

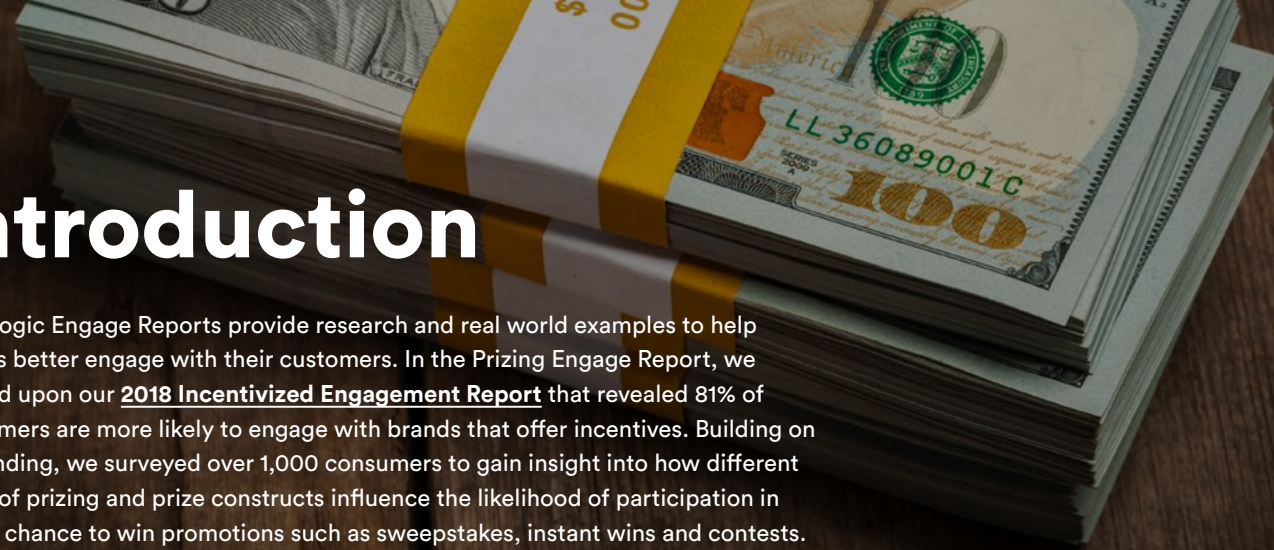
# Prizing



# Prizing Engage Report

Research and Real World Examples to Help Brands  
Better Engage With Consumers

August 2019



# Introduction

PrizeLogic Engage Reports provide research and real world examples to help brands better engage with their customers. In the Prizing Engage Report, we expand upon our [2018 Incentivized Engagement Report](#) that revealed 81% of consumers are more likely to engage with brands that offer incentives. Building on this finding, we surveyed over 1,000 consumers to gain insight into how different types of prizing and prize constructs influence the likelihood of participation in online chance to win promotions such as sweepstakes, instant wins and contests.

## Key Takeaways

### 01 Success is in the Details

It's more than picking a compelling prize category like a vacation package or shopping spree. Choosing the right type of vacation or shopping spree for your target can drastically impact success.

### 02 Bigger Isn't Always Better, It Just Costs More

Exponentially increasing your prizing budget won't necessarily equate to better ROI. There's often more opportunity in optimizing your overall program budget.

### 03 Give It the "Billboard Test"

In order for the incentive to be motivating, it must be clearly and instantly understood. Keep the message simple and impactful so even distracted consumers can't help but notice.

### 04 Crypto is Newsworthy But Cash is Still King

While newer forms of monetary prize fulfillment definitely have benefits such as security, efficiency and the "cool" factor, consumers still overwhelmingly prefer cash.

#### A Look Back

 [DOWNLOAD REPORT](#)

December, 2018 Incentivized Engagement Report: How Brands Can Leverage Incentives to Motivate Behavior Across the Customer Journey.

#### Consumers Want Incentives, and Incentives Motivate Consumer Behavior

81% of consumers are more likely to engage with a brand that offers incentives. These incentive-inclined consumers also are highly likely to complete a variety of actions, including sharing contact information, opting-in for future communications and sharing products with friends or family.

**52%**

Opt in for future communications

**59%**

Recommend the brand to friends or family

**72%**

Share contact information

**54%**

Share brand product(s) with friends and family

# 01

## Success is in the Details

While 4 out of 5 people are more likely to engage with a brand that offers incentives, what you offer as the incentive makes all the difference. Choosing a relevant and compelling prize category (Vacation, Shopping Spree, Electronics, etc.) is only the beginning. For example, offering a vacation package might be the perfect way to entice your target audience to participate, but the destination itself matters too. (50% more people said they would enter an online chance to win promotion that offered a cruise getaway versus a ski trip).

To better understand which incentive types are most attractive to consumers, we evaluated popular prizes in each of the following categories:

### PRIZING CATEGORIES



Shopping Sprees



Electronics



Vacations



Entertainment



Personal Assistants

When determining the optimal incentive to offer, it's important to consider not only the appeal it will have to consumers, but also how well the prize reinforces your brand's key value proposition. For example, if your brand promise is about speed, prizes that are "fast" will help reinforce that consumer perception about your brand. Alternatively, if you're a CPG food product that wants to be associated with "at home family time", prizes built around family game night or family movie night would make sense.

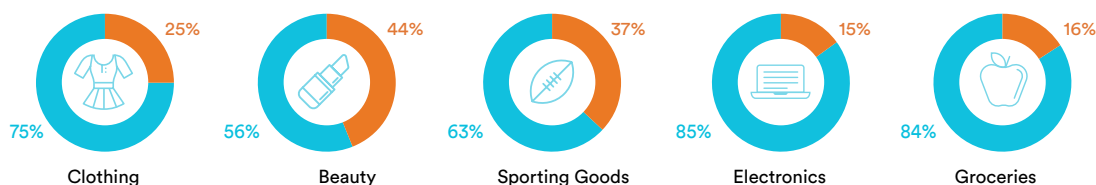
## Shopping Sprees

Incentives that allow consumers to choose their prizes – like shopping sprees – are among the most popular types of prizes a brand can offer, underscoring the fact that flexibility of choice can be a key factor in participation rates. One surprise finding in this prizing category was that the seemingly uninspiring incentive of a Grocery Shopping Spree was more motivating than Clothing/Fashion, Beauty and Sporting Goods Shopping Sprees. In fact, a Grocery Shopping Spree was rated nearly as exciting as an Electronics Shopping Spree, which respondents deemed as the most compelling incentive overall.

**For each of the following \$1,000 shopping spree prizes, how likely would you be to participate in a chance to win promotion offered by a brand you like?**

■ Definitely/Probably Would Participate

■ Definitely/Probably Would Not Participate



### Interesting Insight

For women, Groceries (87%) and Electronics (83%) prizes motivated a higher participation response than Clothing/Fashion (81%) and Beauty (70%).

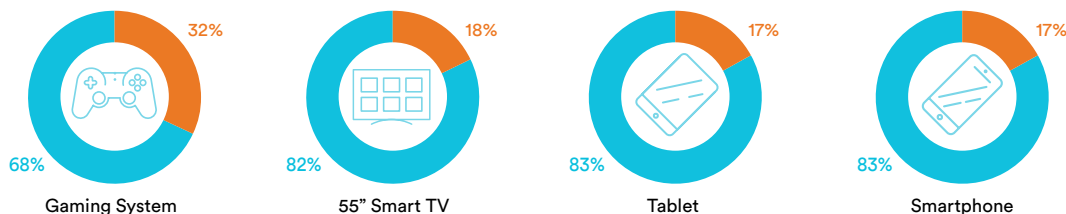
## Electronics

As might be expected, prizes with universal demographic appeal – like the latest electronic devices – perform better than other incentive types that appeal to more specific audiences. As little as 10 years ago, offering a chance to win electronic gadgets may have been less compelling to older consumers. But today, technology-related prizes attract a similar percentage of participants across all age groups.

**For each of the following electronics prizes, how likely would you be to participate in a chance to win promotion offered by a brand you like?**

■ Definitely/Probably Would Participate

■ Definitely/Probably Would Not Participate



### Interesting Insight

The universal appeal of smartphones is motivating across all age demographics. In fact, the prospect of winning a smartphone was just as compelling to 60+ year olds as it was to 18-29 year olds (In both age groups, 80% would participate).

## Vacations

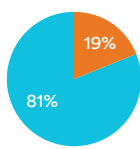
Vacation packages are another popular incentive category, but the type of vacation you offer will have varying appeal. For instance, not everyone knows how to ski. And families with young children may not be interested in a trip to Vegas. That's why vacation prizes that offer an element of choice, such as roundtrip airline tickets and stays at the hotel of their choice, motivated respondents most.

The drawback to generic vacation prizes is that they do little to reinforce a brand promise or promotional theme. When choosing a vacation-related incentive, consider the tradeoff between broader appeal and a more unique prize that could emphasize your brand's key value proposition.

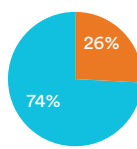
**For each of the following vacation prizes, how likely would you be to participate in a chance to win promotion offered by a brand you like?**

■ Definitely/Probably Would Participate

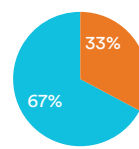
■ Definitely/Probably Would Not Participate



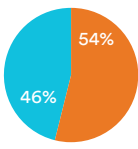
Airline Tickets



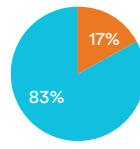
Beach Getaway



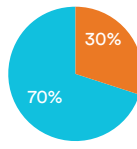
Spa Getaway



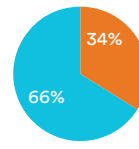
Skiing Trip



Hotel Stay



Cruise



Las Vegas Trip



### Interesting Insight

While vacations appealed across all income demographics, it was by far the most motivating for \$50-100K income households, over-indexing on every vacation prize.

**Airline Tickets: 89%**

**Beach Getaway: 81%**

**Spa Getaway: 70%**

**Skiing Trip: 48%**

**Hotel Stay: 88%**

**Cruise: 74%**

**Las Vegas Trip: 72%**

## Don't Forget the Power of Your Brand

71% of consumers said they would participate if they could win a year's supply of their favorite brand's product. As an added bonus, featuring your brand as the prize is a great awareness strategy, and is an effective way to qualify participants (e.g. people who would be interested in using your product). Additionally a brand's stock can be an extremely powerful prize that provides ongoing purchase driving value. 66% of consumers said owning a company's stock increases the likelihood of buying products from that company.

## Entertainment

When it comes to entertainment-themed incentives, Restaurant Gift Cards and Movie Tickets are the most popular types of prizes among consumers. The universal appeal of these incentives, combined with their low cost, make them great options for brands with more modest prizing budgets. While not as broadly popular as Restaurant and Movie prizes, Music Subscriptions were more motivating to 18-29 year olds than other age groups, and \$100 Spa Gift Cards were far more motivating to women than men.

For each of the following entertainment prizes, how likely would you be to participate in a chance to win promotion offered by a brand you like?

■ Definitely/Probably Would Participate

■ Definitely/Probably Would Not Participate



\$100 Restaurant Card



1-Year Music Subscription



\$100 in Movie Tickets



\$100 Spa Card



### Interesting Insight

In another survey surprise, 60+ year olds would be more likely to enter to win a 1-Year Music Subscription prize over a \$100 Spa Gift Card prize (54% vs. 50%).

## Personal Assistants

While everybody wants to make their life easier, Personal Assistant-themed prizes didn't perform as well as other categories. However, if your brand offers the promise of 'convenience', offering an incentive that reinforces the idea of simplifying people's lives may be beneficial for shaping buyer perceptions.

For each of the following "1-year personal assistant" prizes, how likely would you be to participate in a chance to win promotion offered by a brand you like?

■ Definitely/Probably Would Participate

■ Definitely/Probably Would Not Participate



Chef



Nanny



Chauffer



Cleaning Service



### Interesting Insight

While busy parents ranked Personal Assistant prizes slightly more appealing than the general population, the most compelling incentive wasn't a nanny for a year (ranked fourth) but rather the simple luxury of a cleaning service (82%).



# 02

## Bigger Isn't Always Better, It Just Costs More

While a higher value grand prize will likely improve participation rates, there can be diminishing returns the bigger your prizing budget gets. As we increase prize payout by a factor of 10 (e.g. \$1,000 to \$10,000 to \$100,000 to \$1 million), the proportional gain in consumer participation does not correlate. For survey respondents, a \$100,000 grand prize had a nearly identical total participation rate as a \$1 million grand prize. However, the percentage of those who 'Definitely Would Participate' significantly increased as prizing budgets grew – indicating a stronger inclination to participate.

With this in mind, consider your promotional goals when constructing your prize pool. If you're trying to create PR buzz or channel partner sell-in, an eye-popping grand prize may work. But if your focus is on improving ROI, reducing your prizing budget and reinvesting the savings into media to help drive awareness and participation might be a better strategy.

## 02 BIGGER ISN'T ALWAYS BETTER, IT JUST COSTS MORE

For each of the following prizes, how likely would you be to participate in a chance to win promotion offered by a brand you like?

■ Probably Would Participate    ■ Probably Would Not Participate  
■ Definitely Would Participate    ■ Definitely Would Not Participate

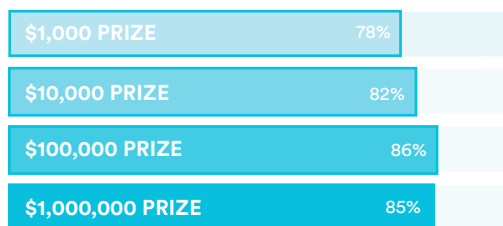


### Interesting Insight

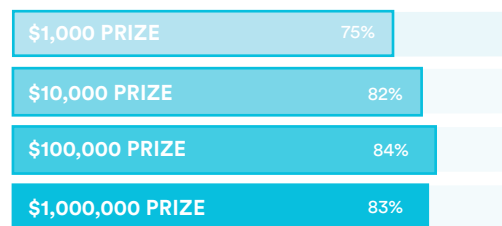
A common misperception is that chance-to-win promotions only appeal to lower income consumers. Survey results reveal that while \$100K+ households had a slightly lower interest in entering promotions with lower value grand prizes, these higher income consumers have among the highest level of interest in participating in programs that offer higher value prizes.

### Probably/Definitely Would Participate by HH Income

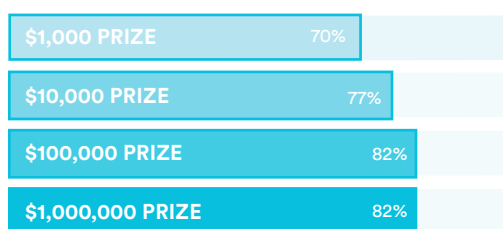
#### HH Income Under \$25,000



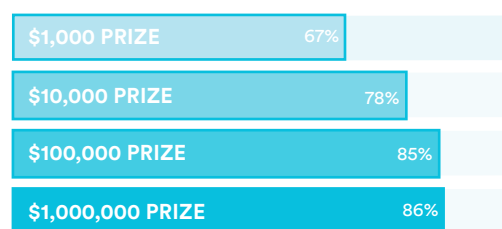
#### HH Income \$25,000 to \$49,999



#### HH Income \$50,000 to \$99,999



#### HH Income \$100,000+



# 03

## Give It the Billboard Test



To ensure the success of any incentivized engagement, the first step is driving people to participate. One of the best ways to capture attention and drive entries is to keep your prizing messaging simple and compelling – consumable within a few seconds – along with a quick and easy call-to-action.

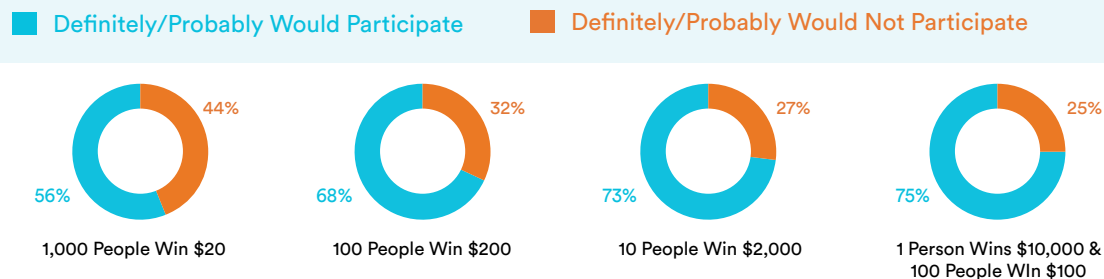
In the previous section, we reviewed how offering different grand prize values impacts participation. To evaluate how the prizing construct (number of winners & frequency of winning) can also affect participation, we introduced a range of incentive scenarios, each based on a \$20,000+/- budget, to equitably evaluate these two dimensions of prizing.

### THE THREE FACETS OF PRIZING MESSAGING

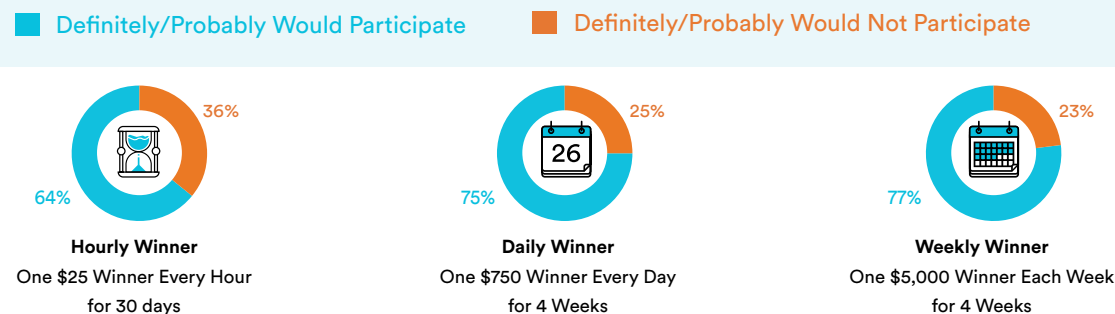
- 1 Size of Prize**  
Grand prize or total prize value
- 2 Number of Winners**
- 3 Frequency of Winning**  
E.g. daily, weekly, monthly, etc.

**Key Takeaway:** The optimal prizing structure should combine a sense of attainability (either through the number of winners or frequency of winning) and a sufficiently motivating prize value.

**Number of Winners:** For each of the following prize structures, how likely would you be to participate in a chance to win promotion offered by a brand you like?



**Quantity:** For each of the following prize structures, how likely would you be to participate in a chance to win promotion offered by a brand you like?



# 04

## Crypto is Newsworthy but Cash is Still King

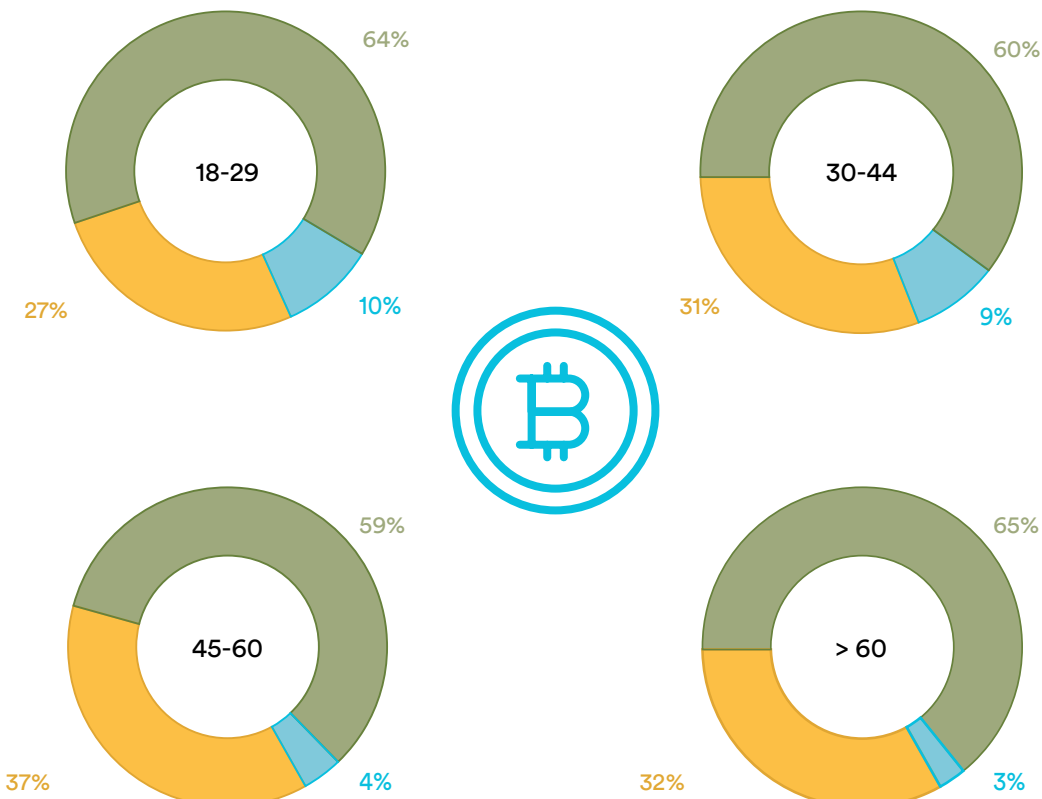
New technology presents many options for awarding cash equivalent prizes. And while newer solutions offer benefits such as security, efficiency and even a 'cool factor,' consumers still overwhelmingly prefer cash over cryptocurrency and Amex/Visa gift cards. The preference for cash was surprisingly consistent across all age groups. Cryptocurrency was the most popular among 18-29 year olds, but the increase in their preference was only as an alternative to receiving Amex/Visa gift cards, not cash.

If you won a \$1,000 prize, how would you like to receive it (choose one)?

■ \$1,000 Cash

■ \$1,000 Amex / Visa Gift Card

■ \$1,000 Cryptocurrency



# The Benefits of Unique Prizing

Unique incentives certainly grab attention and generate PR, but they can also reinforce brand attributes and value propositions. Here are a few programs that motivated target consumers to action by offering them something completely unexpected, while also achieving key marketing objectives.



## How to Create Meaningful Value with a \$20 Prize

### Cracker Jack “The Surprise Inside Project”

As the brand that’s been delivering simple surprises in every box for over 120 years, Cracker Jack wanted to inspire busy parents to create those small yet meaningful surprises they know are missing in their families’ lives. The Prize Inside Project brought this concept to life by asking consumers, “How would you pull off a small, yet meaningful surprise for your family for \$20 or less?” The 200 winners each received a custom-branded Cracker Jack box filled with \$20 of unique surprises inside – items specific to their submitted idea.

## Connecting a Brand to an Occasion in a Big Way

### Lord Calvert Canadian Whiskey “Lord of the Grill Giveaway”

With the goal of boldly reinforcing the brand’s connection to barbecuing, the Lord of the Grill Giveaway offered grilling enthusiasts a chance to win more than the traditional backyard BBQ-themed prizes like stainless steel grills, utensil sets, coolers, and flavorful sauces. To leave no doubt which brand was “Lord of the Grill”, this disruptive program awarded the grand prize winner an entire cow – in the form of an estimated 600 lbs. of beef – pre-butchered and packaged, along with a new freezer to store it all.



## Offering Fans a Twice-in-a-Lifetime Opportunity

### FOX Broadcasting Company - The Orville "FOX's Join The Orville Sweepstakes"

To rise above the noise at Comic-Con and promote the release of Seth McFarlane's sci-fi satire "The Orville", FOX invited fans to enter for a chance to become a crew member on the spaceship... by being cryopreserved and revived in the year 2417, when the futuristic show takes place.



After completing the fictional job application process, prospective crew members were then invited to conquer the station's spinning gyroscope ride. The winning applicant received a trip for 2 to the premier of The Orville – as well as the opportunity to be cryopreserved at the end of his or her life and revived in the twenty-fifth century.

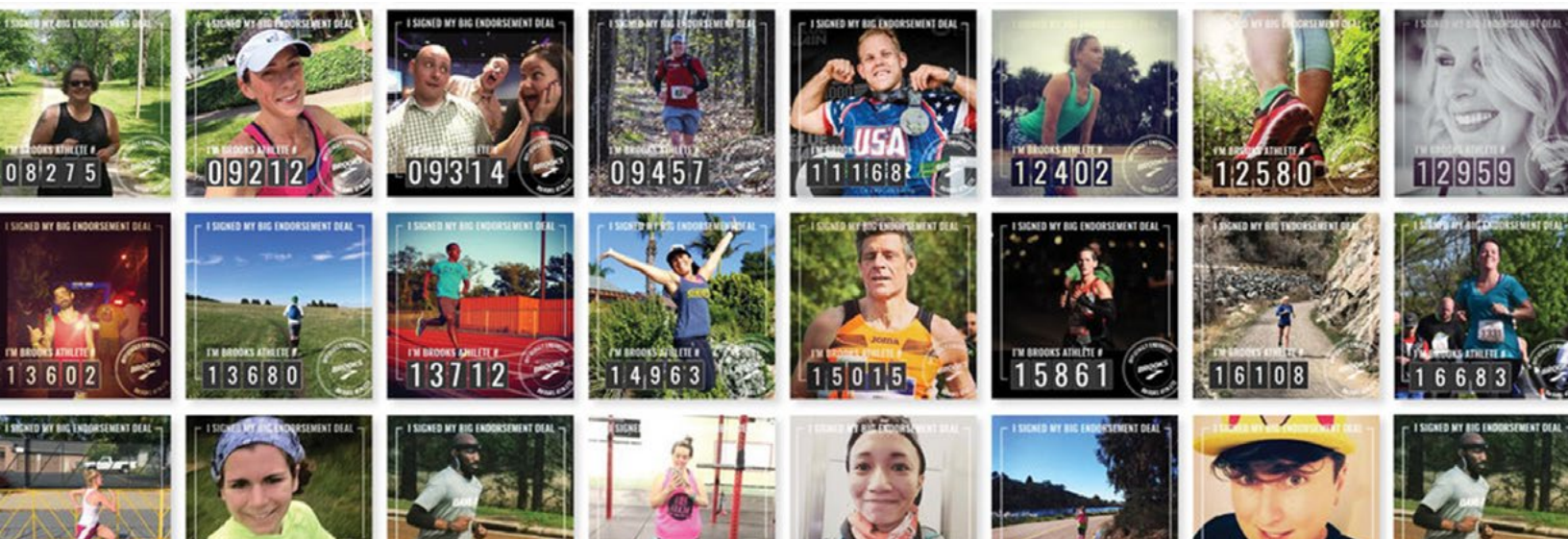


## An Incentive That Comes With Bragging Rights

### Brooks Running - "Brooks Big Endorsement Deal"

Brooks wanted to develop a promotional campaign that would create a meaningful connection with everyday runners. The Brooks Big Endorsement Deal made light of competitor shoe companies spending millions for pro athlete endorsements by instead encouraging everyday athletes around the world to literally 'sign with the company.'

Each Brooks-sponsorship included a \$1 contract signing bonus, so participants could be recognized as professional athletes. Newly signed Brooks endorsees also received the full superstar athlete treatment, including an official contract, recipes, training tips, and a welcome letter from Brooks CEO Jim Weber. Endorsed athletes could also upload a photo of themselves to create a meme featuring their athlete ID, proving to the world that they are now a sponsored Brooks Athlete.



# About PrizeLogic

Founded in 2008, PrizeLogic is the largest independent digital engagement company and a trusted partner to both Fortune 500 brands and leading agencies.

The company's solutions combine incentives, experience and insight to influence behavior more effectively across the customer journey. PrizeLogic is proudly overseen by its original, founding leadership in partnership with North Carolina-based partner Pamlico Capital, which is focused on aiding in the company's continued business growth and development. PrizeLogic offices are located in Southfield, MI (HQ), Scottsdale, AZ, New York, NY, Chicago, IL, Los Angeles, and Mexico City, MX. The PrizeLogic Engage Platform powers loyalty programs, sweepstakes, contests and rebate programs for clients such as PepsiCo, MillerCoors, Samsung and Capital One. For additional information, please visit <http://www.prizelogic.com>



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