

Hitting the headlines



You don't need to break the bank to offer big prizes. Thomas Lubbock, Director of ETT, says insurance-backed special promotions open up a range of options for even the smallest marketing budget.

The last few years have seen a tremendous rise in the number of newspaper games, special promotions and television programmes encouraging the public to participate with realistic hopes of winning big. Many of them – like Who Wants to be a Millionaire – have become household brands in their own right. And because nothing guarantees a headline like a big prize winner, the associated marketing and branding benefits to the promoter are immense.

Marketing Managers with modest budgets might wonder how they can possibly compete in this arena with media giants and multinational corporations. But with the launch of high profile campaigns and big wins becoming everyday events, they present an opportunity that nobody can afford to ignore. And thanks to the concept of insurance-backed prize funds, the playing field is much more level than you might think.

By insuring your campaign against a player winning the top prize, you can convert what might

have been a relatively modest original incentive – £5,000, for example, or a family saloon – into a premium for a significantly greater pay-out (£5 million, a state-of-the-art car or a house) in the event that somebody actually wins. As a result, you can offer the possibility of massive prizes, increase the volume of players and raise the profile of your campaign to a much higher level.

Of course, it isn't a no-brainer. The main prize must look (and indeed, be) achievable to the public, or they won't take part. It has to be underpinned with an attractive array of lesser prizes that will be won more easily.

From the insurance company's perspective, the promotion will have to be designed so that winning the game or competition can have 'odds' attributed to it: the harder the task, the higher the odds and the lower the premium for a big prize fund. It must also have a watertight response-handling operation at the back end: rest assured, the insurance company will want to conduct a thorough audit if the main prize is claimed!

One of my earliest experiences with this type of promotion came when I worked on the Daily Star Super Soccer League, a fantasy football game. The top prize, previously in the region of £50,000, was converted into a reduced guaranteed top prize and the surplus was converted to a

Insurance backed promotions open up possibilities to offer extremely attractive top prizes.

premium that would pay £1million in the event of a certain score being achieved.

This led to an increased playing population. But crucially, in a busy market place – all the nationals have some sort of fantasy football game – it positioned the game as the only one with a £1million prize pot. It actually helped to poach players from the competition: The Sun's game boasted a £250,000 guaranteed prize but suddenly found itself competing with the publicity surrounding The Star's £1million fund.

Fantasy football aside, the concept of underwritten promotions has opened up new horizons in terms of the range of successful campaigns. PIMS-SCA, a specialist in risk management promotional solutions, has played a key role in two projects that demonstrate the headline-grabbing effects of an individual approach.

Tetley's 'Kick for £1million' campaign required consumers to collect ring pulls that would enable them to win a week-end in London for the Tetley Bitter rugby final, and the chance to win up to £1million. Prize draw winners played a pre-match game, and the finalist had to take three kicks from three different distances. The top prize could only be claimed if all three scored between the posts. Before the final, PIMS-SCA had to carry out kicking tests and evaluate the risk of the full £1million being won. In the event, there was a £50,000 winner but no millionaire.

'Smash the £1million Piggy Bank' for the Dutch Meat Board was even quirkier. The first level of the promotion invited consumers to win a ceramic piggy bank. 20 lucky winners were then awarded a VIP trip to Amsterdam where they competed for a place in the final. The overall winner was given 30 seconds to smash as many of 2,000 china piggy banks as they could, one of which contained the £1million cheque. With its specialist experience, PIMS-SCA was able to manage the financial risk for a fraction of the value of the main prize.



This type of promotion isn't limited to consumer purchases. The Daily Draw (www.dailydraw.com), for example, invites people to enter a free lottery with a prize value of £1million and lesser prizes of smaller denominations, in return for agreeing to be shown relevant offers while they are playing and by e-mail. It opens up the benefits of the promotion to The Daily Draw's marketing partners.

Players are asked a series of lifestyle profiling questions and, to enter the draw, are then required to click on a banner advert from a relevant advertiser. Advertisers can promote the draw on their own sites, increasing traffic and data about potential customers. Data from the Daily Draw site itself is segmented and sold to third parties for e-mail campaigns.

You are witnessing a first class example of an insurance-backed promotion that is also effectively a sophisticated on-line data capture, traffic building and customer profiling exercise.

Nobody won the top prize in the Daily Star's fantasy football game. But even if the underwriters hope that big wins in insurance-backed promotions are few and far between, the promoters themselves have every reason to be excited when somebody does land the jackpot.

The general benefits of these campaigns – increased sales and brand awareness – can be multiplied by the resulting publicity. It's also good for the reputation of this type of promotion when there is a winner: it feeds public aspiration and the belief that success in similar competitions is possible; and it helps to quell any bad press that can arise when the top prize is not guaranteed or perceived as impossible to win.

Self-regulation in the industry is also going some way to enhancing the integrity of these campaigns. The Institute of Sales Promotion has laid down some strict guidelines for its members, and there have been expulsions on rare occasions when these have not been adhered to.

Marketers themselves can play their own part by including as many other prizes as the budget will allow. These must be guaranteed. Promotions that attract large numbers of players and entries end up as empty marketing vessels if there are no winners. The more winners you create, even with relatively modest prizes, the better the brand experience for the consumer.

A good agency with sales promotion experience will be able to both devise an appropriate odds-based promotion mechanism and



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implement the logistics operation at the back end, which must be sound and foolproof for everybody concerned.

They will also arrange the insurance premium with a specialist supplier – such as PIMS-SCA or Hole-in-One – and liaise with them on the particular requirements that might be applicable in ensuring the validity of the insurance premium.

By tapping into that experience and expertise, you can compete in this rapidly evolving and highly effective marketing sector on equal terms with the biggest brands and names in the business. With a little thought and advice, your next promotion could be making the headlines; and a millionaire or two into the bargain. ■

To discuss your sales promotion needs, contact Thomas Lubbock on 01603 663086 or email thomas@ett.co.uk



With clever use of insured wins, The Star stole a march on its competitors and offered a £1million jackpot for its fantasy football game.

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www.isp.org.uk
www.ett.co.uk
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