

# THE ELEMENTS OF A PRIZE

HOW TO USE PRIZES AND REWARDS  
IN SUCCESSFUL PROMOTIONS

presented by  **SHORTSTACK**



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# INTRODUCTION

If you've created a giveaway or contests for marketing purposes, you're part of a long tradition of "prize marketing," which uses the incentive of a prize to reward people who participate in a sweepstakes, giveaway or contest. And over time, strategies of what prizes work best have evolved. A prize is a vital component of a successful sweepstakes, but there's not a one-size-fits-all approach.

In *The History of Sweepstakes*, authors Lawrence Curtin and Karen Bernardo explore the fascinating culture of sweepstakes, which dates back to ancient times. Originally, a sweepstakes or a raffle was intended to engage communities and rally people together for a common cause. All members of society participated in giveaways during holidays or times of celebration. Merchants in medieval Italy were the first to employ prize drawings as a sales promotion.

These days, the purpose of running a giveaway is threefold: to create awareness of your brand; to generate engagement among your target audience; and to gather leads that have a high chance of converting. The prize is the catalyst for this. Using a prize in a giveaway,

*The purpose of running a giveaway is threefold:*

- 1. Create awareness of your brand.*
- 2. Generate engagement among your target audience.*
- 3. Gather leads that have a high chance of converting.*

contest or sweepstakes motivates people to participate. This drives many social media marketing efforts, including crowdfunding, in which those who contribute receive something in return besides the product to which they've contributed.

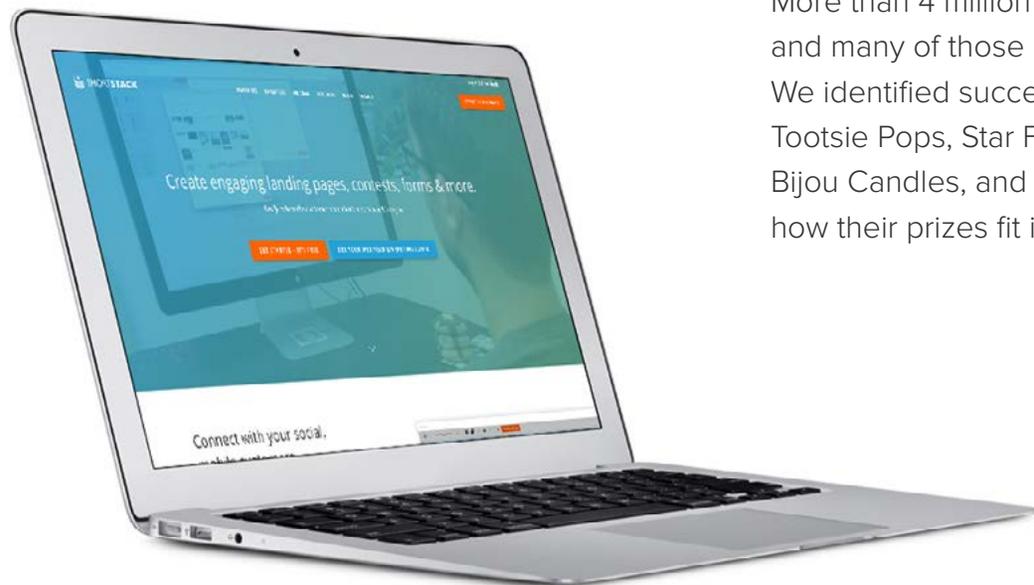
To determine which prizes work best, we've been conducting an ongoing study about what types of prizes motivate the most participation and engagement in ShortStack Campaigns. For the past four years, we've tracked notable Campaigns from small and large brands alike, and we've identified several best practices for integrating prizes into a marketing strategy.



## ABOUT SHORTSTACK

ShortStack (ShortStack.com) is a software as a service (SaaS) platform that gives users the tools to develop marketing Campaigns. ShortStack was one of the first companies to see potential in Facebook as a place to host tabs, contests and landing pages.

We refer to anything made with ShortStack as a “Campaign”; this term is all-encompassing for contests, giveaways, promotions and landing pages created with ShortStack.



More than 4 million Campaigns have been created with ShortStack, and many of those Campaigns were promotions that included a prize. We identified successful Campaigns by brands including Camp Chef, Tootsie Pops, Star Fine Foods, Mountain View Grand Resort & Spa, Bijou Candles, and Great Lakes, and studied their Campaigns to see how their prizes fit into their strategy. Here's what we learned.

## BEST PRACTICES

# PICK A PRIZE RELEVANT TO YOUR BRAND

It's important to prioritize quality over quantity when it comes to entries. The goal is to draw people to your brand who may actually buy your products or services, so you want to attract people who are interested in your services. Consider making your service the prize.

According to ShortStack CEO Jim Belosic, "The prize you choose has to fulfill two roles: It must attract your target audience and it must showcase your product or service. It's an incentive and an advertisement."

Selecting a big prize that sounds trendy or valuable, such as an iPad or cash, may mean that you'll get a lot of entries and followers. Based on these initial numbers, it looks like the Campaign is a success.

But as soon as your Campaign is over, many of the people who followed you and entered may unfollow or unsubscribe. Why? Because they just wanted that iPad, and may not have been interested in your services (unless you happen to sell iPads!).

Even if your service itself isn't the most glamorous or enticing, you offer it for a reason. "You might have to get creative if you think your product or service is 'boring,'" says Jim. "Sell mops? Don't stress; do a promotion to win a mop and a year of housecleaning service."

When users win a prize linked to your service, they're also more likely to share their prize with their social networks, especially if there is an incentive to do so. It helps attract a targeted audience. Jim puts it like this: "If

“The prize you choose has to fulfill two roles: It must attract your target audience and it must showcase your product or service. It's an incentive and an advertisement.”

**JIM BELOSIC, SHORTSTACK CEO**

you are a CPA and giving away a free tax return service, your target audience is more likely to share the contest with other interested people, like other business owners.”

Organic sharing like this is invaluable, as it’s essentially a word-of-mouth (WOM) recommendation for your brand. And if the prize is something your company offers, or is directly linked to it, new people will be interested in participating in your next Campaign to learn more about your brand.

## CASE STUDY

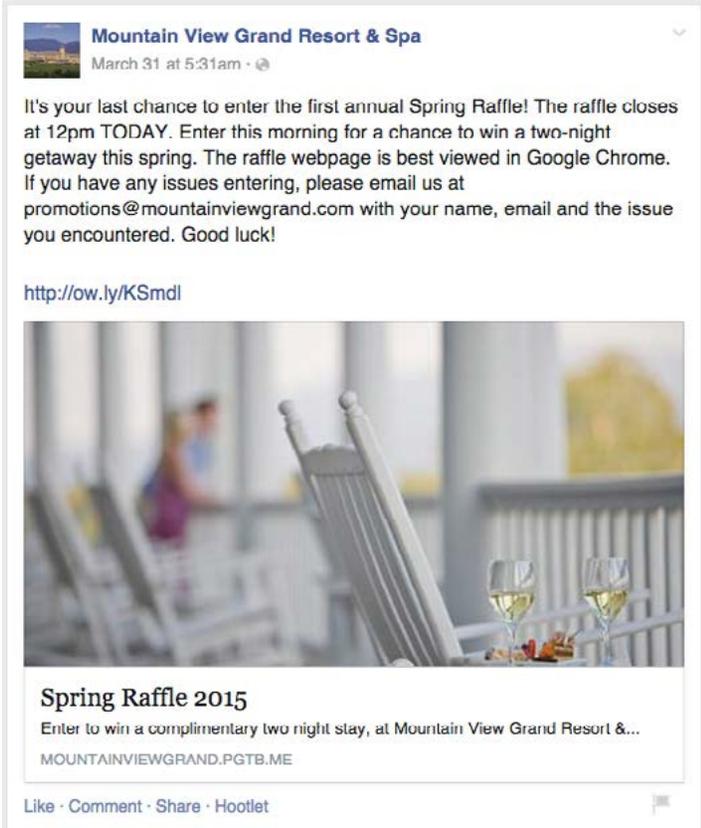
Mountain View Grand Resort & Spa gave away a two-night getaway to help **increase engagement** during the late winter, early spring — which happen to be the hotel’s off-season. They published their Campaign as a landing page, and also to Facebook, where they receive a lot of organic engagement. Because their prize was also what they “sell” — lodging — they were able to collect user information that they can market promotions to throughout the year. This Campaign received a 78 percent increase in entrants and a 141 percent increase in Campaign views, compared with previous Campaigns that were published to Facebook only.

# 78%

INCREASE IN  
ENTRANTS

# 141%

INCREASE IN  
CAMPAIGN VIEWS



**Mountain View Grand Resort & Spa**  
March 31 at 5:31am · 🌐

It's your last chance to enter the first annual Spring Raffle! The raffle closes at 12pm TODAY. Enter this morning for a chance to win a two-night getaway this spring. The raffle webpage is best viewed in Google Chrome. If you have any issues entering, please email us at [promotions@mountainviewgrand.com](mailto:promotions@mountainviewgrand.com) with your name, email and the issue you encountered. Good luck!

<http://ow.ly/KSmdl>

**Spring Raffle 2015**  
Enter to win a complimentary two night stay, at Mountain View Grand Resort &...  
MOUNTAINVIEWGRAND.PGTB.ME

Like · Comment · Share · Hootlet

## BEST PRACTICES

# DIVERSIFY YOUR PRIZES

Offering more than one prize might seem like an effective way to attract more entrants to a contest. However, giving away multiple prizes can actually have the opposite effect. According to a report in the *Journal of the Academy of Marketing Science*, offering more than one of the same prize doesn't cause participants to perceive their odds of winning as better. The researchers attributed this to consumers being unable to evaluate the value of prizes when there are more than one available.<sup>1</sup> There is a subconscious assumption that offering more than one of the same prize diminishes the value of it, and there's less of that nail-biting excitement to participate. However, there is a benefit to offering more than one prize if the prizes are all different. When you offer different prizes at different levels, users feel like they have a higher chance of winning something.

If you plan to give away more than one prize at a time, consider offering prizes in tiers — for instance, first, second and third place prizes. A fun approach for users is to give them the option to pick their prize, such as in [ShortStack's Choose Your Prize template](#). This allows the Campaign creator to display a couple of prize options at different levels of value — such as a coupon, a gift basket, and a gift card — and participants can pick one to enter. To submit their prize choices, the user must enter with their name and email address. ShortStack stores this information in the database that corresponds with that prize. Collecting this data allows for easy email list segmentation, or you can combine the data from each prize form to build a new list.

Discount-style promotions are also effective because everyone wins. Traditional giveaways that promote having one grand prize can be viewed as discouraging to many users. The mentality often is

1 | “More prizes are not always more attractive: factors increasing prospective sweepstakes participants’ sensitivity to the number of prizes.”  
Sandra Laporte and Gilles Laurent, *Journal of the Academy of Marketing Science*

since there is such a small chance of winning, why even enter? To avoid this problem, promoting a discount or coupon code through automation — such as an email sign up form that triggers a download button to appear — can be a great solution and alternative to a physical giveaway prize. There is less overhead for the host, too. Discounts and coupons give participants a reason to make a purchase. In other words: Give a little, get a little.

## CASE STUDY

When Tootsie Roll Industries' Tootsie Pops Facebook Page reached one million fans, they created a **Pick Your Prize Campaign to thank their followers**. They offered six prizes and let users pick the one they wanted most. The prizes were fun but small, such as a coffee mug, a Mr. Owl pin, candy bags, Tootsie-themed jewelry and phone cases. These tokens of appreciation resulted in high engagement and organic sharing, and ultimately participants were genuinely excited about their winnings.

**WOO HOO!  
1 MILLION  
FANS!**  
THANKS A MILLION

**Pick Your Prize Contest!**  
It's our way of saying THANKS!

Select your favorite item below and fill out the entry form. Any information you provide will only be used for the purpose of this promotion.

Winners will be chosen at random. Prizes are limited. Good Luck.

<p><b>Prize 1</b> Tootsie Pop Mug</p> <p>Choose this prize to see just how many sips it takes to get to the bottom of your coffee or whatever it is you would like to drink from this awesome mug!</p> <p>(10 available)</p>	<p><b>Prize 2</b> Tootsie Draw String Backpack</p> <p>Carry your stuff in style with this Tootsie draw string backpack! It sure beats holding stuff!</p> <p>(16 available)</p> <p><b>LOVE</b></p>	<p><b>Prize 3</b> Mr. Owl Pin!</p> <p>Add some flare to your favorite bag or shirt with this super stylish Mr. Owl pin! You'll have no reason to play the blues with this snappy pin added to your ensemble.</p> <p>(30 available)</p>

## BEST PRACTICES

# THINK SEASONALLY

Seasonally timed prizes are a great way to tie in a promotional theme, as well as attract new users to your Facebook Page. For example, during the first two weeks of February giving away a piece of jewelry or a dinner-for-two giftcard are prize options that are appealing due to their seasonal relevance. Using holidays or well known festive events as a complement to your chosen prize allows for you to be more creative with how you choose to promote your giveaway.

### CASE STUDY

Camp stove manufacturing company Camp Chef ran a successful December giveaway, **which resulted in 107% more entries than their usual promotions**. This came out to 13,780 entries in 12 days — an impressive feat! Camp Chef gave away 12 products over the course of 12 days, which gave participants many chances to win something. They also marketed the products as gifts, rather than prizes, so even though the participants were still winners, they were actually winning gifts that they could share with their friends and family. Although their busy sales season is summer, taking advantage of the winter holidays allowed Camp Chef to generate holiday business.



**WIN AN EXPEDITION 2X**

**HOLIDAY GIVEAWAY**

**It's the Season of Giving. We want to Giveaway a**  
**Camp Chef Expedition 2X Stove.**

**Here's how to enter:**  
Complete the form below.

Copy the referral link provided after form submission.

Share that link with your friends. The more your friends enter, the better your chances of winning!

Giveaway ends December 10, 2014 at 11:59 PM MST.

Name

First Last

## BEST PRACTICES

**REWARD USER-GENERATED CONTENT**

Contests that require participation from people mean that you get something in return: data. Create a Campaign that takes advantage of user-generated content (UGC) and give a prize to the winner who generates the most engagement. According to Kissmetrics, “Through awards of cash, merchandise, free service and even recognition, you can encourage your readers to help you generate original content — content that will help you build your business and deliver value to your visitors.”<sup>2</sup> UGC is often referred to as “Google Food,” since it makes your brand appear higher in search results.

A UGC contest also turns passive participants into active ones. A photo contest requires a user to take a photo, submit it, and share it to receive votes. This makes people work a bit for the prize. These types of promotions, which are usually focused on increasing engagement and brand awareness, can include different types of prizes. You may consider offering a combination of prizes, such as a free trial of your service or one of your popular products, and also feature the winning photo on your website. This provides the winner with a tangible prize and also incentivizes them to share their winning entry with their networks, once again taking advantage of powerful WOM marketing.

2 | “How to Use Contests and Giveaways to Get User-Generated Content” <https://blog.kissmetrics.com/contests-user-generated-content/>

## CASE STUDY

Mediterranean food producer **Star Fine Foods** ran a **successful giveaway** in which they had three levels of prizes: a grand prize of \$5,000, a first prize of \$1,000, and a second prize of a year's supply of Star Olives. Participants could enter photos, take a quiz or browse recipes; the more activities they engaged in, the higher chance they had of winning. It also gave Star Fine Foods the opportunity to collect a ton of data. This type of contest resulted in an increase of website traffic by 288%.

home recipes quiz photos

Back to StarFineFoods.com

**STAR**

How do you  
*-live?*

**SWEEPSTAKES**

Dec. 29, 2014 - Mar. 1, 2015

parties dinners cocktails

recipes quiz photos

CLICK HERE TO PICK RECIPES

CLICK HERE TO TAKE A QUIZ

CLICK HERE TO ENTER A PHOTO

**GRAND PRIZE: \$5000**

ENTER **ALL THREE** SECTIONS OF THE SWEEPSTAKES AND BE ELIGIBLE TO WIN THE GRAND PRIZE, FIRST PRIZE OR A SECOND PRIZE.

**FIRST PRIZE: \$1000**

ENTER **ANY TWO** SECTIONS OF THE SWEEPSTAKES AND BE ELIGIBLE TO WIN THE FIRST OR A SECOND PRIZE.

**SECOND PRIZE (5 WINNERS):  
YEAR SUPPLY OF STAR OLIVES\***

ENTER **ONE** OF THE THREE SECTIONS OF THE SWEEPSTAKES AND BE ELIGIBLE TO WIN A SECOND PRIZE.

\*12-21 OZ JARS OF STAR PIMIENTO STUFFED MANZANILLA OLIVES

**SHARE WITH YOUR FRIENDS!**

f t p

## BEST PRACTICES

# CONSIDER YOUR ROI

A good prize doesn't have to require a large investment. Remember the goals of the sweepstakes: engagement, awareness and conversion. Those goals should drive the prize you choose. You might be surprised: Giving away a \$5 jar of jelly from your homemade canning business can generate just as much engagement as an iPad giveaway, because the participants genuinely care about your product. For your first couple of promotions, try starting with a smaller, less expensive prize. If the results of your giveaway have met or exceeded your expectations, you can feel good knowing you didn't have to totally break the bank buying your giveaway prize.

### CASE STUDY

Bijou Candles increased their email list by 50% by giving away a signed copy of celebrity stylist Lauren Conrad's new book, *Celebrate*, along with a set of their luxury candles. The giveaway package cost the company less than \$100, and Bijou received well over that value in return thanks to their increased email list which is now full of qualified leads that have a high chance of converting. The Campaign received nearly 4,000 views and more than 500 entries.

### Lauren Conrad x Bijou Giveaway



**Win an exclusive Lauren Conrad x Bijou *Celebrate* Gift Set!**

*This giveaway is over, thanks for participating!*

Enter to win an **autographed copy** of Lauren Conrad's newest party-planning book, *Celebrate*, plus a set of our favorite Bijou candles from our spring-inspired *Fête des Fleurs* collection!

**Subscribe to our Bijou Newsletter**

Receive **one entry** when you subscribe to our newsletter below.  
Already subscribed? Simply type in your Name and Email below to enter.

Name\*

First  Last

Email\*

## BEST PRACTICES

# CREATE A GREAT USER EXPERIENCE

Should you want to give away a large prize — such as cash, a scholarship or an item with significant value (like a house or a car) — you should also invest time into making your giveaway as beautiful and user-friendly as possible. No matter how good your prize is, users won't want to participate if the promotion is difficult to find or use. Test the Campaign thoroughly before launch, and make it "omnichannel"; meaning, post it to more than one site to ensure maximum visibility.

It's important to also do your research on the legality of your prize and what winning means for your brand and for the winner. It's frustrating when a prize results in more stress for the winner, such as unexpected taxes or a delay in receiving it. According to Klein Moynihan Turco, a law firm that specializes in internet gaming law, "After you have decided on the basic structure of your promotional game, it is crucial that you determine all key aspects of the contest (duration, prize amounts, number of prizes, etc.) ahead of time when drafting the **all-important contest rules**, because once a promotion commences, and the rules are published, it is next to impossible to legally alter material terms. The key with respect to rules drafting is: do not overextend in terms of time or the number or value of prizes."<sup>3</sup> Spend time drafting rules for your promotion that set clear expectations for when the winner will receive it, and what they need to do on their end. We also recommend having a lawyer review your promotion before it goes live.

3 | "Sweepstakes and Promotions: Winning the Marketing Grand Prize"

<http://www.kleinmoynihan.com/sweepstakes-and-promotions-winning-the-marketing-grand-prize/>

## CASE STUDY

Loan provider **Great Lakes** gave away a **\$6,000 cash prize** to put toward a student loan. Although this seems like a hefty chunk of money, Great Lakes is in the business of money, so the prize also gave them some authority in the realm of loans, and it made the company look very philanthropic. Their Campaign consisted of a quiz to test participants' knowledge about student loans. Great Lakes also included clearly written rules about the prize, the ways people could enter, and how they could expect to be awarded the winning prize. This Campaign resulted in more than 206,000 entries.

**\$6k Giveaway** STUDENT LOAN

How much do you know about federal student loans?

Like our page for updates on the sweepstakes and helpful information about your student loans.

Like

Don't worry. You don't need the right answers to enter our sweepstakes, we just want to help you build your student loan knowledge. For official terms and conditions, please see below.

## FINAL THOUGHTS

A great prize is the nexus of successful giveaways and sweepstakes. It's what gets people excited about participating in your promotions. To gather high-quality leads that will actually result in more business, choose prizes that are directly linked to your brand to take advantage of that interest in your product or service. Create a great participatory experience for your target audience by making your Campaign easy and fun to enter, and be clear with the rules and conditions. A good prize doesn't have to be expensive; it's all about creating the perceived value of the prize and of your brand so that users will want to partake in what you have to offer.

**BUILD MARKETING CAMPAIGNS,  
PROMOTIONS AND LANDING PAGES FOR FREE**

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