



THE POWER OF SWEEPSTAKES

HOW TO RUN SUCCESSFUL ONLINE SWEEPSTAKES & CONTESTS

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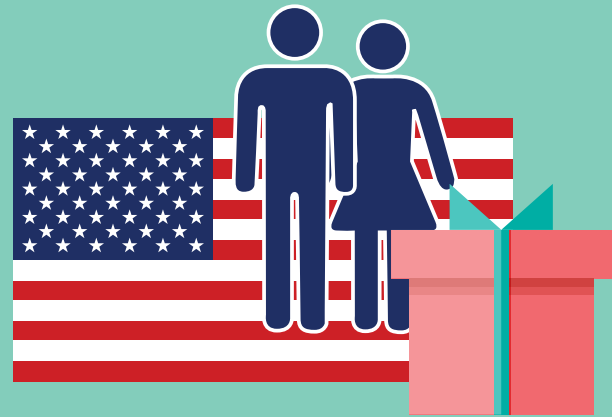
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DIGITAL SWEEPSTAKES & CONTESTS - AN OVERVIEW

An estimated 56 million+ Americans¹ enter sweepstakes and contests each year, making them an essential element of a marketer's toolbox.



As brands increase investments in digital engagement channels – be they websites, social media pages, and mobile apps – the lure of potential prize-winnings can invite high levels of user traffic. PwC's Global Retail Survey found that 23% of respondents who visit brand social media sites did so for the opportunity to compete in various brand-sponsored contests – up from 16% the previous year². These promotions can deliver the most valuable

kind of payoff in the hypercompetitive bid for online eyeballs: voluntary, validated, and visible customer profiles. But simply giving something away for free will not necessarily generate these results. To make sense of what really works in this evolving, increasingly populated space, we've put together a marketer's guide to Digital Sweepstakes and Contests.



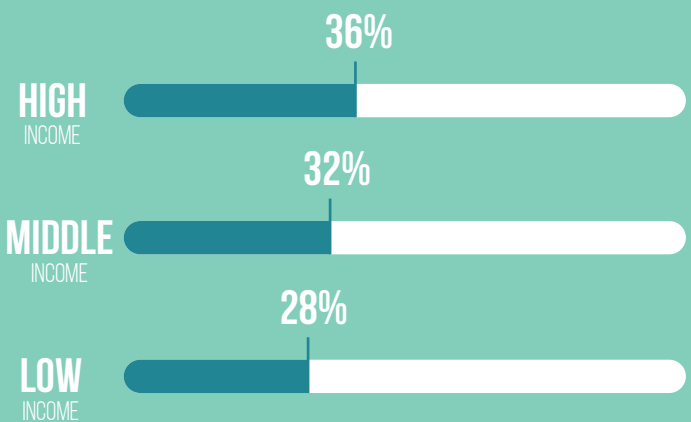
WHO PARTICIPATES IN DIGITAL SWEEPS AND CONTESTS?

A good sweepstake or contest – whether of the traditional, paper-based variety, or today’s digital kind – can definitely draw in the customer. But just who is participating? Online surveys conducted by the Ipsos Open Thinking Exchange and by Statista found that:

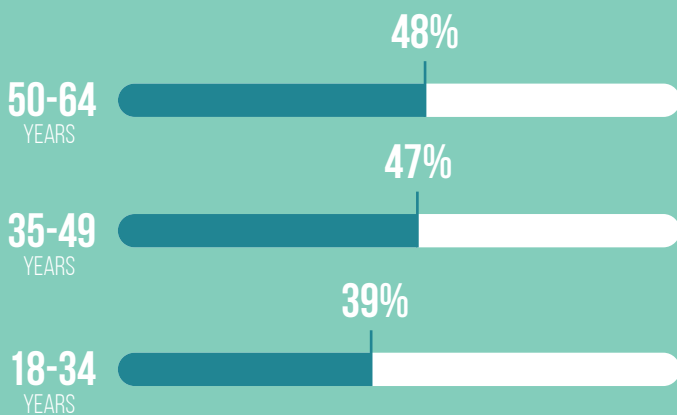
- Women are more likely than men to participate in online sweepstakes and contests.
- The 50-64 age group (48%) is more likely to have entered contests or sweepstakes than the 18-34 group (39%) and 35-49 (47%) in the US.
- Globally, higher income (36%) groups are more likely to enter such promotions, than middle (32%) and lower (28%) groups.
- The likelihood of participating in sweepstakes and contests tends to rise alongside education level and household income.

SWEEPSTAKES & CONTESTS PARTICIPATION STATISTICS

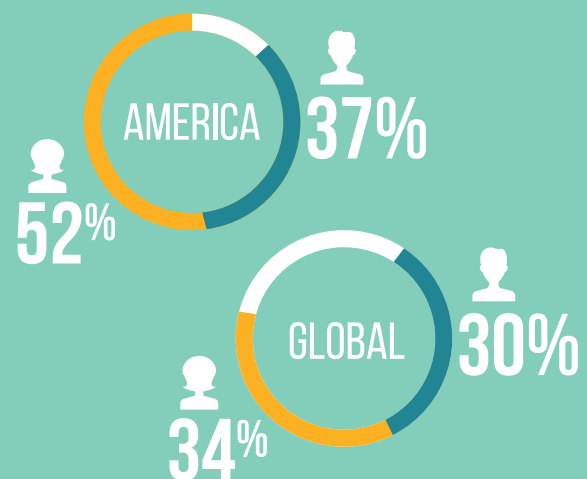
INCOME-WISE PARTICIPATION



AGE GROUP-WISE PARTICIPATION

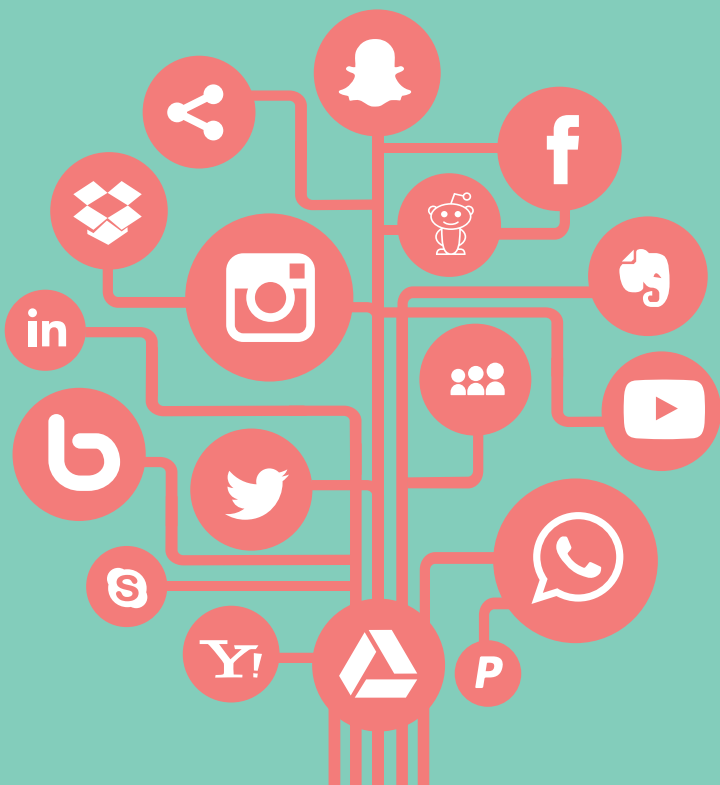


GENDER-WISE PARTICIPATION



THE BENEFITS OF GOING DIGITAL

Viewing promotional content online, primarily through smartphones, is the new norm – for marketers looking to drive conversions and make new leads, it makes sense to follow customers to their preferred environment. From a consumer standpoint, digital promotions require less effort to access and enjoy. From a marketer’s standpoint, they extend the reach, effectiveness, and scalability of brand promotions, while also reducing costs and the wait-time for results. For example, simple text-to-win sweepstakes provide businesses with entrant information in real-time for immediate inclusion in customer databases. No wonder then, that digital sweepstakes and contests have grown eightfold from 2012 onwards³. Here are some more benefits:



VIRALITY

Digital technology, and particularly social media, has dramatically changed the way marketers deliver sweepstakes and contests - and how they perform - with the most effective of such promotions leveraging multiple channels to “amplify” entries and voting. Social media has the most potential for making a branded sweepstake skyrocket in overall consumer awareness – a well-promoted hashtag linked to a hefty prize can increase Twitter and Facebook followers by factors of triple digits, in mere hours of real-time.

IMPROVED BRAND ENGAGEMENT AND ROI

Well-designed digital sweeps and contests can improve consumer engagement with brand apps and websites, and also drive significant cross-category purchases for multi-product brands.

As an example:

- Arm & Hammer found that 77% of its customers purchased products in only one merchandise category.
- To appeal to different demographics, the company created an MLB-themed online promotion with the chance to win baseball-themed prizes or even tickets to the World Series. By texting receipts of products purchased, Snipp's platform provided access to more contests and chances to win.
- Among campaign participants, 22% made purchases in two product categories, up 22% from before. And 14% bought within three product categories, a leap of more than 350%⁴.



ARM & HAMMER IDENTIFIES PROBLEM

SETS UP WELL-DESIGNED SWEEPSTAKES CAMPAIGN



OBSERVES 350% + INCREASE IN SALES



INSTANTLY ACCESSIBLE SUBSCRIBER LISTS

The number one reason that marketers run sweepstakes and contests is to collect customer data. Digital sweepstakes and contests can be invaluable in developing a strong, up-to-date, and immediately accessible subscriber list that can yield sales gains over time - as brands promote more offers, giveaways or discounts. Unlike mail-in offers, text messages and social media promotions are read within minutes of delivery. This can allow retailers to launch quick promotions to increase sales on slow days or short-term offers that result in long-term customers.

According to research⁵:

90% of text messages are read within **3 minutes** of receipt.



Mobile coupons are redeemed **10 times** more than traditional coupons.



Of those who receive marketing texts, **29%** click on links and **47%** of those make a purchase.



BIG DATA & BETTER CUSTOMER INSIGHTS

Digital sweeps and contest-based campaigns can serve as opportunities to gather more data about consumers. For example, a broad, Tweet-to-Win promotion that asks entrants to specify what they would spend their prize money on would not only increase social media engagement, but also give the sponsor a much deeper understanding of its target market. Even promotions that rely on simply uploading receipts to the brand website, with platforms like SnippCheck that incorporate sophisticated receipt processing capabilities, can unlock valuable demographic data. The greater the insights into the makeup of the brand's audience, the more targeted and effective will be future marketing promotions⁶.



POTENTIAL FOR MONETIZATION

For many sites, sweepstakes or contest pages have often been static, dead spaces. By serving up engagement ads based on the information a visitor uses to fill out the entry forms, brands can find new, ad-based revenue streams. Aside from encouraging viewers to spend more time on a site, competitions and sweepstakes with embedded advertising deliver more page impressions per visit than traditional ads. The boost in page impressions that comes from these iterative interactions is valuable and monetizable in today's world.



INTEGRATION WITH EXISTING LOYALTY PROGRAMS

In addition to offering a rewards catalog where consumers redeem points for items and offers, sweepstakes can be used to engage loyalty program members in a different way, and drive excitement. A lot of rewards require unattainable levels of loyalty points (round-the-world-trip, anyone?), but excitement can be generated by offering them as a sweepstakes, and allowing members to “buy” entries with their points. Not only does this reinvigorate an existing loyalty program, but it also improves overall brand cohesion – as opposed to a one-off, independent promotion.



BEST PRACTICES FOR DESIGNING AN EFFECTIVE DIGITAL SWEEPSTAKE OR CONTEST

The good news is that it has never been easier to create and execute a digital sweepstake or contest. Technology platforms, like our own SnippCheck, allow brands to effortlessly optimize and scale such campaigns for the web and mobile, in order to better reach contest-loving consumers. The bad news? With new sweeps and contests emerging from every corner of the digital universe, it takes some serious effort to get noticed – with that in mind, we've amassed some best practices to consider:

SWEEPS OR CONTESTS: DEFINE ENGAGEMENT OBJECTIVES FROM THE OUTSET

The goal of a particular promotion should directly tie into the design of the contest or sweepstake. If the goal is to raise awareness and generate engagement with a product or brand, then a sweepstakes competition with a tweet or text entry will allow for the highest

increases in 'likes' and 'hashtags'. If the objective is to attain targeted consumer insights, a contest or sweepstake with a higher entry barrier, such as a form-fill, will create this desired user-generated content.



CHOOSE THE RIGHT REWARD MIX TO GET THE BEST CUSTOMER RESPONSE — AND DATA INSIGHT

When asking consumers for personally identifiable information, the rewards need to be perceived as worthwhile. There is plenty of discussion around what works best: smaller, more immediate prizes, like movie tickets, versus larger cash and prize incentives, e.g. \$1 million or a trip around the world. Many brands choose to include both. Ultimately, it depends on the overall objective of the promotion. If the goal is to increase brand awareness, many companies are finding that the combination of smaller, instant prizes with larger, cash ones are ideal⁷. If the goal is to gain specific customer knowledge and leads, then crowd-pleasing prizes such as cash, iPads and big screen televisions are less useful. The fact that everyone wants

these items make them less valuable in terms of culling demographic and psychographic insights about participants. In such cases, a reward that ties neatly with the brand is a much better choice.



BUILD SWEEPS & CONTESTS INTO THE OVERALL BRAND EXPERIENCE — AND KEEP USERS COMING BACK

More and more companies are integrating games, sweeps, and contests into their overall brand experience, and are aggressively moving away from old-fashioned, siloed, independent promotions. In this era, contests and sweepstakes form an integral part of an ‘always on’ customer experience, and help ensure an engaging and cohesive brand relationship. According to recent

research, 87% of North American retailers are planning to use gamification to engage customers in the next five years and 70% of top 2000 companies are using it right now⁸. Why? Because regular competitions and sweeps mean more opportunities for fans to spend time with the brand and to share their experiences with their own social communities⁹.

MAKE APPROPRIATE DIGITAL TECHNOLOGY CHOICES

Social media and digital technology can serve as marketing ‘buzzwords’, and often create a rush to get in front of the perceived demand for promotions built around them. But when it comes to making an appropriate technology choice, this rush should be tempered with common sense about the target demographic. For example, Geocaching may be popular as a contest choice for college students, but less so if your target audience is over 50. Even when the technology choice is appropriate, the promotion may lack sufficient knowledge about how to harness it:

- In 2011, Starbucks launched a promotion on FourSquare, without fully understanding how “mayorships”

worked¹⁰. The promotion allowed people who were “mayors” of a particularly Starbucks to receive a free coffee beverage. Because mayorships can change hourly, Starbucks franchises were deluged with free coffee requests, rather than the one a day it predicted.

Technology capabilities apply especially to the back-office foundation that is crucial for running digital promotions – graphics, audio and video that are up to specification and align with individual social media platforms; cross-promotion and amplification solutions; data collection instruments and database infrastructure. All need to be ready for deployment and easily scalable per the early results of the promotion¹¹.



KEEP TRACK OF EVOLVING REGULATORY CONSIDERATIONS

Using mobile apps and social media to administer contests can provide sponsors with a goldmine of information, including telephone numbers and specific time-and-location data about the entrant, but this strategy is largely unregulated, with many looming privacy loopholes. As new technologies emerge, the rules are requiring new interpretation and clarification. With increased policing of this digital medium, it behooves brands to stay on top of the latest regulations –from regulatory authorities and from social

media platforms themselves.

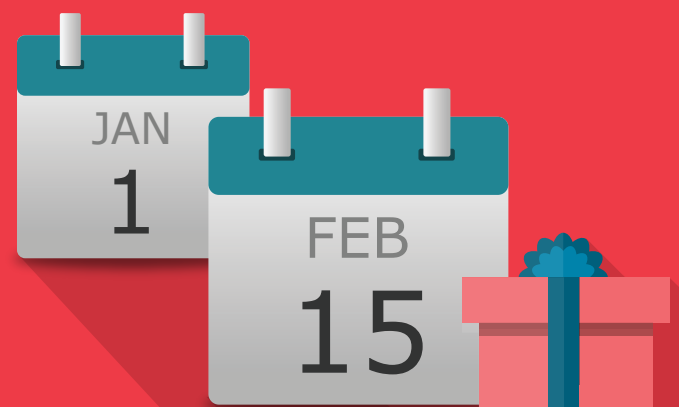
For example, some game changing recent regulations include:

- In 2014, Facebook changed its policy to prohibit advertisers from "like-gating" a page to gain access to content¹² or enter a contest.
- In 2015, the Federal Trade Commission¹³ stated that hashtag promotions must now make certain the term "#contest," "#ad," or "#sweepstakes" is included in the public facing entry.

KNOW WHEN, AND HOW LONG TO RUN THE PROMOTION

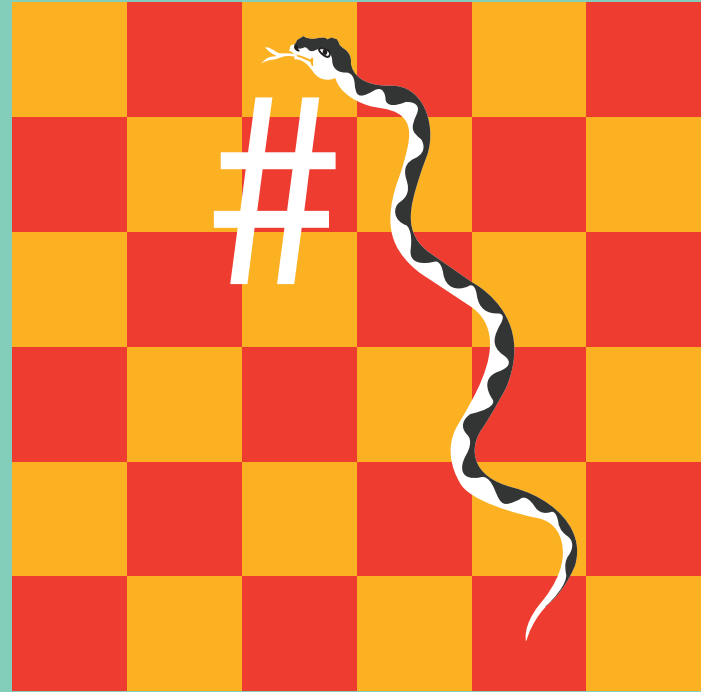
Although the duration of a sweepstakes/contest promotion is ideally between 21-28 days (Two weeks is often too short and more than a month is too long), beliefs differ on what constitutes appropriate timing for such a promotion. Associating them with an event provides context and a deeper emotional connection to a brand's audience, which increases the chances of the promotion creating a positive buzz in social media. On the other hand, major events (Thanksgiving, Christmas, New Years, Super Bowl Sunday, etc) have a great deal of 'clutter', so to get noticed, a promotion has to engineer a truly differentiated approach. Additionally, most seasonal

advertising is typically short-lived – and rarely creates long-term brand associations beyond the holiday. Optimal or not, many brands still try to capitalize on holidays and events by leveraging mobile, in hopes of converting app-interaction into an in-store visit and ultimately, a more permanent connection.



MEET CUSTOMER EXPECTATIONS... OR ELSE

In the era of the viral tweet, a brand has to be particularly careful not to jilt customer expectations. When it comes to a sweepstakes or a contest, no company can fail on the delivery of prizes and rewards, or in disrespecting the contest's own rules. In mere seconds, the hashtag that helped raise a company's profile can become a weapon that leads to its downfall¹⁴. Contests and sweeps, whatever their nature, are short-term events. Poor planning or execution should never undermine or muddle the long-term brand identity that has been established.



GO BEYOND THE GIVEAWAY

The real, undeniable value of hosting a sweepstake or contest isn't realized until after the promotion has ended. If the giveaway went as planned – i.e. engagement and awareness of the brand increased, and loads of data was collected – then the real work begins. The data will form the backbone of an ideally long term relationship, in which future advertising campaigns can be personalized and customized, centered around singular customer insights. This means that when a user next visits the brand's site, or app, they could have an individualized experience. The point is: the promotional prize or giveaway is a means to an end – it is not the end.



FINAL THOUGHTS

We've already established that sweepstakes and contests can be ideal customer engagement tools, driving traffic to brand apps and social media presences, and spreading word-of-mouth buzz around promotions. But as display advertising loses more ground to the growing explosion of ad-blocking software, word of mouth has never been more important to a brand.

In 2016, more than 600 million devices were blocking ads worldwide, with 11% of the global population using an ad blocking extension¹⁵. Among Millennials, the share is said to be twice the average. And the battle is now spreading to mobile - several

major mobile operators intend to deploy ad blockers on their networks. It's clear: customers have spoken, and they are fed up with the usual suspects of digital marketing: pop ups, auto-start videos and redirections, to name a few.

This means that brand promotions must be truly interesting and sharable in order to reach more consumers. The focus has to be on creating relevant content and fun, engaging interactions that meld seamlessly with their digital lifestyles – in order to foster the kind of loyalty that creates real emotional connections and builds brand behemoths.



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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.

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