



SPECIALTY BROKERS

January 2012

Traditional Instant Win vs. Probability Instant Win Influencing Consumer Purchase Decisions at Point of Sale

An Insured Creativity Whitepaper

“Results revealed that probability instant win formats outperform traditional instant win formats by a margin of 2 to 1...”

Executive Summary

One of the tools marketers use in the quest to drive product sales, is an instant win sweepstakes. Sweepstakes can be an effective way to influence the purchasing decisions of consumers, but marketers rarely measure their post-promotion impact on the consumer and the product’s brand.

Insured Creativity Specialty Brokers recently carried out a study to evaluate the effectiveness of probability instant win vs. traditional instant win sweepstakes formats as it relates to customer purchase motivation. Results revealed that probability instant win formats outperform traditional instant win formats by a margin of at least 2 to 1 in all three categories of “first purchase”, “next purchase”, and “next promotional purchase”.

Savvy marketers aiming to increase product sales as well as secure competitive differentiation should consider a probability instant win format in favour of a traditional win format when implementing a sweepstakes.

Methodology

This study involved 1,017 randomly selected participants who responded to an online survey. We asked participants to imagine they were in their local grocery store faced with the decision to purchase one product over another.

We had them visualize that one product had an instant win format on the packaging and one did not. We told them the products they were deciding between were similar in features and price.

We showed respondents visual images of two instant win formats and then asked them to imagine how the formats would influence their purchase decision. We tested for influence on first purchase, next purchase, and next promotional purchase.

Consumer responses were based on groupings of four choices that measured the degree of influence. These choices included “a lot”, “a little”, “not likely” and “not at all” as well as “very likely”, “somewhat likely”, “not very likely”, and “not at all likely”.

The selection of “a lot” and “a little” as well as “very likely” and “somewhat likely” are considered to be positive, indicating the respondent would be more likely to make a purchase. The selection of “not likely” and “not at all” as well as “not very likely” and “not at all likely” are considered to be negative, indicating the respondent would be less likely to make a purchase.

Formats Tested

Traditional Instant Win

This is a chance to win format using a win/lose mechanic. An example of this format is a scratch-to-win card where the consumer scratches off a latex coating to reveal a win or lose message. There is a mix of winners and non-winners within the total number of chances to win. This format can be delivered online or offline.



Probability Instant Win

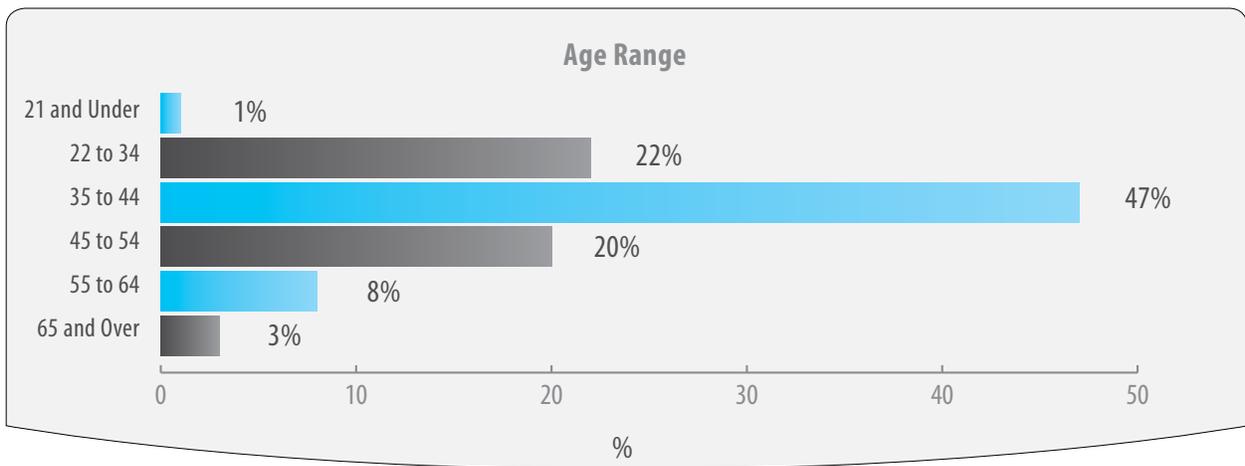
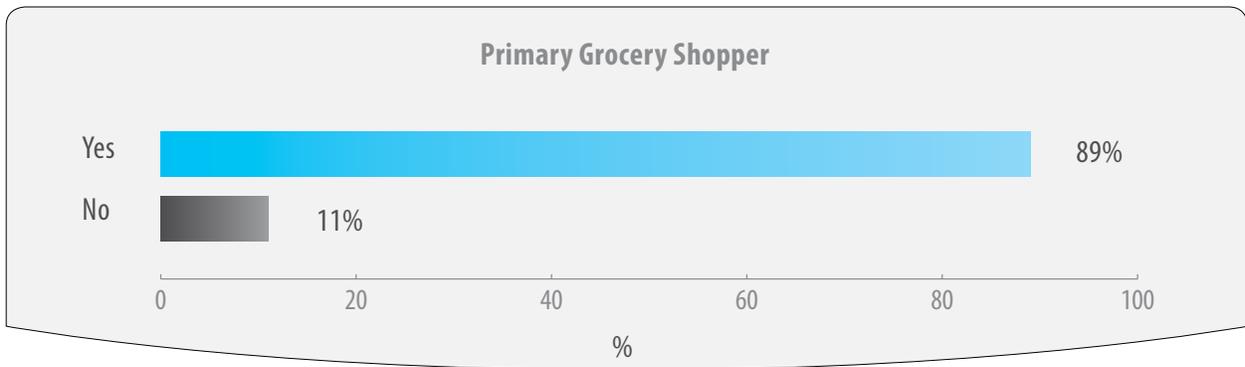
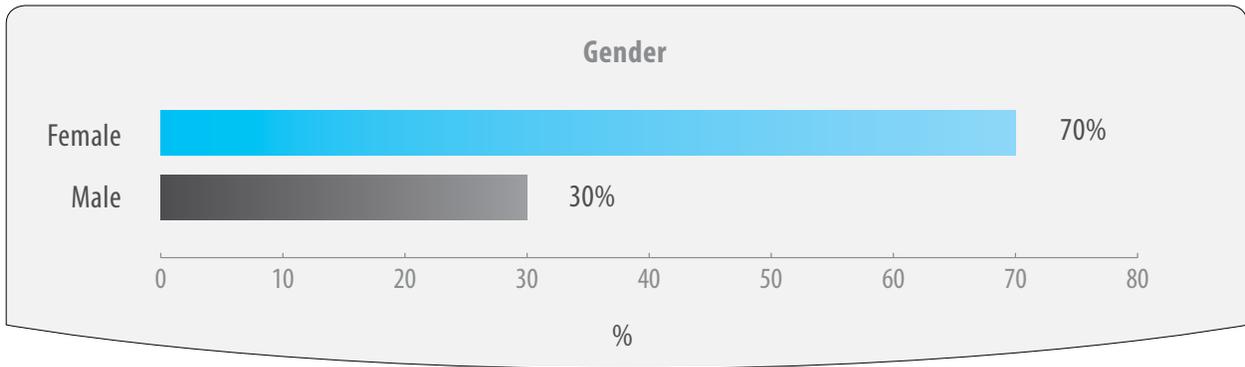
Probability Instant Win: This is a chance to win format where each and every game play has the potential to win, depending on the choices the consumer makes. To illustrate, in the samples to the right there are nine latex covered scratch-off circles. To play the game, a consumer scratches only three circles with the aim to match three prizes. Each game play has three matching prizes randomly placed among the nine circles and therefore, each game play has the potential to win depending on the three circles scratched. This format can be delivered online or offline.



Respondents

The following are the summary profiles of the respondents. N=1,017:

Chart 1: Respondent Details



Findings

Below are the key questions we posed in this study and a compilation of the results.

Competitive Product Purchase Decision – Traditional Instant Win

Question: Would a game card with the chance to win a prize influence your decision to purchase one product over another? (Assume that the products are similar in both features and price).

Chart 2



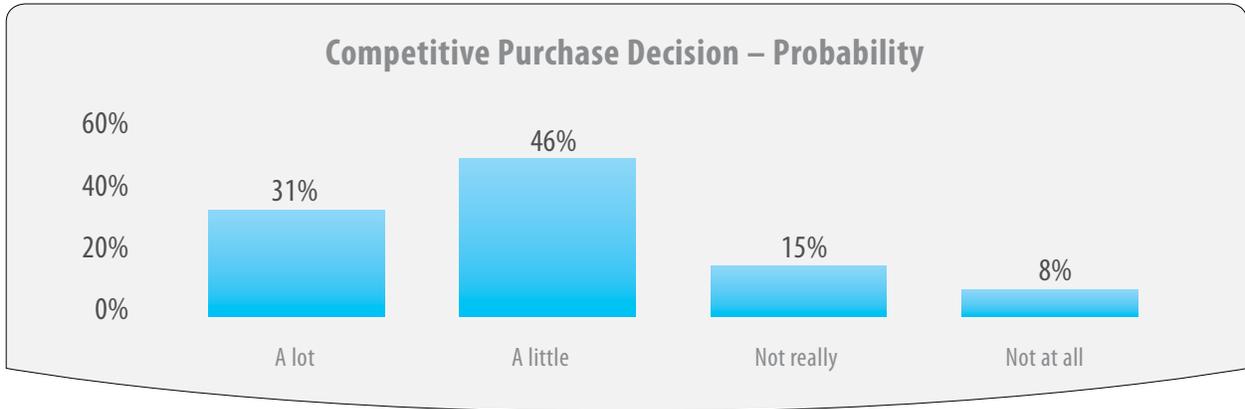
Not surprisingly, an instant win on-pack game format does influence purchase decisions at point of sale. A majority of consumers (73%) appear to respond positively to on-pack instant win formats and may choose one product over another based on a chance to win. Marketers who know this have had success using these tactics to help differentiate their products.

“Instant win on-pack game format does influence purchase decisions at point of sale.”

Competitive Product Purchase Decision – Probability Instant Win

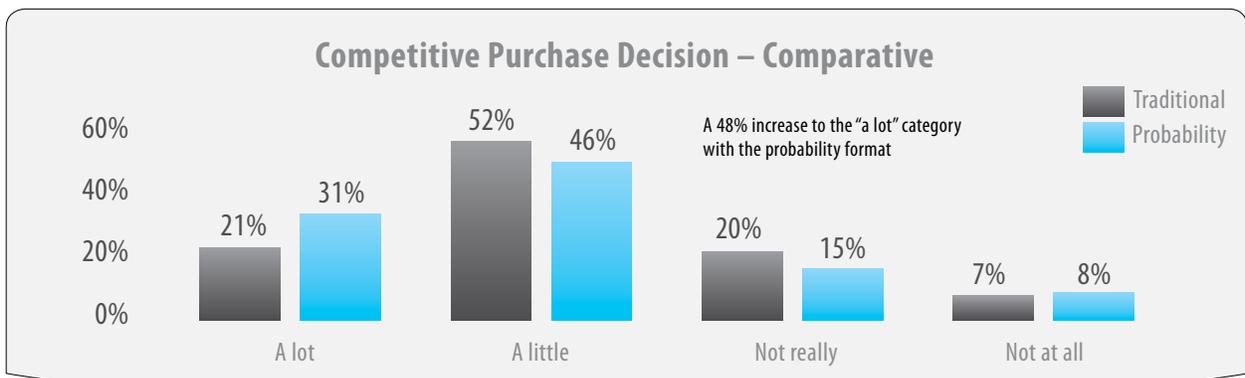
Question: Would the game card with the chance to win a prize each time you played depending on how you scratched, influence your decision to purchase one product over another? (Assume that the products are similar in both features and price.)

Chart 3



When we asked the same group of respondents to tell us how an on-pack instant win probability format would influence their purchase decision, the results were more interesting. Within the group of respondents that was most influenced by on-pack instant win formats (the 73% from the previous chart) there was movement in the degree of influence. A 10% shift (a 48% increase) in the “a lot” influence category vs. the traditional instant win format. This suggests that the probability format has more appeal than the traditional format and is likely to generate more influence on the purchase of one product over another at point of sale.

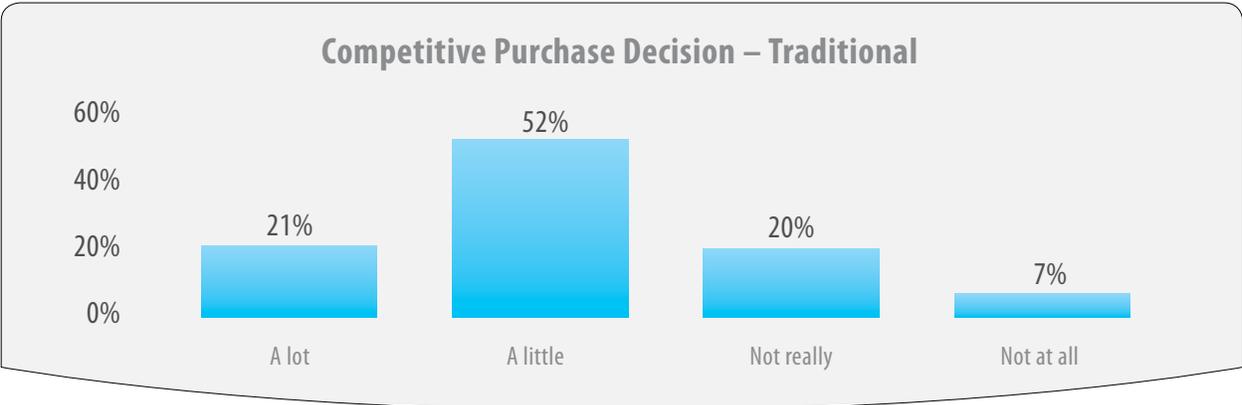
Also, the probability format was able to convert a 5% shift (a 33% increase) of the “not really” category into the “a little” category or from negative to positive purchase intent. The shift in purchase decision influence moved a group that was not likely to make a purchase into a group more likely to make a purchase.



Win Potential Impact on Next Purchase –Traditional Instant Win

Question: Now imagine you purchased that product and you received a game card with the message “Sorry Try Again”. Would you purchase that product again?

Chart 4

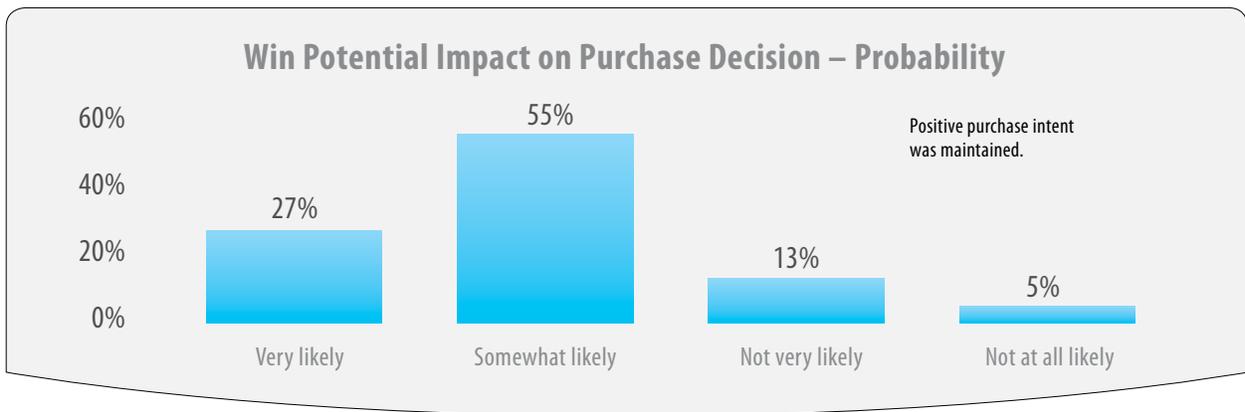


With the traditional instant win format, the consumers have no perceived influence over whether they can win or not. The card is either a winner or not. The consumer quickly realizes this, which negatively impacts the positive influence of a chance to win format. The “Sorry Try Again” message had a 9% shift (a 43% reduction) of the respondents from the positive categories to the negative categories. Marketers may try to minimize this shift by introducing a differently worded non-winning message, however regardless of how the copy is altered, the fact that the consumer lost will still be obvious.

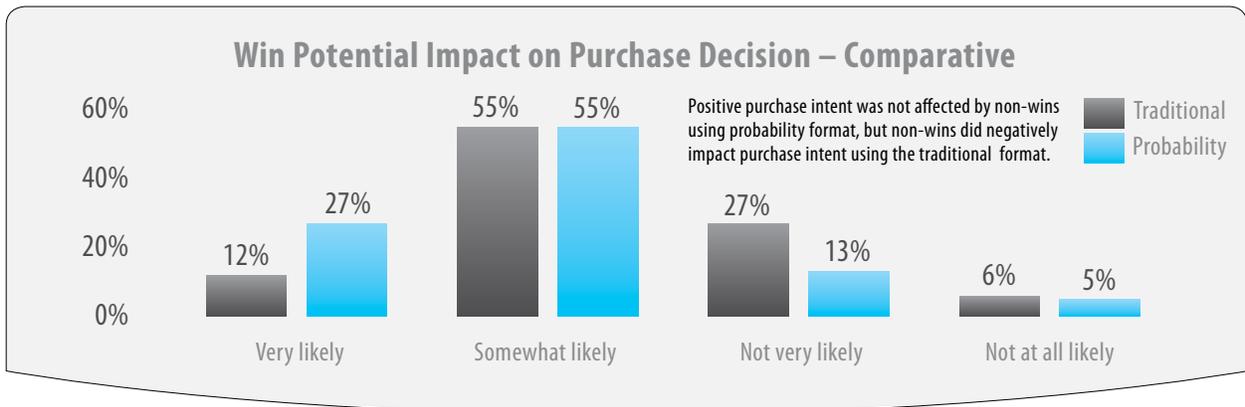
Win Potential Impact on Next Purchase – Probability Instant Win

Question: Now imagine you purchased that product and you received a game card. You scratched and did not win, but by scratching the remaining areas saw you could have won. Knowing that every game card has the potential to win, depending on how you scratched, would you purchase that product again?

Chart 5



Probability instant win formats allow consumers the opportunity to have input into the win/lose outcome. Every game play has the opportunity to win, depending on how the consumer chooses. This format also eliminates the “Sorry Try Again” message, which seems to minimize any negative perception on the part of respondents.

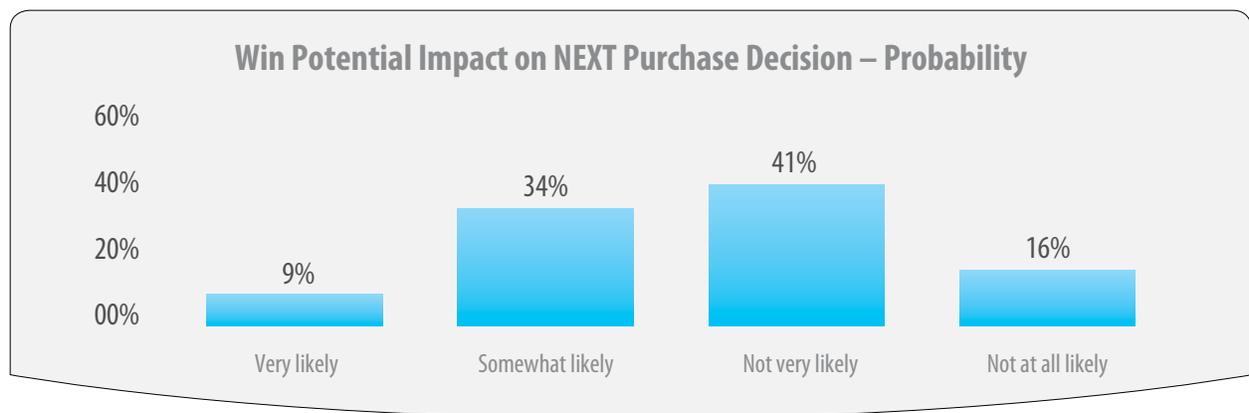


The fact that the consumer did not win in the probability format did not seem to affect purchase decisions. Movement only occurred within the positive categories of “very likely” and “somewhat likely” for the probability instant win format. However, not winning in the traditional instant win format did have a negative effect on purchase decisions.

Win Potential Impact on Next Promotional Purchase Decision – Traditional Instant Win

Question: Imagine you purchased the product a number of times during the sweepstakes period and each time you received a game card with the message “Sorry Try Again”. The next time that product ran a sweepstakes how likely would the game card with the chance to win a prize influence your decision to purchase that product over another? (Assume that the products are similar in both features and price)

Chart 6



Here, 57% of respondents made it very clear that if they made multiple purchases of a product based on a chance to win and then were not rewarded, they would remember the experience as negative, which could influence future purchase decisions negatively.

When traditional instant win formats are used as a tactic to influence purchase decisions and the consumer has the potential to purchase a product multiple times over the duration of the promotion, marketers should be aware **that the ratio between winning and non-winning messages can negatively impact purchase decisions both in the short term and long term.**

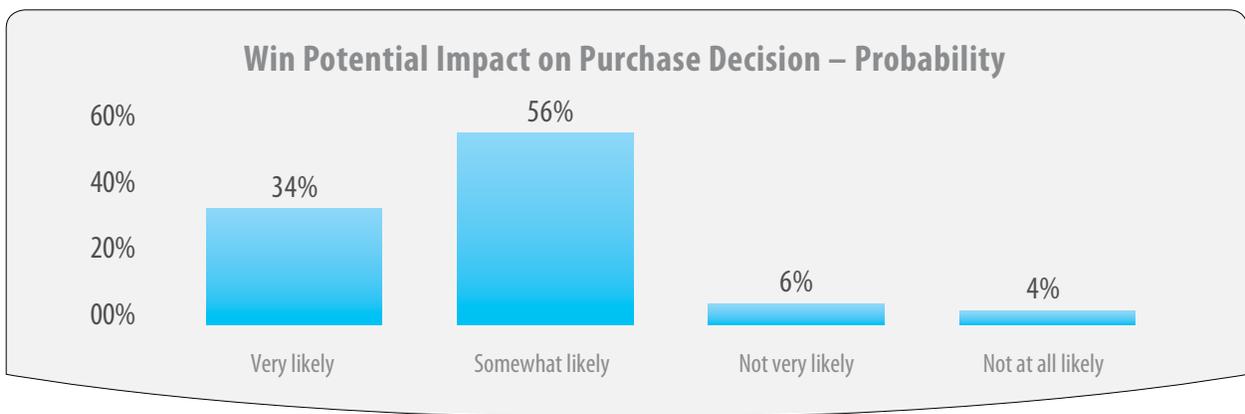
There is clearly a risk that consumers who purchase a product influenced by an instant win format may shift purchase influence from positive to negative when they encounter too many non-winning game plays. The only obvious way to offset this negative impact is for marketers to increase the number of winners vs. non-winners when using traditional instant win formats. Given this reality, the probability instant win format becomes even more attractive because it is less expensive to execute.

“...the ratio between winning and non-winning messages can negatively impact purchase decisions both in the short term and long term.”

Win Potential Impact on Next Promotional Purchase Decision – Probability Instant Win

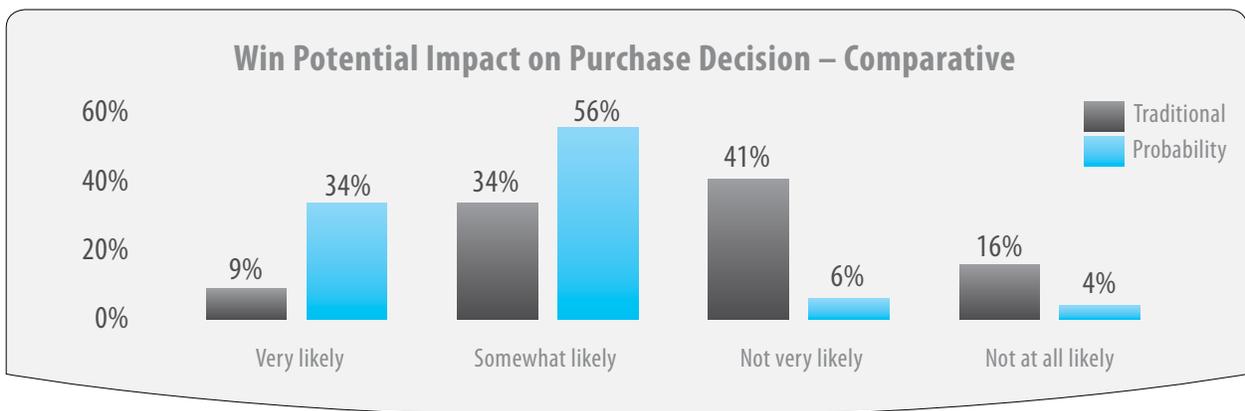
Question: Imagine you purchased a product at a grocery store a number of times during the sweepstakes period and each time you purchased, you received a game card with the potential to win a prize, depending on the choices you made. The next time that product ran a sweepstakes, how likely would the game card with the chance to win a prize each time you played depending on how you chose, influence your decision to purchase that product over another? (Assume that the products are similar in both features and price.)

Chart 7



An overwhelming 90% of respondents indicated that the fact that they had input into their chance to win, even if they did not win, would still help to positively influence their future purchase decisions.

Using a probability instant win format, only 10% of the respondents indicated that their purchase decision would be negatively influenced the next time the marketer ran an instant win promotion. However, using the traditional instant win format, 57% of the respondents indicated that their purchase decision would be negatively influenced the next time the marketer ran an instant win promotion. This is a 61% difference!



Conclusions

Marketers rarely measure the post-promotion impact for consumer perceptions, but this research appears to indicate that consumers do remember their experience with the brand and promotional format and will use that experience to guide their future purchase decisions.

Our study indicates that there is a clear difference in consumer purchase influence with respect to the format a marketer chooses when using a sweepstakes to drive sales. With the chance to win being the same, a probability instant win format appears to influence consumers far more positively on initial purchase, next purchase, and next promotional purchase than does a traditional instant win format. When consumers perceive they have some control over winning, they are more likely to be positively influenced by the sweepstakes.

Recommended Actions

When selecting a format for a sweepstakes aimed at driving sales, marketers should seriously consider a probability instant win format over a traditional win format.

- + When using a probability win format, marketers should use clear messaging in promotion. If consumers understand that every game play has the potential to win, it will enhance this tactic and help influence purchase decisions at point of sale.
- + Marketers choose a traditional instant win format, they need to ensure that the win/lose ratio is sufficient to offset the negative purchase impact that too many “Sorry Try Again” messages can have on the consumer. This will likely result in high costs to run the sweepstakes then a probability win format.

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