



# CONTEST MARKETING

2016 Edition



The fastest way to raise awareness, increase followers and grow email lists.

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## Introduction to Contest Marketing

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We define contest marketing as an incentive based marketing campaign that utilizes both email marketing and social media marketing (organic and/or paid) simultaneously. Contests rely heavily on both as traffic drivers; email to alert new visitors to your offer and social media to increase engagement via social sharing.

Many marketers use the terms contest and sweepstakes interchangeably and you'll find the latter term used more so in the United States. However there are clear differences between a sweepstakes and a contest. For example, in a contest participants must use at least some skill to win a prize and must pay some value to participate in the contest.

**Contests** are any game, puzzle, scheme or plan that offers prospective participants the opportunity to receive or compete for gifts or prizes on the basis of skill or skill and chance, and which is conditioned wholly or partly on the payment of some value.

**Sweepstakes** are any procedure for distributing anything of value by luck or chance.



# Why do Marketers use Contest Marketing?

## 5 Great Reasons

1. Build Email Lists  
Have someone to sell your product to.
2. Develop Social Followers  
Have people pay attention to what your brand is doing.
3. Gather Data  
Find out more about your consumers.
4. Brand Awareness  
Create chatter about your brand, services and/or products.
5. Distribute Coupons  
To encourage trials and sales.

## 5 More Great Reasons

1. Create Brand Buzz  
Because word of mouth is still the most trusted source.
2. Encourage Website Visits  
Brand (re)discovery, remaining top-of-mind, leads to sales.
3. Reasonable Cost Content  
It provides your brand with something to hype/talk about.
4. Valuable Marketing Research  
The more you know about your target market, the better.
5. Social Interactions  
Consumers enjoy brands that engage and recognize them.



## Contest Planning

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Contest marketing is much more than just making the decision to run a contest. There is so much more to the planning and implementation.

### What Type Of Contest?

There are a variety of contests, promotions and sweepstakes that can be implemented. Are you going to have one grand prize, weekly prizes or even daily winners? Will there a gamification component to encourage friendly competition between entrants (i.e. Top Sharer Leaderboard)?

What about a photo contest that lets fans submit photos and vote for their favourites? These are great programs for building user-generated content.

How about a video contest that allows participants to view and vote for their favourites? What about a combination of all of the above? Figuring out what kind of contest you'll be running can dictate which social platform, if any, it will run on. Keep in mind you can always build a microsite to capture entries instead.

### Which Platform(s)?

Most brands turn to Facebook when they decide to run a contest. However, Pinterest, Twitter and Instagram may offer fertile ground for creative contests that engage your community. Of course you can always utilize a custom solution that doesn't rely solely on one social network, instead you can build a contest microsite with built-in sharing to networks and even email if you wish.



# Contest Marketing Basics: Strategy

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Here are the basic steps to take once you've made the decision to run a contest marketing program.

## 1. Strategy

Identify your overall goal in holding the contest, such as increasing your prospect mailing list, converting new customers, a new product launch or just brand awareness. What is the single most important message you want to get across in all of your messaging? Do you have a theme in mind and is it timely and agile enough (i.e. the seasons, sporting events, current trends)? This will help guide you as to the information you want to collect from the entries.

You should know how you'll be picking and notifying the winners and how you'll let everyone else know who the winner is at the end. Will you make a post on your microsite or social channels or just send an email? Besides thanking everyone for entering, you should also consider promoting another product, service and your next contest!

Seeing is believing! To add further fuel to an ongoing contest, we always recommend asking for winners to post to social or send in pictures of themselves with their prizes. This can easily add more incentive and especially trust, as it's confirmation that you'll follow through with your prize.



The strategy must be clear, concise, and focused with the end in mind. It should be well documented on how to handle the opt-ins as well as the schedule for emails and social posting.

# Contest Marketing Basics: Prizing

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## 2. Prizing

Prizing is a critical step as the prize must be relevant to both your current & target audience. Ensuring you have a reward that is valuable to your email list and social following is a must. If possible it's recommended that the prize is a product or service provided by your company. If you are in the sewing machine business, then offer up a sewing machine, as it will appeal to your user group while engaging prospects and those interested in sewing.

At the same time if the prize is too generic in nature, while you will acquire new opt-ins, they may be of a lesser quality as they might not have any serious interest in any of the products or services you offer.

Coupons, as a purchase incentive, can be used as a secondary prize for all entrants. Focus on the end, what do you hope to accomplish? Weekly, monthly and quarterly prizing, as well as notifications via social or email that someone has won, keeps entrants engaged.

Your contest marketing program can provide many incentives to drive in store traffic, sales or even a complete online sales process.

There are many prizing options. An incredibly valuable prize is one option such as a trip or expensive product, or as an alternative you may consider an inexpensive daily prize for a 30 to 60 day contest, or even a weekly prize offering. The prize must be considered something of value to the target market you're trying to entice so you can ensure that you get an opt-in.



# Contest Marketing Basics: Implementation

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## 3. Implementation

As always the user experience is in the implementation of the program, ease of use and the creative. Contest marketing programs can take fifteen days and often longer to develop, depending on the complexity, location of the offering, number of prizes, prize value and legal requirements.

Tackling an online contest is no easy feat and should be handled by a professional contest marketing agency. However, if you'd prefer to do it yourself, then be prepared to hire the following:



**Designer** - There are many names such as art director, interactive designer, graphic designer, etc. But they need to know how to design for digital and social platforms and fully understand the capabilities and limitations of each.



**Writer** - While you may opt to write much of the messaging yourself, a copywriter can ensure that the target you're speaking to understands the message. Often times we become complacent to our own surroundings and forget that the outside world doesn't live and breathe our product/service as we do. Copywriters can provide you with the right words to get your point across and even boost opt-ins.



**Developer** - With designs completed and copy written, all you need is to get it live. You need a web developer that knows the platform and social networks you're going to be utilizing and can keep designs as precise and accurate as possible. Remember a good web developer will ensure that everything looks exactly like the approved designs.



**Deployment** - One thing to not overlook is that once everything is ready to go, someone still has to set a schedule for posting to social networks and delivering emails. This person may be a copywriter who specializes in social or a developer who understands email deployment services.

We recommend utilizing the services of a contest marketing agency exclusively or coupling it with your agency's own capabilities. A contest marketing agency will provide valuable experience, knowledge and insight to ensure a professional and productive result for your program.

## Contest Marketing Basics: Data

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### 4. Data

Data and user information, including an email address, is often the primary reason for running a contest marketing program. A solid program will gather basic user information such as first and last name, address, email, gender, age and location information via postal code. Mobile is also an option based on your marketing initiative's next steps.

Programs can also be utilized to gather additional information for testing and or sale. Prospect opinions can be harvested on various items such as brand, competitors, and pricing levels, just about anything you need to learn about your consumers. It's recommended that you limit most contest marketing survey questions to a maximum of five, yet we suggest three. Never ask questions you don't intend on actioning over the next three to six months. A follow up email program can provide some great benefits if utilized in a professional and timely fashion.

Other considerations: make it easy and simple as with all online language; keep it direct and to the point; simplicity is the key to options. Prior to a contest going live, it should be fully tested multiple times on multiple platforms to ensure a smooth process.

A professional contest marketing agency will have a process that allows you to populate already existing information from your current consumer data by having them click on a personalized URL delivered in an email.



## Contest Marketing Basics: Rules

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### 5. Rules

Familiarize yourself with the rules and requirements of the social media networks that you intend to utilize for your contest. Depending on how large your contest is, remember to pay close attention to state/provincial, national and even international laws. In some cases the state or province may require a bond and/or filing. As well in the US, the IRS has specific requirements upon completion as the prize can be classified as income for the winner. Most states and provinces in the United States and Canada are fairly flexible and reasonable in their approach. Larger brand programs should have an expert handle rules and regulations to ensure compliance with various legal aspects. We recommend legal guidance for all larger programs.

#### **Quebec, Canada**

There are specifics to running a contest in Canada, especially if you are offering it up to residents of Quebec, which is why most contests exclude it. It's not that contests are illegal in Quebec; it's just that the government makes it especially difficult to run one. For example, contest runners have to pay tax on the value of the prize. If the prize(s) totals over \$2,000, the contest administrator must register the contest with a government agency, the Régie des Alcools des Courses et des Jeux (RACJ). RAVEN5 can ensure that your contest runs smoothly and all legal documents are filed accordingly.

#### **Rhode Island, Florida and New York**

The law actually requires a company to file a legal statement before it can run a contest in Rhode Island. "Any person, firm, or corporation proposing to engage in any game, contest, or other promotion or advertising scheme or plan in which a retail establishment offers the opportunity to receive gifts, prizes, or gratuities, as determined by chance, in order to promote its retail business, where the total announced value of the prizes offered to the general public is in excess of five hundred dollars (\$500), must file a statement with the secretary of state."

In Florida or New York, if the prize is valued at more than \$5,000, not only do you need to register the sweepstakes with these states, but you must also post a bond equal to the total value of the offered prizes. Finally you'll need to report the prize to the IRS as income to the winner.

## Are You Ready?

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Once you're ready, what are next steps? Promotion! You need promotional drivers to get your database of customers and prospects to visit your contest.

1. Email marketing
2. Social posting
3. Paid social posting
4. Display ads (Social & Google)
5. Print ads in newspapers or magazines
6. Printed coupon(s) or leaflet(s)
7. Bloggers (paid and unpaid influencers)

Contest marketing is geared towards enticing and engaging your customers & prospects through social and email. With a focus on social sharing, we find other like-minded individuals to opt-in and grow your list of potential leads. Finding prospects or those who've indicated they're interested in your product or service are best engaged through social sharing as 83% of all people trust the referral of a friend. Social sharing is a critical segment of a solid contest marketing platform.



## Do's & Don'ts

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-  DO follow their rules.
-  DO have a home base.
-  DO make it relevant to the audience.
-  DO remember it isn't the end once you announce a winner.
-  DO have a follow up program planned.
-  DO use email.
-  DO use your social followers
-  DON'T make yours convoluted.
-  DON'T restrict yourself to Facebook.
-  DON'T forget to spread the word.
-  DON'T do it alone.
-  DON'T take short cuts.

## Summary

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Keep in mind that there are ever changing factors that can impact the types of contests you choose to run as new social media channels spring up. Even for B2B, networks like Facebook, Twitter and LinkedIn have developed and become more heavily used over the past few years.

Social media sites such as Pinterest, Instagram and a variety of new social networks are great places to engage should they include your demographic. You as a marketer and your marketing team must be involved and engaged in social and a variety of platforms to access, gauge and test various opportunities within that platform.

**Ready to go?**

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**Unique as your customers.**

**RAVEN5** finds new prospects and engages existing customers via contest marketing programs that utilize social sharing technology.