

INSTANT WIN DRAWINGS
REDUCE POINTS BASED
REWARD PROGRAM COSTS
AND IMPROVE ENGAGEMENT

CASE
STUDY



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CHALLENGE

Every incentive program manager is faced with recruiting, engaging and retaining participants. They are constantly looking for new promotions to deploy to drive behavior to ensure that company and client stakeholders stay happy. Common problems reward managers are faced with are stale promotional offerings, not enough products to engage low point value earners, a tight budget, and a disconnected user experience. When we hear this from marketers, the first thing we look at is the marketer employing games in their product marketing mix and if they are how are they implementing the game within their program.

Reward drawings are designed and deployed to impact a targeted audience's behavior and are meant to engage low point based participant earners with an opportunity to exchange points and win a high perceived value prize item that is enticing enough to impact consumer behavior by increasing consumer engagement, and build brand advocacy of a points based program. A well-designed promotional drawing or sweepstakes will accomplish all the above. However, there are pitfalls to be avoided.

Reward drawings need to be carefully created, deployed and managed to avoid legal, operational and financial pitfalls. Legal issues associated with a promotional drawing can have considerable ramifications. To avoid the considerable issues associated with drawings, it is often best to partner with a reward and promotions marketing agency with expertise and experience in designing and managing promotional drawings. An effective reward drawing does require a base level of volume.

To launch an effective reward drawing program the reward mix



must be attractive enough to impact behavior. Supporting a reward-mix of \$5,000 requires either a willingness to pay for rewards well in advance of distribution and have the drawing play out over a long period of time or enough volume to burn through the drawing entries available in a considerably shorter window.

SOLUTION

When clients implement All Digital Reward's reward management system, RewardSTACK™ technology, along with the Game and Reward WIZARD™ applications they are provided a single-point integration for existing client system assets to instantly connected to ADR's extensive reward product portfolio to engage respondents real-time with a simple, easy to deploy and affordable instant win drawings games. They can run multiple prize drawings for different prizes, reward prize mixes and demographics simultaneously, each with its reward scheme and cost per entry. They can determine the drawing reward budget and the number of entries available, thus retaining control over costs.

Additionally, they can adjust the odds of winning to meet their specific objectives while holding both aggregate and incremental costs constant. Each reward budget can remain unchanged while the number of winners is increased dramatically allowing them to leverage the power of a high-profile reward like a \$2,500 Kash Is King Giveaway, 3-night/4-stay in Vegas, or a 65-inch TV at a unit cost of \$0.50 or less.

ADR helps clients use a high-profile reward as the primary enticement in the marketing of the instant win prize drawing to potential low point earner participants. It is Grand Prize Reward that is the engine driving the program's effectiveness. A successful reward drawing must impact the decision making and consequently the behavior of the target audience. To accomplish that objective your reward drawing must have a well-chosen "hook" that offers a Prize Mix perceived value high enough that recipients are willing to trade their time, effort, or loyalty points for merely the opportunity to win the prize.

RESULT

A menu of reward drawings with high profile, high perceived value "hooks" embedded in an overall reward program supported by advanced technologies can dramatically reduce marketing costs and liability. The concept of "Preference Reversal" will allow you to siphon off liability through members self-selecting to exchange or redeem points for drawing entries at an attractive rate.

A drawing entry with a hard cash cost of \$0.50 each to a client and priced at \$3.00 – \$5.00 in reward point currency can dramatically reduce costs and increase engagement.

INSTANT WIN PRIZE DRAWINGS*

\$5.00 Product Point Value

	Reward Face Value		Instant Win Entry			
	MSRP	Total	Token	Prize	Fulfillment	Total
Units	\$5.00	\$5.00	\$ 0.50	\$ 2,500.00	\$150	
5,000		\$25,000.00	\$ 2,500.00	2,500.00	\$150	\$ 5,150.00
Net Savings						\$19,850.00
% Savings						79%

* Numbers and outcome based on a standalone Instant Win game drawing. When other products are offered and compete with the Instant Win prize offerings program savings are reported closer to 17 to 30%. Participant programs that earn at lower thresholds and receive smaller points blocks for behavioral outcomes report higher point exchanges in for Instant Win Games drawings.

There are three very clear conclusions: there is a role for drawings in almost any points based reward plan, drawings need to be administrated through technologies that participants want to use supported by program management software that can offer marketers the ability to manage rewards, multiple games, and access to real-time reporting. But no drawing is successful if the wrong reward mix is assembled and legal issues are not worked out in advance when creating an effective drawing.

The economic flexibility, attractiveness, and engaging nature of reward drawings allow for a myriad of uses. However, it is important to have specific objectives for each drawing and to create a rewarding mix, entry distribution method, and user experience reflective of that objective. Without a well-structured plan, a reward drawing will not be as effective as it should be and not impacting behavior is simply an exercise in spending money.