



Ten Tips to Retailers for Participating in a Holiday Sweepstakes

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Introduction

Across the state, downtown groups have been working hard to compete for their communities' retail dollars. Their major competitors, of course, have been the large retail chains located off Main Street. One of the most successful ploys used by local downtown coalitions in recent years has been the holiday sweepstakes.

Customers are drawn to businesses that participate in sweepstakes so they can collect tickets or chances to win an attractive prize—often cash. Some Oklahoma communities that have successfully used holiday sweepstakes as a way to boost downtown holiday sales include Sapulpa, Ardmore, Woodward, Bartlesville, and Perkins.

The smallest of these communities is Perkins, OK, with a population of slightly over 2,000. Perkins Main Street gave away \$5,000 in December 2000 and plans to run their promotion, the Holly Jolly Sweepstakes, again in 2001. In addition to the \$5,000 grand prize, ticket holders also had the chance to win a year's worth of gasoline, \$500 worth of gasoline, a \$500 savings bond, plus several other prizes.

Beginning November 1, area shoppers could collect tickets by shopping at or just visiting participating merchants. The promotion lasted six weeks, and many shoppers earned hundreds of tickets. Throughout the six-week promotion, shoppers also had the chance to win weekly prizes that were announced in the local newspaper. These prizes ranged in value from \$50 to \$100 and included a man's watch, gift certificates, bingo game packs, gift baskets, savings bonds, etc.

Sweepstakes promotions can be a valuable tool for retailers who are seeking to increase their holiday shopping traffic; however, it does require a certain amount of effort on their part. As one of the organizers of the Holly Jolly Sweepstakes, I offer some tips to retailers on how to make this kind of promotion profitable.

Ten Tips for Getting the Most Out of a Holiday Retail Sweepstakes:

1. *The sweepstakes can get them in the door, but you've got to sell to them*

There's a story told by those in the marketing discipline about two shoe salesmen. The first is offered the exclusive

opportunity to sell shoes to the inhabitants of a tropical island, none of whom wear shoes. The salesman turned down the offer because, "Those people will never buy my shoes."

The same offer was made to a second shoe salesman. This time the man's face lit up. "Wow! What an opportunity!" he exclaimed. "A whole island full of people who don't have any shoes yet!" The second salesman became rich because he saw an opportunity and seized it.

A sweepstakes will give you a similar opportunity by bringing people to your store—sometimes for the sweepstakes alone. In fact, several merchants in Perkins complained that some people (potential customers) would visit their stores every day to ask for their free ticket.

The potential sale is there. The question is, "Are you going to seize the opportunity?"

One suggestion for how to deal with this issue is for the stores to require potential customers to fill out an information card before handing out the free ticket. The information card would have to be filled out *every time* a free ticket (ticket with no purchase involved) was given away.

The results are twofold. First, you raise the "cost" of asking for a free ticket, and this will slow down (although probably not stop) this activity. The second result is that you've forced these potential customers to extend the time that they are in your store. They even have to stand still for a few seconds to fill out the card.

Quick! Sell them something!

2. *Gift Certificates Can Mean Big Holiday Sales*

One of the purposes of promoting a sweepstakes at Christmas is to boost local merchants' holiday gift sales. A great way for service providers to take advantage of this is to offer gift certificates. Examples include meals at restaurants, beauty salon sessions, movie rentals, tanning sessions, athletic club memberships, rounds of golf, dance lessons, teeth cleaning, weight loss consultations, portrait sittings, car tune-ups, auto detailing, sewing classes, and so on.

Here are two pieces of advice for selling gift certificates. Make it *obvious* and make it *easy*. Chili's Restaurant, for example, sells lots of gift cards year round because they make it clear that these items make great gifts. You can do the same. Post signs all over your store. On the walls. On the checkout counter. In the restrooms. You don't have to spend a lot of money. Use a home computer to make the signage.

Second, make it easy. Have some gift certificates made up and ready to go. Have them on display and have them handy at the cash register. Nothing is as annoying as trying to buy a gift certificate and then having to wait while the checker runs into the back room to get the manager, who pulls out a generic book of gift certificates and then wants to fill in all kinds of personal information. Many customers have been known to say, "Just forget it," before the checker even starts the trek to the back room, and you've lost a sale.

3. Don't be a Ticket "Grinch"

In order for a sweepstakes to be beneficial to a business, potential customers must be confident that they will earn tickets by visiting your store. Think of it this way: your goal is to have one of *your* customers be the grand-prize winner. Holly Jolly organizers heard a terrific story about a waitress at the Steer Inn Restaurant who was so excited about the Holly Jolly sweepstakes that she gave out her tickets and told everyone that she hoped one of her customers would win.

Last year, Perkins Food Center gave out more tickets than any other business, and the very first \$5,000 ticket that was drawn (but not claimed) came from Perkins Food Center. The actual winning ticket came from the Cimarron Valley Co-op. Don't you wish a \$5,000 winning ticket would come from your store? Just imagine the advertising possibilities! If you want to increase the odds that the winner will come from your store, then hand out those tickets and hand them out liberally.

4. Come Up With New Ticket Schemes

One way for you to distribute more tickets to your customers is to devise an interesting scheme for doing so. Even though it is suggested that stores give away 1 ticket for every \$10 purchased in their store, that is just a guideline. Do whatever you have to do to move those tickets and your Christmas merchandise out the door.

One of the best Holly Jolly success stories from last year's promotion came from Tim Eades at Eades Hardware. Tim had an interesting offer for his customers. He would give away 50 bonus Holly Jolly tickets to anyone who purchased a washer and dryer set. The word is that he sold *five* sets during the six-week promotion! Another good idea was Perkins Drug's scheme for offering double tickets on all purchases of toys. Be creative. Offer double tickets on your slowest day of the week.

5. Gimmicks are Fun Incentives

Let's face it. People love to get free stuff. If you can afford it, the promise of "freebies" is generally a great way to lure potential customers into your store. Here are just a few ideas of promotional items that would work well with a holiday sweepstakes. For example, such items could be offered free to any customer who purchases \$50 or more in your store.

- Bags or buckets with the sweepstakes logo to be used to store all those tickets people will be collecting. At least 150,000 tickets found their way into the hopper for the drawing in Perkins.
- Hold in-store drawings for sweepstakes T-shirts. Or design your own sweepstakes T-shirt to wear and give away.

- Give away a photo album to anyone who purchases \$100 or more in your store. A lot of people like to store their tickets in photo albums and carry their album to the drawing. Put your logo and the sweepstakes logo on the album.
- Give away other relatively inexpensive items with your logo and the sweepstakes logo, such as pencils, candies, key chains, etc.
- Use a computer to print the sweepstakes logo on sticker paper and apply the stickers to candle jars or other gifts for your customers.

6. Keep Your Employees Happy and Well-Informed

Some of the worst complaints sweepstakes organizers heard in Perkins last year had to do with the fact that employees at certain businesses did not know what to do. Sometimes customers would have to ask for their tickets even though they had made purchases. Sometimes, employees would refuse to hand out tickets even when asked. Remember, it doesn't take long for word of this kind of thing to get around a small town.

The reverse is also true. When your employees are glad to hand out tickets and show excitement about the promotion, customers want to come to your store. Case in point is the Perkins Food Center. They quickly earned a reputation for handing tickets out liberally. The checkers always asked if you wanted your ticket. A number of people told Holly Jolly organizers that they did their grocery shopping in Perkins for that six weeks, even though they were accustomed to going to large chain stores in a neighboring city.

Please, *please* don't let your employees talk down the promotion to your customers. One salesperson in Perkins was literally heard to claim to hate the Holly Jolly Sweepstakes. That's fine, but remember that your customers will just go elsewhere to earn their tickets.

There is no doubt that a promotion of this kind can be a burden on your employees, but they must show excitement (whether real or feigned) if any promotion is going to work for you. Remember, your employees may not like the sweepstakes, but your customers sure do!

7. Advertise on Your Own

The sweepstakes organizers should promote the sweepstakes and the participating businesses as much as possible by running ads in local and neighboring newspapers, running radio ads, posting banners, and printing fliers and posters. Even so, players need to promote their participation on their own as much as possible.

Shirley Ann's Gifts in Perkins posted a large Holly Jolly banner on her front lawn. She purchased the banner herself, and everyone knew that she was a player. Many businesses also made good use of their marquees and portable signs by advertising their participation in the Holly Jolly Sweepstakes.

In Perkins, one of the benefits purchased with the participant's entry fee was the use of the Holly Jolly logo. Participants should use the sweepstakes logo as creatively as possible. Use it in ALL your print ads. Imprint it on promotional items like pencils and plastic sacks. Use your personal computer to print the logo out on sticker paper, posters, banners, window clings, business cards, etc.

8. Cross-Promote

The agreement among businesses to participate in a common sweepstakes promotion is designed to benefit all participants. Further cooperation among non-competing businesses has the potential to boost sales even more.

Choose a non-competing store or two to cross-promote with. You hand out their fliers and coupons and they hand out yours. The cross-promotion works well when the two stores compliment each other in terms of products and services. For example, a cross-promotion between a beauty shop and a nail salon has a lot of potential. Other good possibilities include a pizza parlor and a movie rental store or a tanning salon and a shop that sells skin care items. Another possibility would be a cross-promotion between a ladies gift/jewelry/apparel shop and a hardware store.

9. Conduct an In-Store Drawing

Again, the purpose of a sweepstakes is to get potential customers inside your door. Go a step further on your own. You've already got the tickets. Why not use them to conduct your own in-store drawing? Simply draw a winner from among your tickets each Friday, for example, before you turn over your tickets. Post the winning ticket number inside your store all week. This gives your customers a good reason to pay another visit to your store. Be sure to set up a different display each week next to where the winning ticket number is posted. Even if the merchandise is not new, the new presentation may impact these potential customers.

10. Don't Underestimate the Power of Desperation

During the last week or two of the sweepstakes promotion, people will begin to get the feeling that time is running out,

and it is. Use the power of this human emotion to your advantage. Especially during that last week, advertise "last chance" sales.

A perfect opportunity for taking advantage of the "last chance" desperation during those final days is to hold a Christmas festival downtown. Invite people downtown to see the town tree lit, to hear choirs sing Christmas carols, to see the live nativity scene, to take carriage rides, to drink hot chocolate and apple cider, and to see Santa Claus. Hopefully, while they're there, they'll buy some stuff, too. It really will be a last chance to earn tickets if you schedule the grand prize drawing a day or two later.

Retailers should stay open late on the night of the festival and advertise it as a last chance to get sweepstakes tickets. Service providers should also stay open or set up a booth and push those gift certificates. By the middle of December, people will be in the mood to spend, spend, spend on Christmas presents. I've already gone into my "I've got to hurry up and get my shopping done now" mode. Can't you just feel my desperation? Good, now sell me something.

Sweepstakes can be an effective way to draw customers into your downtown. Unfortunately, the participating merchants often fail to understand that they must aggressively promote their participation in the promotion. It is not necessarily difficult or expensive to do so, but it does take some effort and some planning. One merchant asked me if she had to do anything after she paid the \$100 entry fee. I said, "Yes, play the game." She never really understood that the promotion was a valuable tool for her to use to get customers inside her door.

The ten tips listed in this report are designed to help merchants who are participating in a sweepstakes as they aggressively seek to boost their holiday sales. Merchants should tailor these ideas to suit their individual businesses and customers. Good luck!

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