

Do Contests Actually Increase Sales?

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Do contests actually work? This article addresses whether contests actually increase sales and the best way to run contests to boost sales.

Running a contest for the first time without having any idea as to the results you can expect is like throwing your marketing ad spend right into the bin. You think you are doing something that will increase sales, but you don't know exactly how.

Without a clear plan, awesome prizes, and the right martech stack, your chances of success from contest marketing is low.

## via **GIPHY**

On the other hand, knowing that you want to run a contest to increase sales is a good place to start. You already know what your sales numbers are and the targets that you'll like to reach. You can then assemble the right team and tools to help you achieve your contest campaign metrics.

So, do contests actually work to increase sales? Yes, they do. Contest marketing allows you to increase brand awareness and attract leads. With greater awareness of your brand, you'll be able to sell your products or services to a larger customer base.

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- What are the types of contests?
- Is it worth it to run a contest?

what is the purpose of contest marketing?

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# What Is Contest Marketing?

Contest marketing is designed to create a positive retailer-related experience for consumers. The cost is to create an affinity for the products or services that a brand sells, and collect information about the contest participants that will help the brand with future sales and marketing campaigns.

The idea of giving away prizes to contest winners may seem like an expensive endeavor. However, with a <u>contest platform</u>, analytics tools, CRM software, contest marketing can be highly effective for acquiring loyal customers.



## **How Contests Boost Sales**

Here is why people love contests and why they are so effective for increasing sales:

Contests Engage Your Following With "Non-Salesy" Promotional Content

One of the primary benefits of running a contest is the promotional benefits. According to a poll conducted by Buzzstream, <u>45% of respondents</u> said that the would unfollow a brand for spending too much time promoting and talking about their own products and services.

Contests offer a unique opportunity for you to connect and engage with your fans and customers while promoting your brand in a way that is non-intrusive, yet fun and exciting for participants. In other words, contest marketing gives you access to an unlimited supply of <u>user-generated content</u> (UGC) that paints your brand in a positive light.

## Popular Contests Spread by WOM

Another benefit of running contests is that your audience will actually promote your brand and contest for you. You'll get virtually free word-of-mouth (WOM) advertising WOM social shares from contests participants are especially important so that you can amplify and spread the message much more effectively than what you might be able to do with paid advertising.

# What Are the Types of Contests That Increase Sales?

As with any marketing, not all forms of contest marketing are effective for driving sales. Here are the types of contests that will boost sales:

- Holiday Contest
- Event-related Contest
- Photo Contest
- Video Contest
- Quiz or Trivia

These types of contests will allow your fan base to engage with your contest easily. In addition, participants can also submit contest entries directly from their mobile phones.

Some types of contests are only popular with specific demographics, such as an essay contest for a college scholarship. As a result, it's important to consider your audience first before choosing the right type of contest to run as it may limit your audience reach significantly.

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# Successful Contests Attract Thousands of Participants and Generate Instant Sales

You can expect your contest campaign to attract hundreds, if not thousands, of entries if marketed to the right audience. Audience targeting also helps increase the odds that contest participants will turn into instant sales.

## Free Advertisement Maker with Templates

<u>Canva</u> lets you create eye-catching advertisements with their free ad maker. Customize your sweepstakes, contest, or raffle ads with trending images, fonts, and high quality design assets.

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Marketers who question the effectiveness of contests have often approached it without the right strategy in place. It is frustrating and expensive to have a contest campaign that doesn't produce the desired ROI.

However, if you have not seen success with contests, you should look into what you did wrong or missed rather than not concluding that contest marketing is effective.

# Next Steps: Plan Your Contest Marketing Strategy

That's it! Now that you know contests do boost sales, it's time to plan your contest marketing strategy. Check out these pages on <u>contest administration</u> and <u>contest management</u> to boost your contest marketing strategy:

- ? Contest Official Rules
- ? Contest Management Services
- ? Contest Administration

Then create your free Premium account and get started on building your next contest!

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