

The logo for PunchTab, featuring a red bookmark icon to the left of the word "PunchTab" in a bold, black, sans-serif font.

INCENTIVIZED ENGAGEMENT

a how-to guide for

MARKETERS



Introduction

Maybe you've heard that gamification and offering incentives and rewards (i.e., incentive marketing) will boost engagement with prospects and customers. It sure does for brands like Arby's, eBay, AT&T, Wal-Mart, and Green Day (rock-on!). Or maybe you're just tired of pulling your hair out trying to get website visitors to do what you want...

Whatever the reason, if you're ready to launch an incentive marketing campaign, then you've come to the right place! This guide will help you get started in eight short chapters. But remember, almost nothing awesome happens overnight. **So be patient, have fun, and get ready to engage and mobilize your prospects and customers!**

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EASY STEPS TO CREATING YOUR INCENTIVE MARKETING CAMPAIGN



WHY DOES INCENTIVE MARKETING WORK?

Before we get started, let's first shed some light on why incentive marketing is so effective.

There's a ton of research on the topic of psychology of motivation* but in short, incentive marketing works because it taps into the wide range of our emotional needs and desires. Everything from basic social acceptance (not being voted off the island!) to a deep yearning to discover the larger meaning of our lives... these are the emotions that drive what we want, why we want it, and what we'll do to get it.

For example, each of us cares about:

- Getting rewarded
- Improving our status
- Becoming the winner
- Being acknowledged
- Expressing ourselves
- Feeling good

When developing an incentive marketing campaign, it will be these needs and wants that you leverage to get people to do things like: enter a contest, share a video, like a Facebook page, visit a website, subscribe to a newsletter, take a quiz, fill out a profile... you get the idea!



*It's powerful stuff that
totally influences our daily actions
(whether we know it or not)!*

* Check out these great resources on the psychology of motivation:

- Maslow's Hierarchy of Needs – an oldie and a goodie
- Gamification 101: An Overview of the Psychology of Motivation by Michael Wu, Phd (Chief Scientist at Lithium)
- Dan Pink's TED talk on The Puzzle of Motivation

BRING YOUR TARGET AUDIENCE TO LIFE

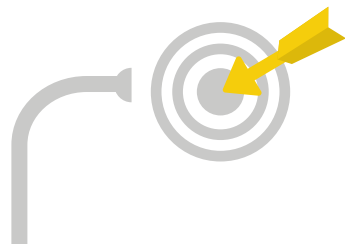
It all starts with your target audience - since these are the folks you want to engage and mobilize with your incentive marketing campaign. But who are they, and what motivates them to take action?

Not sure? We'll then here are some questions to think about:

- How would you describe your target audience?
- What makes them feel good about themselves?
- What challenges do they face in their daily lives?
- What do they like to spend money on?
- What are they trying to achieve in using your products or services?

Figuring out what makes your target audience tick matters big time. Why? Because it'll help you understand and tap into the emotional drivers that will get them to not only pay attention, but also take action!

For example, consumers are different than business professionals in what they care about. And moms are different than foodies, who are different than twenty-somethings. Or are they?



HERE'S A SAMPLE PROFILE TO GIVE YOU A FEEL FOR HOW TO BRING YOUR TARGET AUDIENCE TO LIFE:

Vital Stats:

- Female, 27, Single, No Children
- Roommates: Bonnie (26) and Preston (27)
- BFA, Rhode Island School of Design, 2007
- Industrial designer@Nike
- Self-proclaimed "foodie & amateur chef"

Wants to:

- Create unique, delicious dishes to share with friends.
- Be recognized as a food expert by her friends.
- Stay away from junk food, but still be able to have "comfort food"

Pain Points

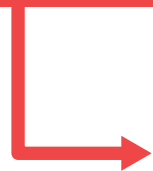
- How to narrow down recipe ideas by meal, ingredients prep time, etc.?
- Doesn't always have time to prep everything from scratch
- On a budget, wants good food but has to keep it within a reasonable cost.

"I love food. Everything from my mom's traditional Chinese recipes to the latest innovation from the food trailers we have around town. I'm kinda known for being the one in my group of friends who will order the craziest thing on the menu. But I'm also the one they ask for restaurant recommendations when their parents come to town - so on some level they must think I know what I'm talking about, right? My DVR is full of back episodes of "No Reservations" and "Top Chef". I love discovering new recipes that I try to recreate at home for my roommates, and checking out people's beautiful food creations on Pinterest. I usually take pictures of my creations - even the failures! - and post them on Instagram. I get super excited when someone 'likes' my food photos"

Information Source & Media Influences.

Food Network, Bravo, Anthony Bourdain, Eater.com, Smitten Kitchen, Serious Eats, The Pioneer Woman, PDX Eats, Whole Foods, Trader Joe's, Ranch 99, Pinterest, Instagram, Foursquare, Yelp.





YOUR GOAL IS ALL POWERFUL

Imagine you're reviewing the results of your very first incentive marketing campaign with your client or boss. How'd you do? Well that's going to depend on your overall goal.

Your goal will influence every aspect of your campaign including: the actions you're looking for, the rewards you offer, the size of the campaign budget, and how you measure success.

Broadly speaking, the goal of your incentive marketing campaign will fall into one of three categories:

BRAND AWARENESS

This goal is all about making your target audience aware of and interested in your brand, new product, or seasonal offering. Since they can only buy if they know about it, right? And you'll measure success based on metrics such as: the number of times your campaign was seen, how many people your campaign reached, and how often your brand was mentioned on social media.

ENGAGEMENT

Is getting prospects and customers to engage with your brand what you really care about? Then you'll want to measure success based on the actions (or increase in actions) you get them to take. For example: viewing more web pages, tweeting out your content, watching a video, or uploading a photo - all good indicators that your audience is interested and engaged in what your brand has to say!

ACQUISITION

You want more prospects and customers... and you want them now! This will be the hardest goal to achieve if you don't already have strong brand awareness and engagement (sorry). What's the good news? It's easy to measure success by how many new fans, followers, subscribers, leads, and customers result from your campaign.

Make sense so far?

Now let's put it all together (with examples) to get those goal setting juices flowing:

GOALS	PERFORMANCE
Brand Awareness:	<ul style="list-style-type: none">• 1,000,000 Facebook impressions• 500,000 unique people reached• 10,000 brand mentions
Engagement:	<ul style="list-style-type: none">• 10,000 video plays• 2,000 social media shares• 1,000 photo uploads
Acquisition:	<ul style="list-style-type: none">• 50,000 Facebook fans• 10,000 Twitter followers• 5,000 email subscribers

Of course, no matter which goal and measurements you choose, you still need to consider how it directly ties back to creating value for your business.

For example:

- What would you have paid to generate the same level of media impressions?
- How much website traffic came from the increase in engagement, and what would Google have charged you for those additional “clicks”?
- What's the value of a Facebook fan or email subscriber for your business?
- How does the cost of acquiring new customers with incentive marketing compare to other acquisition methods?



Understanding the value you're creating will help you calculate the campaign ROI... since that's the secret to getting your next incentive marketing campaign approved!

READY FOR ACTION!

Cool – you know whom you’re going after, and what you’re trying to achieve. Time to talk about how you’re going to get there. This is where the rubber meets the road: what exactly do you want your target audience to do?

Keep in mind that each desired action that you want your target audience to take should also result in activity that you can measure. That way you’ll know how much progress you’re making towards achieving your goal!

Uh oh, not sure where to begin?

No worries as we’ve crafted the following table showing the three categories of goals and examples of corresponding actions (plus ways to measure them!). Any of these actions are good to consider for your incentive marketing campaign.

GOALS	ACTIONS	MEASUREMENT
Brand Awareness:	<ul style="list-style-type: none">• Visit specific pages on your website• Tweet using a campaign hashtag• Share a branded video	Web traffic to key pages Use of campaign hashtag Shares & views of branded video
Engagement:	<ul style="list-style-type: none">• Upload a photo• Check in at a location• Write a review• Submit an idea or suggestion• Vote in a poll or take a survey	Photos uploaded Check-ins completed New reviews published Ideas submitted Response/completion rates, votes
Acquisition:	<ul style="list-style-type: none">• Subscribe to a newsletter• Register for an event• Start a free trial• Like a Facebook Brand Page• Make a purchase	Growth in newsletter subscriptions Successful event registrations New free trial starts New Facebook Page likes Completed purchases

Encouraging repeatable actions

You’ll get more “bang for the buck” if your target audience takes more than one action during the life of your incentive marketing campaign. For example, imagine a sweepstakes in which each photo someone uploads gets one entry. Well if the prize is awesome then guess what? Lots of folks will submit multiple photos to get more chances to win!

Taking them along a predictable path

Think about creating an incentive marketing campaign in which each action leads to another in a predictable and logical way. For example, let’s say your using an incentive campaign to help promote an upcoming event. First you offer an incentive to people who just signed up to share the event details with their friends via Facebook.

On the day of the event, you can then send an email reminding them to check-in at the event to get another reward (e.g., special badge on Foursquare).





THE REWARD IS THE PAYOFF

What's the difference between an incentive and a reward? The incentive is the promise that drives actions, and the reward is the payoff! No surprise then that you need to offer the right rewards to generate the most activity.

And, as you've probably guessed by now, the rewards must be aligned with your target audience (their needs, wants, and characteristics), your goals, and the actions you defined in the previous section.



CONSIDER FREQUENCY AND AVAILABILITY:

Will you have one grand prize reward? Smaller rewards given out daily, weekly or monthly? Will you have rewards people can redeem during the promotion period when they've earned enough points?

It's up to you to decide but you should consider offering some variety with lower level rewards that give consumers the opportunity for instant gratification and aspirational rewards that are bigger ticket items.

For example, consider offering a daily winner of a smaller prize for your promotion. Or, you can give away daily or weekly rewards that build up to one grand prize giveaway. The more attainable the reward seems, the more participation you will get from some consumers while others may want a chance towards a bigger payoff.

Here are some ideas to get you going

Goal | How to tune your audience | Sample rewards

Brand Awareness:

If you're looking to drive awareness, try making your rewards more generalized but still specific to your audience. For example, if you'd like to drive trial, offer samples and free product.

- **Complimentary products and services are both relevant to your audience:**
For example, if you're trying to attract foodies, offer kitchen tools and gadgets.
- **Grand prize giveaway:**
A brand selling to Mom's might want to consider things like donations to their local school or school scholarships, grocery giveaways, or mommy retreats (massage anyone?).
- **Samples and free product:**
Give consumers who may have never heard of your brand or tried your product a free chance to. If you're a restaurant, offer a free appetizer, a consumer electronics company, a free accessory, or a CPG brand a free sample or gift basket with multiple samples.

Engagement:

If you're looking to up the ante with your existing audience and increase engagement, you need to offer rewards that deepen their connection to the brand.

- **SWAG:**
T-shirts, caps, stickers
- **Virtual badges:**
Offer badges that your audience can (and will) proudly display on their Facebook or Twitter profiles that indicate their interests (Frequent Foodie) or status (Honorary Ambassador, Product Expert, etc.)
- **Exclusivity:**
Offer customers early access, VIP treatment and exclusive invitations to private events.
- **Social rewards:**
Don't forget that customers are human and they love to be recognized by the brands they love. Consider things like "We'll feature your top picks" or "We'll feature your best recipe on our Facebook page." Other things like direct communication such as "We'll tweet to you" or "We'll follow you" can go a long way and both solidify and deepen your relationship with that consumer.

Acquisition:

Get them to buy or get them in the store by offering rewards that lead to purchase.

- **Complementary products:**
Consider offering accessories. If you're a clothing company, give users the opportunity to win or earn a free accessory redeemable in store.
- **Discounts and upgrades:**
Consider offering consumers things like free shipping, \$25 off their next order or buy-one-get-one free. If you're trying to drive awareness around a new product, allow them to win or earn that new product with the hopes they'll come back for more or tell their friends about it!

Remember to think about it this way:

What will encourage subscribers to a foodie website to send in their favorite recipes? How about getting a chance to cook along side a celebrity chef! What would you offer Lexus car owners to get them to bring a friend for a test drive? Well, they'll probably be more interested in rewards like extra VIP treatment or a free round of golf than a dealership t-shirt. Make sense? Okay, now it's your turn. What rewards will mobilize your target audience to take action?



WHAT BUDGET DID YOU HAVE IN MIND?

Now it's time to quantify what your incentive marketing campaign budget should be. Maybe you're on a fixed budget or you'll be figuring it out based on the steps in this guide. **Whatever the case, the budget for your incentive campaign needs to take into account the following:**

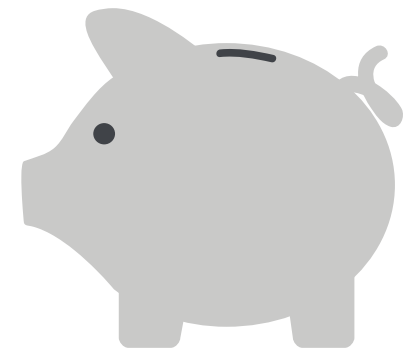
- Promotion expenses: the costs of directly promoting the incentive marketing campaign
- Cost of prizes, rewards and giveaways: just remember, these don't have to be expensive
- Creative development: graphic design costs (coupons and stickers anyone?)
- Technology costs: the good news is there are new technologies and tools (like PunchTab) that make it easy to launch and manage incentive campaigns without breaking the bank

Our experience is that you should budget at least \$35,000 for your incentive marketing campaign depending on your goal.

Of course, this number could go higher if you're promoting the incentive marketing campaign on a standalone basis (meaning: not as part of a larger marketing campaign).

And, on the same token, these campaigns can be cheaper.

Consider whether you need massive reach to a larger audience or smaller reach to a more targeted audience.



For example, here's what how these costs would be allocated over a typical campaign

Category	Examples	Percentage cost range
Promotion Expenses	<ul style="list-style-type: none">• Facebook advertising• Email marketing• Google PPC	For stand alone campaigns: 20% to 30% of budget. Of course, if you have a large fan base, a big email list, a lot of web traffic and a growing list of followers, you won't need to allocate as much to outside promotion as you can expect your current audience to drive referrals (friends who signup).
Cost of Prizes and Rewards	<ul style="list-style-type: none">• Amazon Gift Cards• iPad• Vacation Getaway• \$10 off your next order• Free Order	10% to 30% of budget with minimum of \$1000 (all rewards). You don't have to give away a car to get people engaged as long as the giveaway is relevant to your audience. And don't forget to use your own products. If you have a retail location, offer rewards redeemable in-store to drive foot traffic.
Creative Development	<ul style="list-style-type: none">• Microsites• Badges and graphics• Landing pages, etc	10% to 30% of budget with minimum of \$5,000 one-time costs
Technology costs	<ul style="list-style-type: none">• Gamification or social loyalty platform	5% to 10% of budget with minimum of \$15,000. Of course there are cheaper solutions out there to power incentive campaigns but they're typically limited to capturing basic information in order to enter. If you really want to up the results, choose a platform that gives consumers multiple opportunities to earn (and for you multiple opportunities to meet your goals!)

LAUNCH YOUR CAMPAIGN

Congrats!

You're almost ready to launch your first incentive marketing campaign. But before you do, here are some extra insights and best practices to help you set your (and your boss') expectations.

What to expect:

- **Participation:** you can expect to get 5% to 10% of your current audience to take actions depending on how well you promote your incentive marketing campaign to them.
- **Activity:** you'll generate most of the activity in the first two weeks with sustained activity typically through the sixth week of your incentive campaign.
- **Churn:** 90% of the folks that you acquire from the campaign will stick around, but you should still figure that 5% to 10% of the newbies to unlike, unfollow, or unsubscribe depending on what you asked them to do.

Best practices:

- **Campaign duration:** the optimal campaign period is around four to six weeks... anything longer than that and it gets hard to create a sense of urgency or anticipation for the big payoff. If you're bundling in your incentive marketing campaign into an existing promotion then that will help define your campaign timeline.
- **What's next:** Think about what comes after the incentive campaign before you launch. Why? Because you want to keep the momentum going with some sort of follow up activity. This will maximize brand engagement and minimize post campaign churn.

FINAL WORDS OF WISDOM

Good news. You made it all the way through... in one piece we hope!

In any case, the training wheels are officially off. Why? Because you're now ready to join the hallowed ranks of marketers, agencies, and brands that understand the power of incentive marketing campaigns for engaging and mobilizing customers and prospects. Of course, if you still need a bit more guidance (or are the over-achiever type) then here's more helpful and fun information on

INCENTIVE MARKETING:

Guide: [5 Myths of Incentive Programs - BUSTED](#)

Case Study: [eBay Green Driving Center](#)

Case Study: [Arby's \\$10,000 Gourmazing Giveaway](#)