



Soccer players cheering with trophy

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Part One: Online Contests

## Want to rope in customers? Run an online contest

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Over the last few years, customers have sent so many photographs into [Algonquin Outfitters'](#) photo contests that Randy Mitson, the firm's marketing director, has started to assemble a virtual Algonquin Park by plotting them against a map.

The entries – which Mr. Mitson figures now number more than 5,000 – do more than give customers a chance to win prizes. They remind them of the firm, which operates 12 stores under three brands, offering a wide range of sporting equipment and custom travel in Algonquin Park. It also reminds customers of the park itself, keeping the idea of travelling next season top-of-mind.

Contests aren't what they used to be. The rise of social media has provided a potent vector for small businesses to harness their customers' competitive instincts. Platforms like Facebook and web services that are tailored to the task make it easy to stage a contest without an onerous investment. Building a contest isn't without its perils – social media is an unpredictable beast – but the rewards can be as great for the host as for the winners.

**What's in an online contest?** For all the different styles of contest there are, they break down into two camps: On one hand, there are sweepstakes and giveaways, in which the winner is drawn at random. On the other, competitions where contestants enter material to be judged.

Venerable as both of these are, the Internet has brought new twists. Giveaways today frequently involve the use of redemption codes. Coca-Cola might hide an enter-to-win code beneath a bottle-cap, but the technique can work for smaller business too.

When running a large sweepstakes promotion, Algonquin Outfitters worked with the programmers behind their point-of-sale software so that each receipt's sales ticket could be used as a sweepstakes entry code that could be plugged in online. The first digits of the codes identified which store the receipt was issued at, so Mr. Mitson could tell which stores were doing a good job of signing up customers, and which needed some coaxing.

Competition-style contests, meanwhile, have become all the more prevalent as it's become easier and easier to both collect and judge entries. Most involve some element of public voting on the results, or a hybrid approach of public input and jury selection. These contests are substantially more labour-intensive, and can require some kind of software backup, but can yield far more buzz and wider exposure.

**Why hold a contest?** There are a few obvious benefits to holding a contest online – and a few less obvious ones.

Contests can keep a company on consumers' radars, foster relationships, and encourage future business. As attention-getting devices, they can introduce a business to new customers, or broaden existing customers' understanding of a business' offerings. Part of the rationale behind the sweepstakes at Algonquin Outfitters was to make sure that consumers know that the business is about more than camping, and also offers skateboarding and boating equipment.

"When we do a contest, there's always a reason behind it," says Mr. Mitson. In this case, the way to impress his firm's broad offerings on his customers was a well-publicized giveaway.

By the same token, a customer who puts in the effort to craft an entry into a competition, and then receives the satisfaction of seeing their entry featured on the contest website has forged a tighter bond with the merchant and has probably generated some word-of-mouth chatter along the way, whether or not they win anything.

But contests also bring a halo effect that extends beyond the relationship between the merchant and the people who enter their contest. For instance, if they're implemented properly – and that's a big *if* – contests that ask the public to vote on their favourite entries will bring in a much wider audience than entrants. (This is especially true if entrants themselves start roping in their friends to vote for them.) Some of these visitors might become contest entrants in their own rights.

Even simple sweepstakes can be harnessed to yield helpful data. Asking customers for an e-mail address to sign up for a contest is one way of encouraging customers to opt into an e-mail newsletter; it can also be a way of encouraging “Likes” of a Facebook page, which can be converted to mailouts later.

**How?** It’s always been possible to run a participatory contest by hand, using tools as simple as e-mail and hand-coded web pages, but running online contests today is easier than ever. The arrival of Facebook Pages as a full-bore platform for small business (to say nothing of ubiquitous gathering-spot for consumers) has provided a natural venue for contests. These can take the form of Facebook apps, or web pages that appear within Facebook pages (though Facebook has strict rules for running contests on its site). Another option is a micro-site, an independent website devoted exclusively to a contest or promotion. Finally, an category of online services devoted exclusively to helping businesses run promotions – led by firms like the Vancouver-based [Strutta.com](#) and its American competitor, [Wildfire](#) – is bringing advanced contest-running capabilities into reach of small businesses. We’ll be looking at how best to put these tools to work – and how to avoid the pitfalls that come with online contests – in the weeks to come.

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