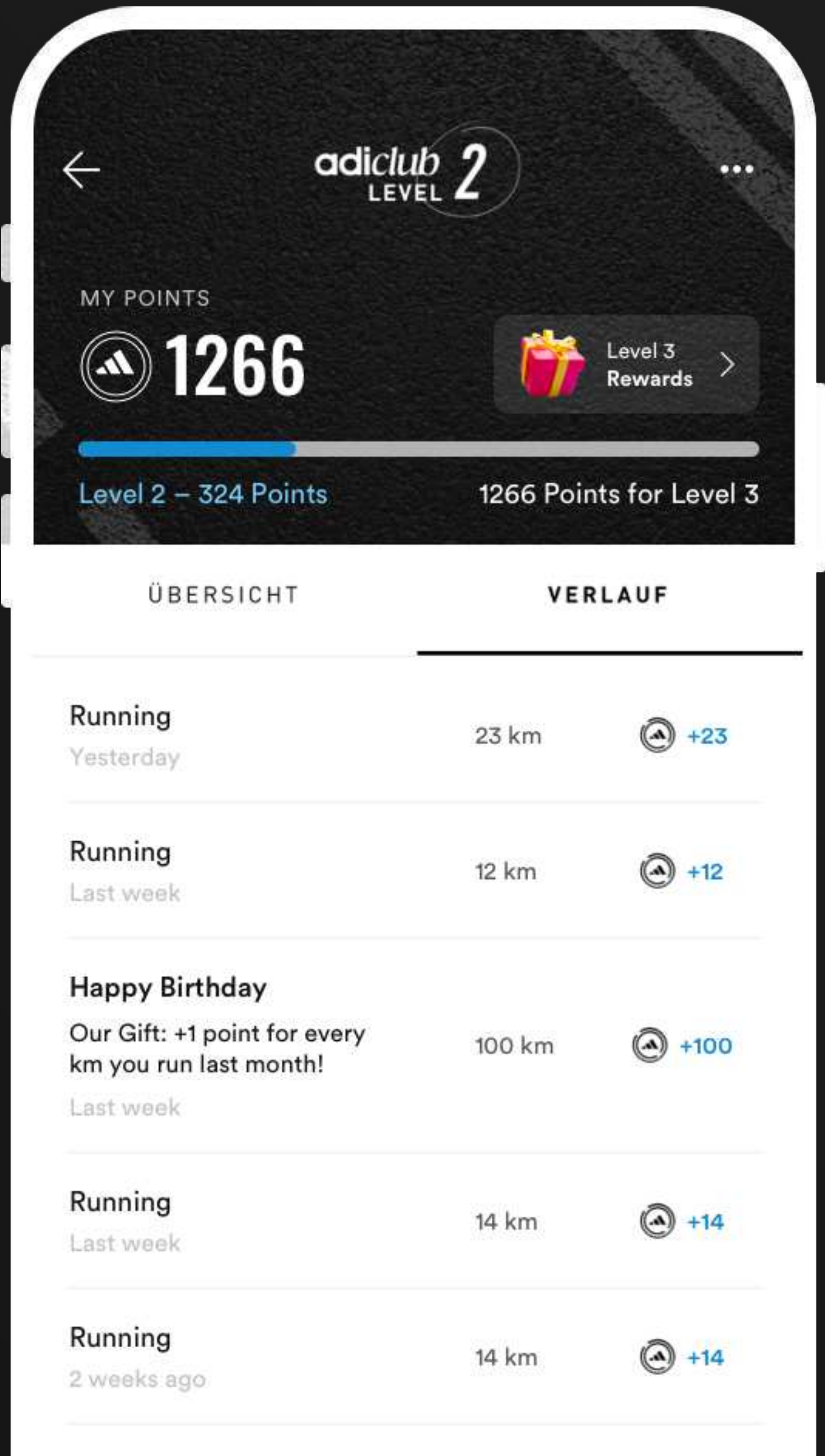Our Gift: +1 point for every
km you run last month!

100 km   +100

Last week

— What do you think?

BEFORE

AFTER

— The importance of rewards.🏆

Rewards provide **positive feedback** for users, which can reinforce desired behaviors and increase the likelihood of users **repeating those behavior**.

— By encouraging users…

to engage more with a product, rewards can ultimately lead to **increased revenue** for a business.

— Takeaways...

✅ Rewards should be **personalized**.

✅ Rewards should be **clear**, **transparent** and most importantly **achievable**!

✅ Rewards should align with the user's **goals** and **motivations**.

The Psychology of Product Design

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