



#ComplInfluence14

INFLUENCING CONSUMERS THROUGH COMPETITIONS 2014

Competitions have long been a popular method of marketing a brand, whether online or through traditional channels. However, marketers' views differ on the value of running these promotions.

Social media competitions often involve people 'Liking' or 'following' a brand for their entry to be qualified, which increases the fan or follower base. Additionally, participants may be required to respond to a question, come up with a creative comment or share branded content. This increases engagement and reach levels for a brand's social media profile.

Some marketers argue that the increases are temporary and competitions only attract 'compers' (people who regularly participate in online competitions marketed by companies to promote a brand), who are perceived not to be genuine fans, as they are only there for the 'freebies'.

On the other hand, another school of marketers believes in the potential value of competitions and compers, who can be transformed into customers and eventually, brand advocates.

Ultimately, the question is whether there is any real value for brands to run competitions on social media. To separate facts from assumptions, TAMBA conducted an online survey amongst 896 people who have regularly enter competitions.

'The assumption some promoters make that people who enter competitions regularly are not potential customers.'

– Anonymous respondent on frustration with how competition entrants are perceived.

Key findings from TAMBA report:



Competitions can **increase brand awareness** –

94.22% of respondents stated that competitions have introduced them to brands they would otherwise not have known about.



Competitions can **enhance brand perception** –

Brands that offer competitions are viewed more favourably by 78.7% of respondents.



Competitions can **increase and maintain brand reach and engagement** –

84.5% of respondents continue to share content from a brand on their social media profiles *after* a competition ends, with 44.5% doing so on a daily basis.



Competitions do **influence purchase decisions** –

74.6% of respondents said that the competitions they have entered have influenced their decision to buy from the brand.



Competitions can **encourage word-of-mouth recommendations** –

74% of respondents are more likely to recommend a brand that offers competitions.

Methodology

The main objectives are to determine if competitions run by brands:

1. Raise **brand awareness** *amongst participants.*
2. Increase **engagement** *with participants, in terms of them sharing brand content on social media.*
3. Influence participants' **decision to purchase** *from these brands.*

The survey also reveals insights to participants' preferences and opinions when it comes to entering competitions.

896 people were surveyed from March 27 to April 20, 2014 over 25 days. The survey was run using surveymonkey.com, an online questionnaire and survey site.

To ensure the right target audience was reached, the survey was seeded on social media and to a number of popular competition communities online.

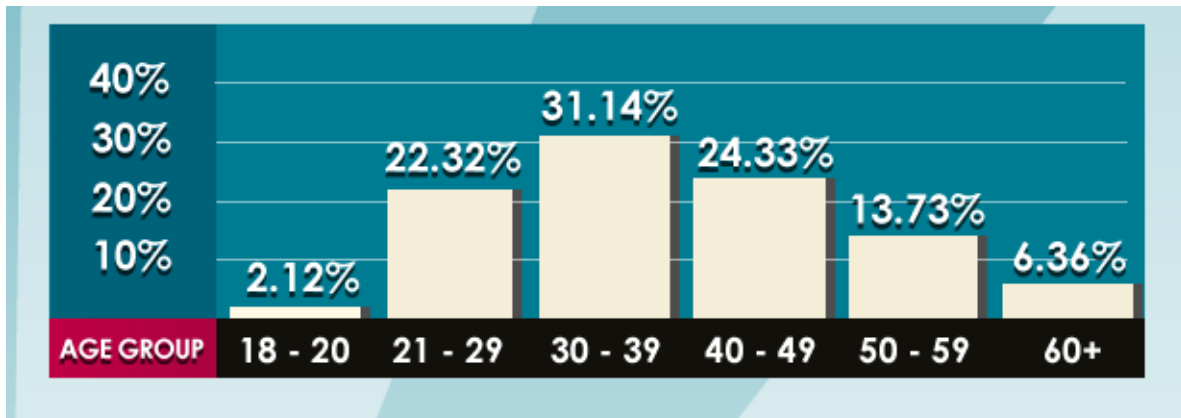


The Survey Results



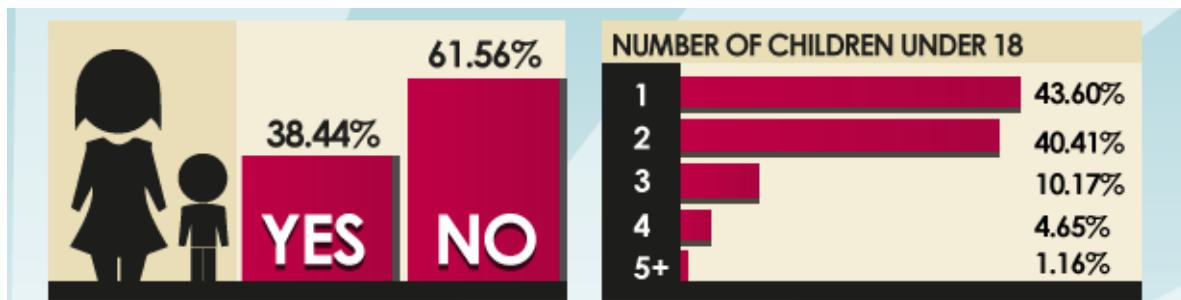
Audience Demographics

Age of participants



The majority of survey participants come from the 30-39 age group (31.14%), with the 21-29 (22.32%) and 40-49 (24.33%) age groups falling close behind.

Participants with children under 18

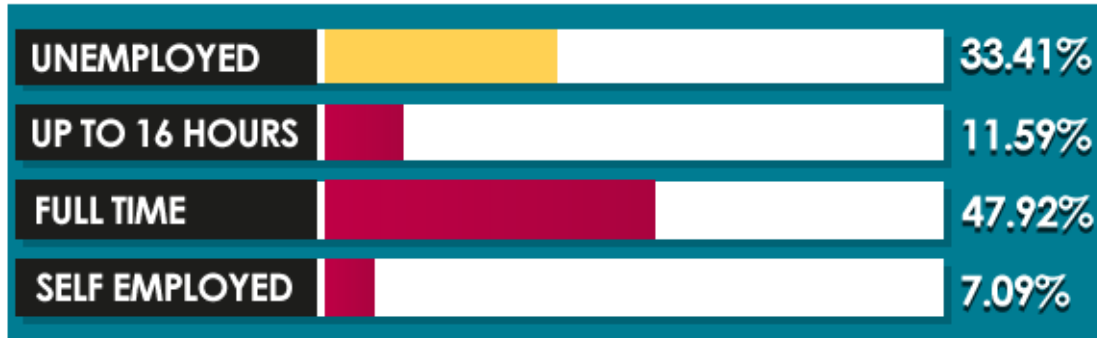


38.44% have children under 18 years of age. From this group, the majority (84%) have up to 2 children under the age of 18.

TAMBA TIPS

Based on the comping demographic, running competitions may be useful for family orientated brands wanting to target mothers with younger children.

Employment



Almost two thirds of those surveyed (66.6%) are in paid employment, with nearly half (47.92%) working full time, 11.59% working less than 16 hours a week, and 7.09% in self employment.

MYTH ONE

People who enter competitions are stay-at-home mums.

FACT: According to our findings, the 'typical' person who enters competitions is a thirtysomething with a full-time job.

Blogging habits



Some people perceive that competition winners are chosen by companies in return for them (the winners) promoting the brand, such as bloggers. However, our survey results show that only 5.26% of competition participants have a blog.

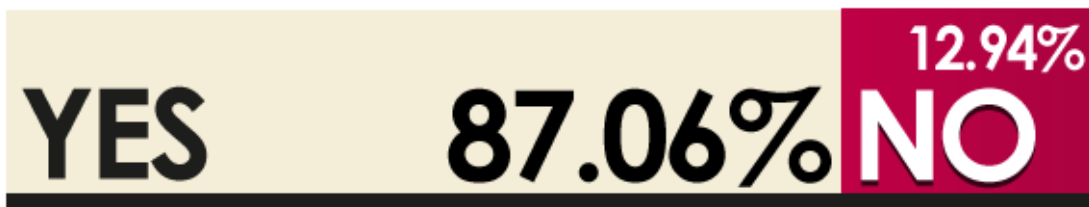
MYTH TWO

Competition winners are bloggers picked to promote the brand.

FACT: Only 5% of competition entrants surveyed have a blog.

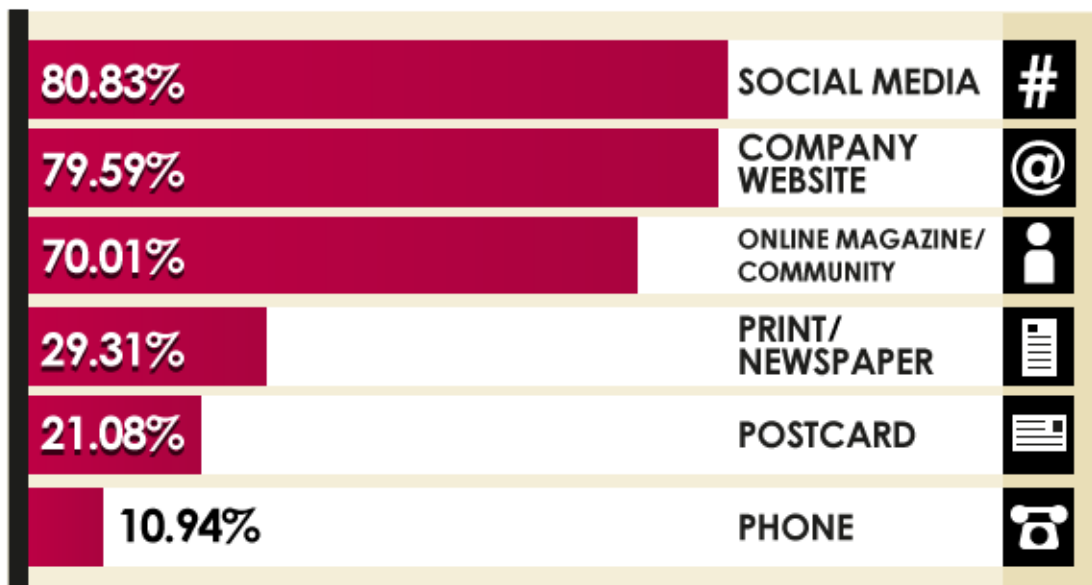
Comping Behaviours

Using social media



87.06% of respondents use social media to enter competitions.

Popular channels for entering competitions

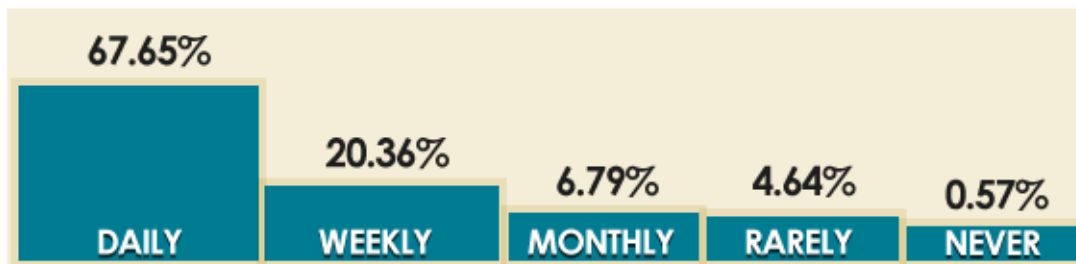


The most popular method of entering competitions is through social media, with 80.83% of respondents citing it as the preferred channel. Other common entry methods include company websites (79.59%), as well as online magazines and communities (70.01%). Even in the digital age, 21.08% still use postcards to enter competitions, whilst another 10.94% enter competitions by phone.

Most popular social media channels

| | |
|-----------|-------|
| Facebook | 78.5% |
| Twitter | 65.8% |
| Pinterest | 16.8% |
| Google+ | 12.3% |
| Instagram | 10.2% |
| LinkedIn | 2.7% |

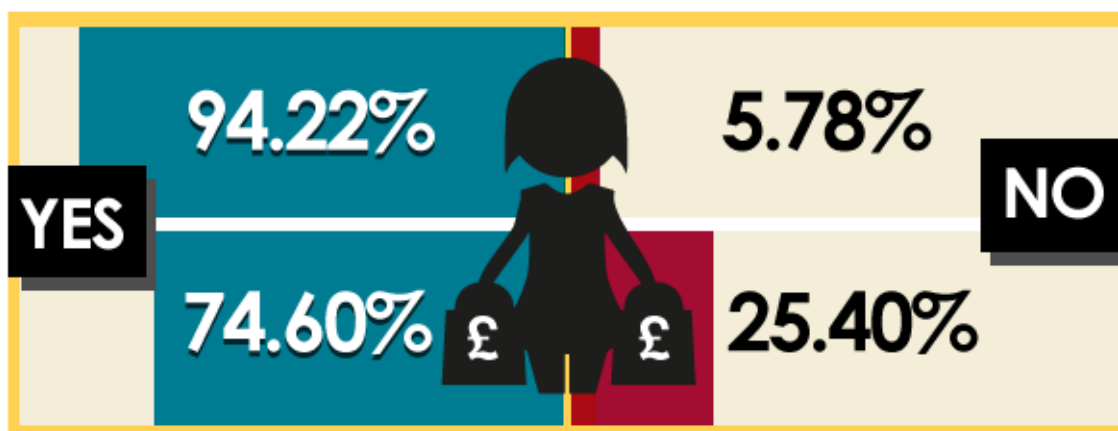
Frequency of entering competitions



More than two thirds of survey respondents (67.65%) enter competitions on a daily basis, whilst 20.36% enter weekly and 6.79% participate monthly.

How Competitions Influence Your Audience

Influence on brand awareness

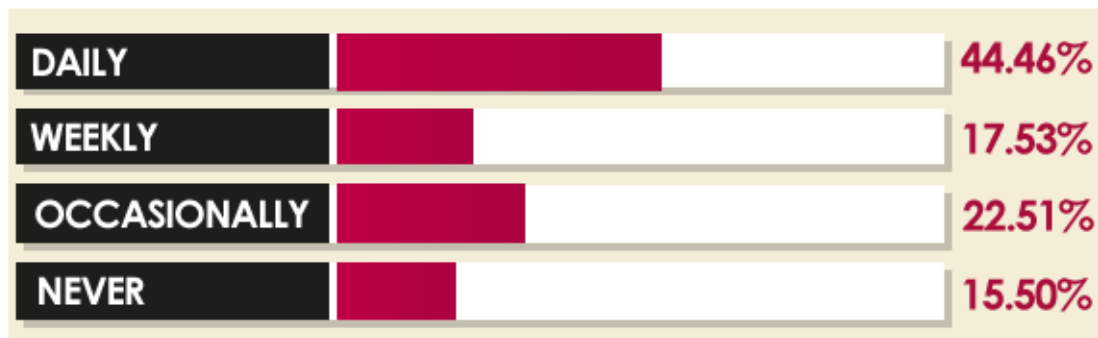


94.22% of survey respondents found that competitions have introduced them to brands that they would otherwise not have known about.

TAMBA TIPS

New brands can use competitions to convey their brand story, create awareness and build affinity amongst online audiences.

Influence on brand reach & engagement



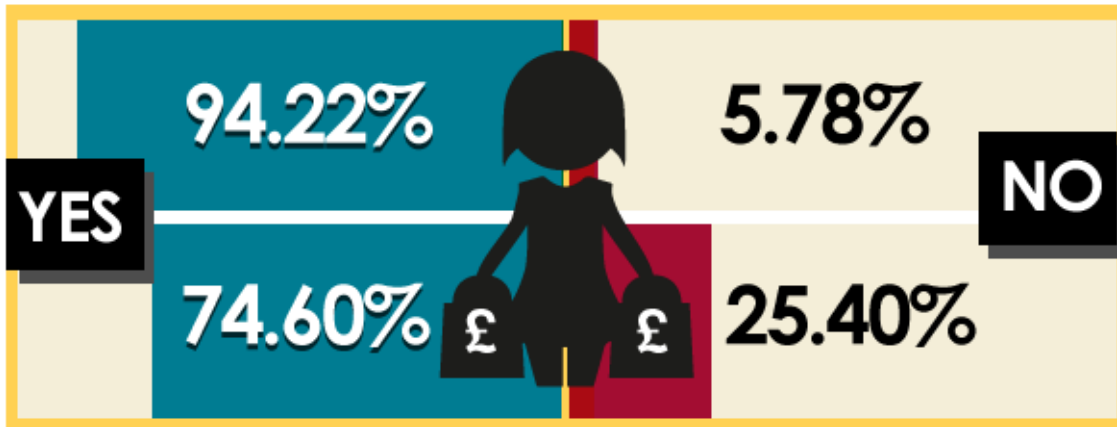
84.5% of respondents continue to share content from a brand on their social media profiles after a competition ends, with 44.46% doing so on a daily basis.

MYTH THREE

People who enter competitions no longer interact with the brand after the competition ends.

FACT: From our survey findings, more than 4 out of 5 people who enter competitions still share content from a brand on social media after the promotion ends.

Influence on purchase decision



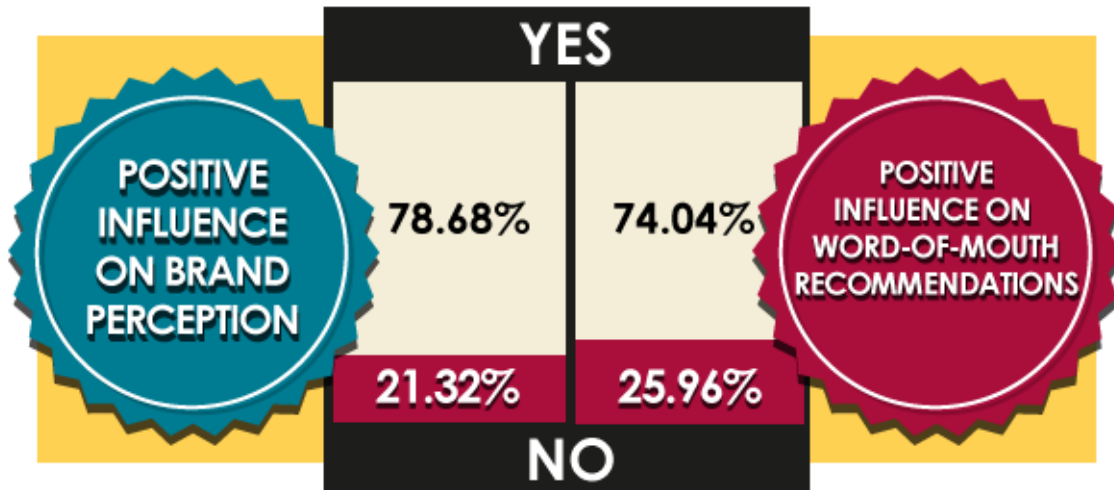
When it comes to purchasing decisions, competitions positively influence three quarters (74.60%) of entrants.

MYTH FOUR

Competitions have no influence on a participant's purchasing decision.

FACT: Our report finding clearly shows that competitions do influence purchasing decisions for 3 in 4 participants.

Influence on brand perception/Influence on word-of-mouth recommendations



Brands that offer competitions and giveaways are viewed favourably by 78.68% of respondents.

74.04% are also more likely to recommend a brand that offers competitions and giveaways to their friends.

MYTH FIVE

Competitions have no influence on whether a participant will recommend a brand.

FACT: According to survey findings, almost 3 out of 4 people are more likely to recommend a brand that offers competitions and giveaways.

Frustrations with competitions

For **72.35%** of survey respondents, the biggest frustration about competitions entered is receiving **'unwanted spam from the brand'**:

'Unwanted spam from other companies who have been given my details by the competition organiser.'

'Trick tick boxes, good companies should not need to trick you into receiving spam, it looks bad for their reputation!'

'E-mails about the competitions that make you think you have won but are just offering a discount. I'm happy to be sent offers and often use them but don't put congratulations in the header!'

39% complained about **delays in prizes being sent out**:

'Lack of communication when you have won a prize. For example, I won tickets to an event with a group touring the country. I wasn't told which arena the tickets were for, how many tickets I had won or what date the event was for. It took several telephone calls to the promoter find out these details and left time very short to organise time off work and organise travel.'

27.5% were frustrated with **delays in announcing winners**:

'Many competitions these days fail completely to notify winners or seem to think it is ok not to send a prize at all. I have been comping for many years and this seems to be a fairly new thing, not sure if it is due to incompetence, indifference or I am sad to say some kind of fraud.'

'Some companies don't take it seriously and you have to keep chasing them up. I think it should be treated the same as an order. You are a customer or potential customer.'

Some respondents perceive there to be **unfair conduct** amongst other competition participants:

'When it is a vote-only competition, as the winners are usually tech geniuses who can cheat the system and have lots of fake voters, making it totally pointless for anyone else to enter.'

There are also some who believe that **unfair behaviour exists amongst companies** running competitions:

'In small print it says "excludes Northern Ireland" yet their product is for sale here. They are happy to have our custom and make money from us but then exclude us.'

'Some competitions I've entered have chosen employees to win. Basically, created a PR stunt which ends up costing them business from the comp and blogging community.'

'Filling in a form and then finding at the end that you have to have a code from a purchase.'

Entry to the competition should be clear, simple and straightforward, as a **complicated** process can be an issue for some participants:

'When it states in the T&Cs that you can only enter once, but the form allows you to enter more than once i.e. it doesn't recognise duplicate entries and, politely, tell you that you have already entered. It's hard to remember what you have entered.'

'Complicated entry forms'.

'Most votes wins. Share to get more entries.'

TAMBA TIPS

***How you manage a competition is vital to its success.
Keep your audience happy and address queries promptly.***

Top Brands

We asked respondents to share the brands that they felt offered the best competitions online. Below are the top 10 lists based on descending order of mentions.

Top 10 brands offering the best competitions online

- | | |
|-----------------------|----------------------------|
| 1. ITV | 6. Debenhams |
| 2. Asda | 7. Argos & Waitrose (tied) |
| 3. Tesco | 8. |
| 4. Shortlist magazine | 9. Sky & Morrisons (tied) |
| 5. Stylist magazine | 10. |

Respondents also cited radio channels and travel companies amongst the brands that offer the best competitions online.

Top 10 brands consumers want more competitions from

- | | |
|----------------------------|----------------|
| 1. John Lewis | 6. Boots |
| 2. New Look & Apple (tied) | 7. Virgin |
| 3. | 8. Sainsbury's |
| 4. Marks & Spencer | 9. Amazon |
| 5. Tesco | 10. Next |

A sizeable number of car brands were also named, such as Mercedes and BMW, as well as fashion brands like River Island and Mulberry.

Opportunities & Takeaways

Based on the findings from our survey, TAMBA believes that, provided business objectives are clearly defined in the first place, competitions are useful to companies in achieving various goals:

- **Increasing brand awareness** – 94.22% of respondents found that competitions have introduced them to brands they would otherwise not have known about.
- **Enhancing brand perception** – Brands that offer competitions are viewed favourably by 78.7% of respondents.
- **Increasing then maintaining brand reach and engagement** – 84.5% of respondents continue to share content from a brand on their social media profiles **after** a competition ends, with 44.5% doing so on a daily basis.
- **Influencing purchase decisions** – 74.6% of respondents said that the competitions they have entered have influenced their decision to buy from the brand.
- **Encouraging recommendations** – 74% of respondents are more likely to recommend a brand that offers competitions than others.



Dispelling Myth from Fact

MYTH ONE

People who enter competitions are stay-at-home mums.

FACT: According to our findings, the 'typical' person who enters competitions is a thirtysomething with a full-time job.

MYTH TWO

Competition winners are bloggers picked to promote the brand.

FACT: Only 5% of competition entrants surveyed have a blog.

MYTH THREE

People who enter competitions no longer interact with the brand after the competition ends.

FACT: From our survey findings, more than 84.5% of people who enter competitions **still share content from a brand** on social media after the promotion ends.

MYTH FOUR

Competitions have no influence on a participant's purchasing decision.

FACT: Our report finding clearly shows that competitions **do influence purchasing decisions** for 74.6% participants.

MYTH FIVE

Competitions have no influence on whether a participant will recommend a brand.

FACT: According to survey findings, almost 74% of people **are more likely to recommend a brand** that offers competitions and giveaways.

A note about the comping culture

Compers are people who regularly participate in online competitions marketed by companies to promote a brand. In recent times comping has become prevalent to the point that the word 'comping' is included in the Oxford Dictionary, defined as "the practice of entering competitions, especially those promoting consumer products".

Whether companies like it or not, comping communities are a growing market. There are dozens of comping communities on the Internet, where compers gather to discuss the latest promotions and tactics, as well as their personal experiences and wins. As there has not been any extensive market research conducted on compers, the actual total number of compers is unknown.

Benefits of running competitions

TAMBA run social media competitions for many global brands, including Binatone, Superdry and Pirelli. From our experience, we believe that the benefits of a well-run competition can yield positive results including:

Fan acquisition

- Growing your audience
- Building your own database of potential customers

Fan engagement

- Nurturing a community
- Spreading brand messages
- Creating conversations with your audience
- Influencing purchasing decisions

Fan loyalty

- Keeping fans happy
- Encouraging peer-to-peer conversations amongst fans
- Encouraging participants to create content i.e. user-generated content that drives traffic to your website and can help increase your Google organic search engine positions

According to research by Incentivibe on Unbounce.com, “giveaways have the ability to convert daily targeted visitors into email subscribers and leads. Landing pages that ran a contest with a \$500 prize collected **700% more email subscribers** than landing pages with no contests.”

Best practices for social media competitions

How you manage a competition is vital to the success of the campaign, which ultimately affects your brand image. From our experience running social media competitions for clients, companies should always heed the following when organising their own online promotions:

- Always keep your audience happy, as they comprise both existing and potential customers.
- Provide an option for competition entrants to unsubscribe from receiving marketing messages.
- Ensure prompt winner announcements and prize fulfilment.
- Always adhere to the promotion guidelines set by each social media channel, as they may vary.
- Make the entry process easy and clear, as complicated and tedious steps may prevent people from entering competitions.

Distribution channels

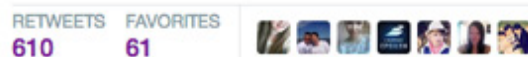
The next step in running a social media competition is seeding it out to the right channels (not just social media) for maximum exposure and participation. Below are our top 5 channels for seeding out competitions:

- MoneySavingExpert's competition forum – note that brands cannot directly promote their competition on the forum, as only forum members may do so
- CompetitionClub.co.uk
- SimplyPrizes.com
- PrizeBug.co.uk – note that there is a charge to include your competition in their listings
- Loquax.co.uk

Examples of Competitions that Work

Superdry

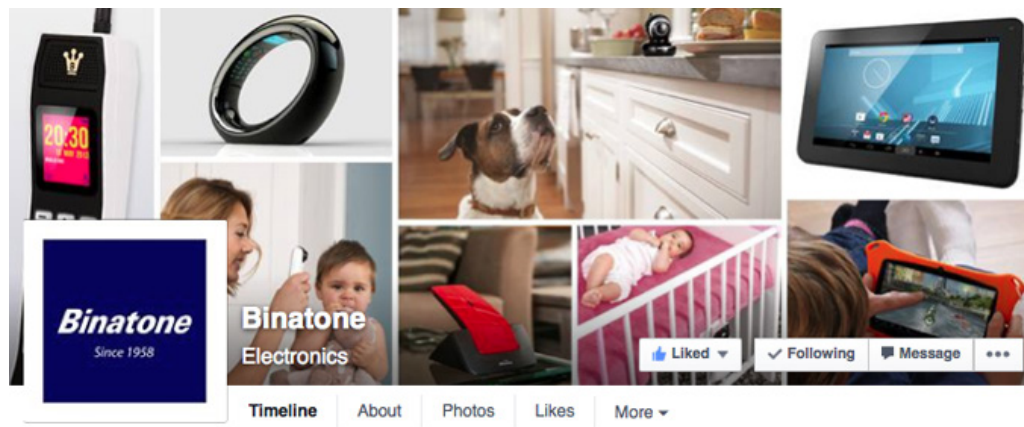
TAMBA ran a Retweet and Follow competition for clothing brand Superdry on Twitter, held concurrently with their Student Ambassador campaign. Their fanbase grew by 23% in the first 7 weeks.



Examples of Competitions that Work

Binatone

We ran a Facebook competition for consumer electronics brand Binatone, offering a Binatone product bundle as the prize. We helped increase their fanbase by 22.45% to 6,000 fans and received a total post reach of 53,164.



QualitySolicitors

To increase their fanbase, we ran a Facebook competition giving away the new iPad with retina display. We received more than 2,500 entries. Over the competition period, fan engagement levels increased by 6%. All seeding was done through viral and organic channels and no media buying was undertaken.



About TAMBA

TAMBA is a multi-award-winning social media marketing agency that has helped to shape, refresh and grow some of the world's favourite brands. We specialise in social media campaign creation and community management, creating deep connections between consumers and brands through standout campaigns. We also offer a wide range of bespoke digital marketing services, covering web design, mobile and app development, and guerrilla advertising.

Our approach is simple: we work closely with our clients to understand their business needs, then combine actionable insights-driven strategy with creative thinking to deliver digital solutions that yield measurable results.



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