

7 REASONS CMOs CARE ABOUT PROMOTIONS

How digital engagement and
rewards drive brand results



What is a Promotion?

A “do, get,” incentive-based call to action with a chance to win or guaranteed reward in exchange for the consumer’s registration and participation.

Promotion channels and tactics vary, but promotions always leverage proven game mechanics to spark emotion and drive behavior. A promotion can be a stand-alone experience or one that is integrated with existing marketing and loyalty programs.

It is

✓ Sweepstakes

✓ Instant Win Game

✓ Contest

✓ Trivia

✓ Personality Test

✓ Collect & Win

It isn't

✗ Coupons

✗ Discounts

✗ BOGO Offers

40%+

of chance-to-win registrants opt in for future engagement.

Merkle Benchmarks

81%

of consumers want a relationship with a brand.

Merkle, Loyalty Barometer Report, 2021

30-50%

increase in media response rates is achievable when a chance to win is added.

Merkle Benchmarks



7 REASONS CMOs CARE ABOUT PROMOTIONS

- 01 | Promotions enrich data about consumers.
- 02 | Promotions motivate specific consumer behavior.
- 03 | Promotions give you a reason to talk to consumers.
- 04 | Promotions educate consumers on your social mission.
- 05 | Promotions engage employees.
- 06 | Promotions allow your brand to be innovative.
- 07 | Promotions provide an alternative to discounting.

01

Promotions enrich data about consumers.

With the impending loss of the cookie, brands need to track and identify consumers on their own channels.

Promotions gather zero- and first-party data so you can know and understand consumers, driving increasingly personalized experiences that lead to sustained loyalty and higher customer lifetime value.



TO ENRICH CONSUMER DATA

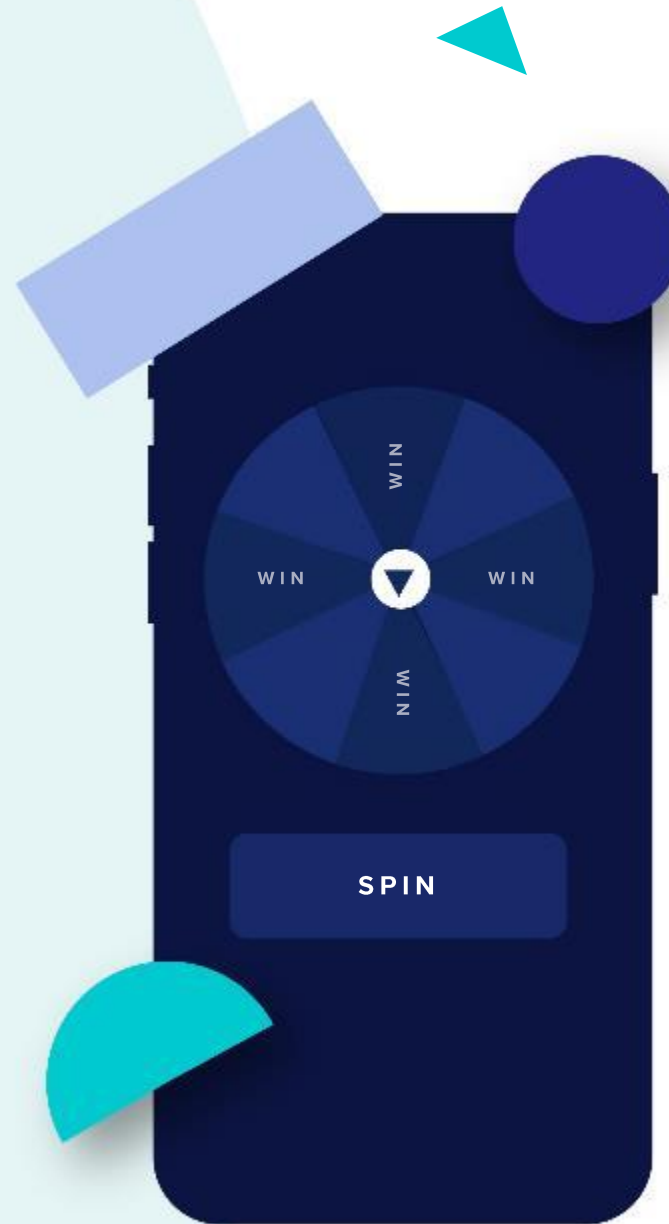
Create a Calendar Plan

Promotions work alongside media and CRM to capture zero- and first-party data through a strong mutual value exchange. They accelerate identity acquisition, then go further by enriching identity graphs with preference, behavioral, and lifestyle signals leading to emotional brand connection.

Create a collection of promotions across your marketing calendar to acquire and enrich data along the entire consumer journey. Whether it's a full-blown gamified experience, a simple sweepstakes, or anything in between, each progressive promotion is an opportunity to learn more about consumers each time they engage with your brand.

Identity Signals Collected

- > Purchase
- > Email
- > Behavior
- > Name
- > Attitude
- > Engagement
- > Device
- > Preferences
- > Lifestyle
- > Channel



Only 14%
of consumers say
brands are doing a
great job at knowing
them, remembering
them, and understanding
their needs.

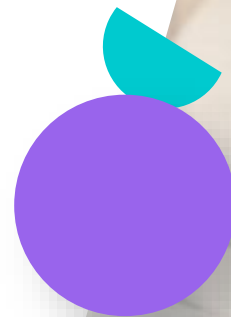
Merkle, The Next Generation
of Consumer Behaviors, 2022

02

Promotions motivate specific consumer behavior.

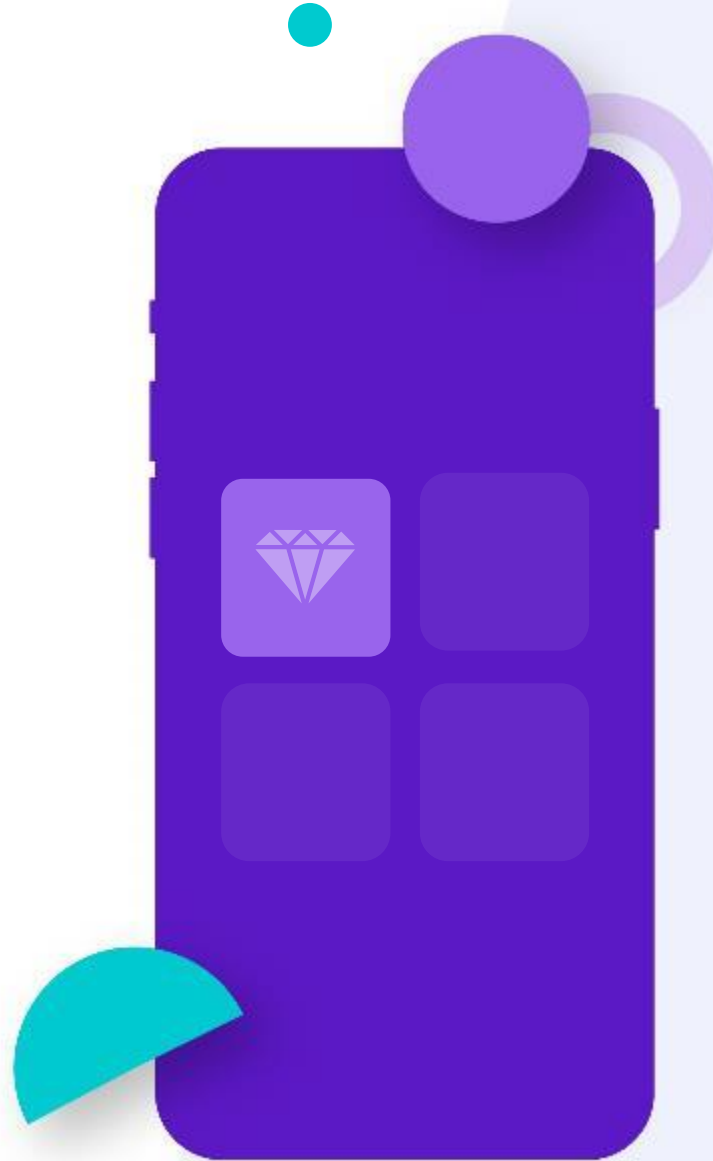
In today's unpredictable market, brands are hyper-focused on incremental purchase, led by upselling, cross selling, and driving not just the first sale, but also the second and third.

Digital promotions create excitement around a brand, motivating the specific behaviors that drive purchase.



87%
of US consumers
play video games,
and 83% prefer those
games to be trivia/
puzzle games.

dentsu, The Rise of Gaming:
Consumer Sentiment Study, 2022



TO MOTIVATE CONSUMER BEHAVIOR

Build a gamified experience

Gamification uses compelling game mechanics to drive desired and specific consumer behavior, motivate brand engagement, and capture consumer attention.

We apply specific techniques found in behavioral science to evoke emotion, cut through human bias, build habits, and drive repeat engagement.

Gamification can be leaderboards, advergames, badges, and much more:

- > Sephora's online "find my shade" quiz is gamification.
- > The progress bar that shows the strength of your Bumble profile is gamification.
- > The "customers who bought this item also bought" function on Amazon is gamification.

03

Promotions give you a reason to talk to consumers.

General remarketing efforts keep your brand top of mind, but you need a way to initiate specific conversations with consumers at the right time along their journey.

Launch a promotion at any point to create new revenue streams, showcase a competitive differentiator, drive consideration for new offers or channels, share a unique opportunity, or collect insights on new products. Promotions drive these types of business results but also let people have fun with your brand!



TO TALK TO CONSUMERS

Invent a holiday promotion

Leverage an existing holiday, or invent one of your own, to create a moment of brand excitement: run a contest, sweepstakes, or instant win that matches the holiday theme, offers prizes, and encourages participants to share on social.

This strategy gives you an opportunity to engage consumers outside of your normal marketing efforts. These types of moments drive impact because they spark emotion, celebrate participation, and create an extra reason for consumers to interact with your brand.

“Shop ‘Til You Drop Day”

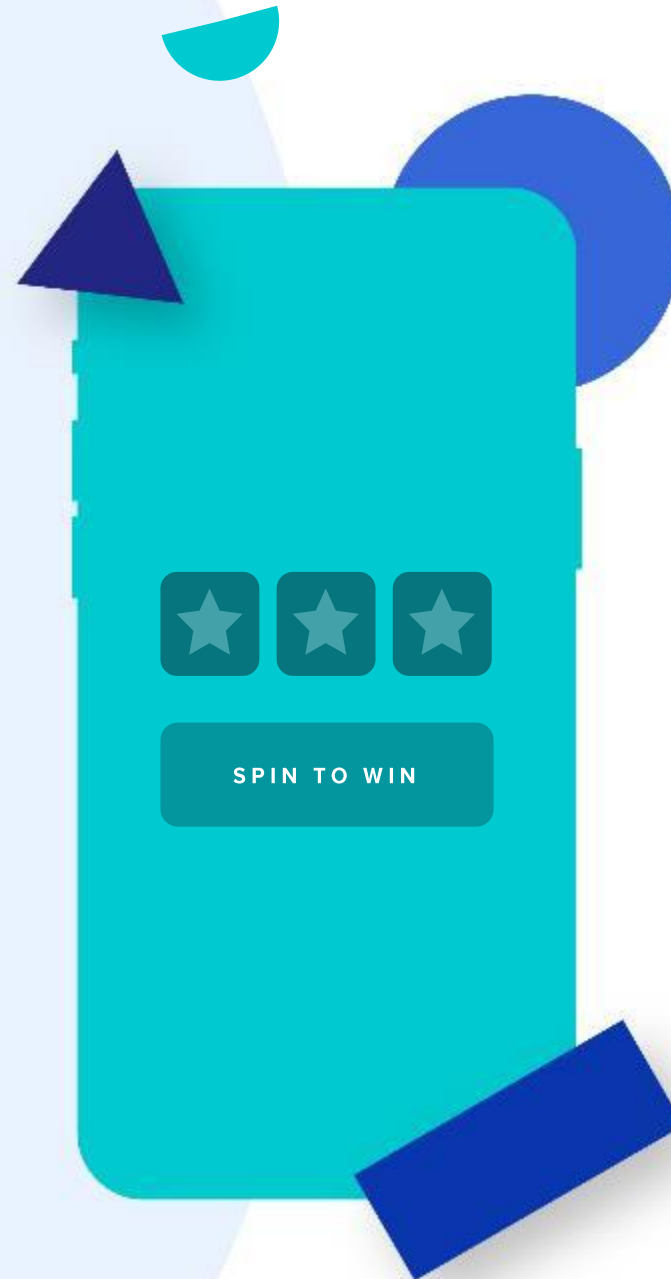
A retail brand incentivizes consumers to upload a photo of a purchase to social media, tagging the brand for a chance to win.

“National Cleanup Day”

A sustainable brand rewards participants when they log their hours cleaning up the beach or a neighborhood park.

“Cook at Home Month”

A CPG brand gives daily recipes, cooking tips, and chances to win when consumers cook at home and engage with the brand online.



Chances to win offer a way to collect key marketing data and obtain permission for ongoing dialogue with consumers. Results can be substantial:

20-35%
registration
conversion rate

35-55%
opt-in rate

Merkle Benchmarks

04

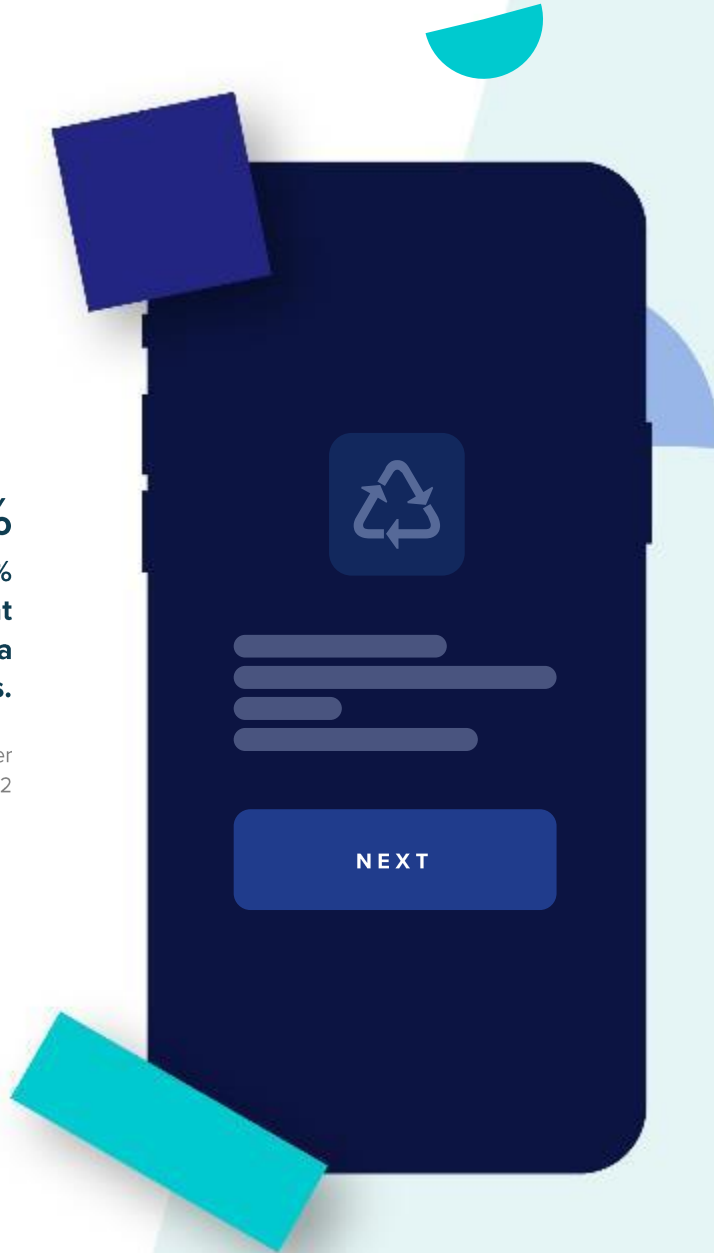
Promotions educate consumers on your social mission.

Social responsibility is a rising focal point for consumers, especially in younger generations, as they decide where to spend their money. Whether it's ethically made or sourced products, sustainability strategies at your company HQ, or significant diversity, equity, and inclusion (DEI) efforts, how do you ensure consumers know about the good you're doing?



83%
of Gen Zers and 76%
of millennials feel that
brands should take a
stance on social issues.

The Next Generation of Consumer
Behaviors, Merkle, 2022



TO EDUCATE CONSUMERS

Create a movement

Whether you're educating consumers on your DEI efforts or encouraging them to recycle, promotions can help, as they allow you to incent consumers to become invested and/or involved in your mission.

For example, you can gamify challenges (to recycle, to walk, to buy a more responsible product) to help drive consumer behavior that is in line with your mission and what you stand for. You can also create a promotion to reward consumers for learning about your good deeds by offering chances to win for watching videos, reading articles, and visiting your website.

05

Promotions engage employees.

We're all experiencing the Great Resignation in our businesses. Millions of employees have quit, businesses are understaffed, and remaining workers are overworked and underpaid. How do you use promotions to retain and engage current employees and attract new talent?

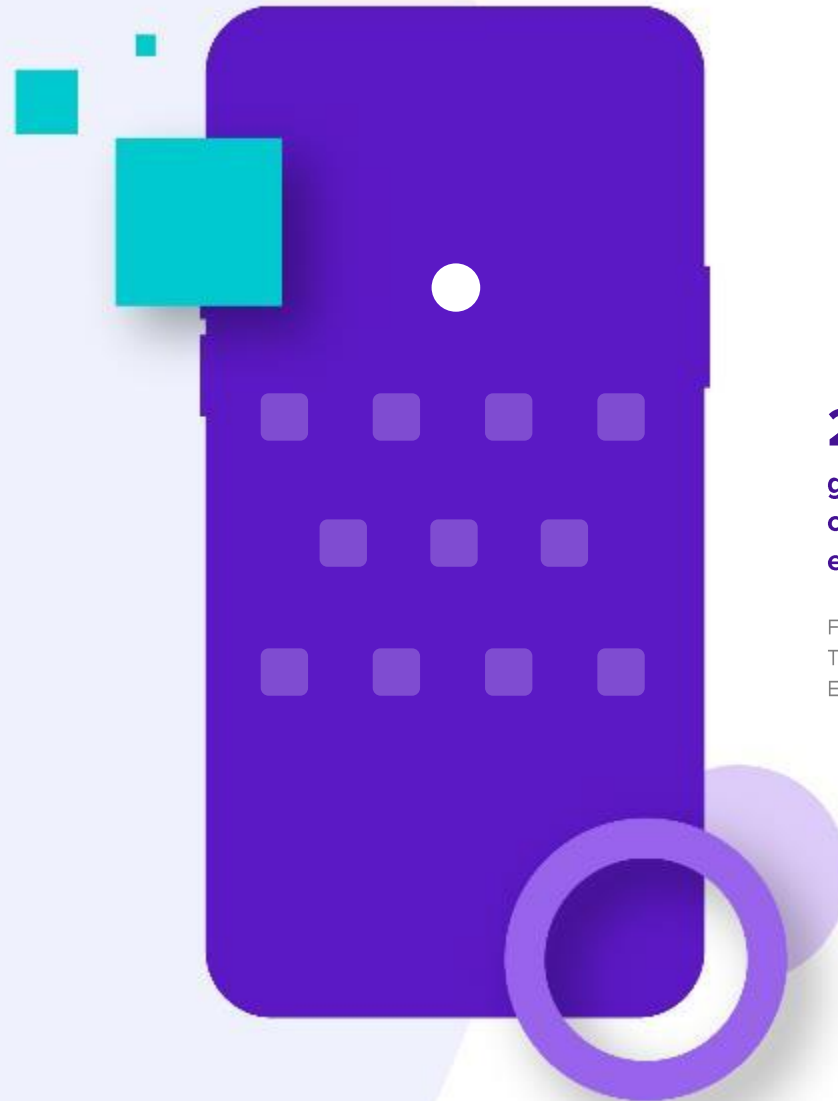


TO ENGAGE EMPLOYEES

Reward your employees

Use promotions and gamification to train, retain, and engage employees. Game plays for the chance to instantly win can be given for hitting certain milestones with consumers. Sweepstakes entries can be awarded for referrals, initial onboarding, or completing training throughout the year.

You can even set up an online activity hub where employees are rewarded each time they complete a desired behavior. And to drive maximum employee satisfaction? Add a surprise-and-delight element to the mix! All of these strategies will not only engage employees but will also motivate them to help achieve your business goals.



21%
greater profitability in
companies with highly
engaged teams.

Forbes, 10 Timely Statistics About
The Connection Between Employee
Engagement And Wellness, 2019

06

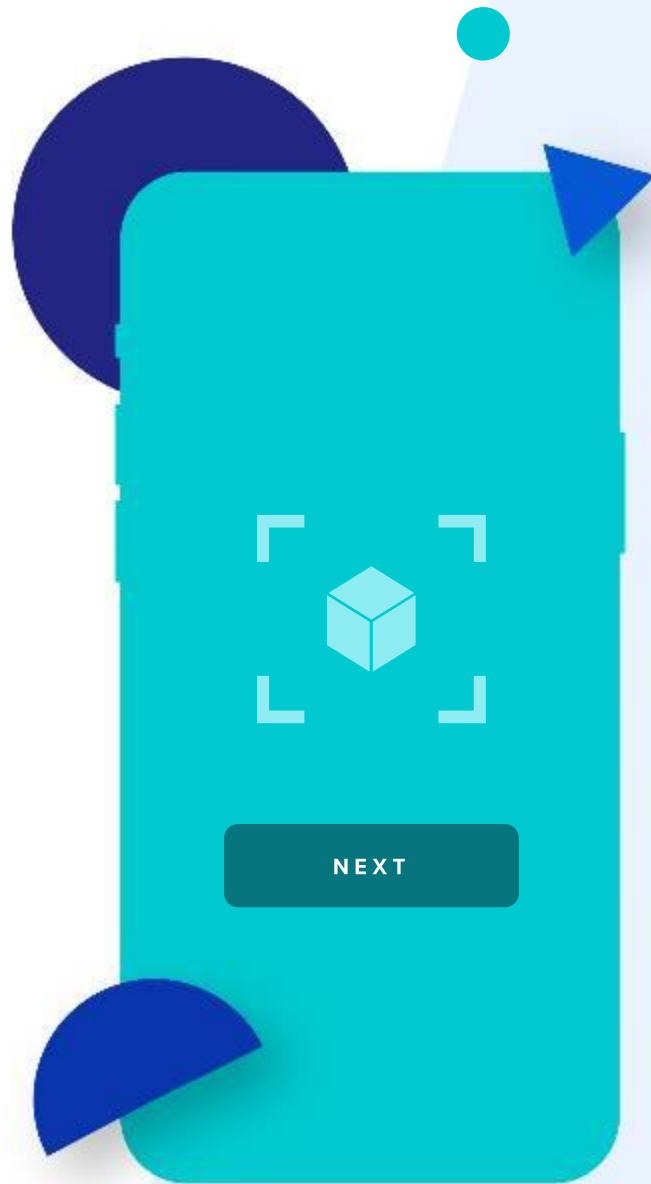
Promotions allow your brand to be innovative.

Everywhere you turn, you hear about the metaverse, augmented reality (AR), virtual reality (VR), crypto, artificial intelligence (AI), non-fungible tokens (NFTs), and even QR codes. What the heck does it all mean, and should you get involved? Isn't it expensive and time consuming?



55%
of US adults have
either used or
are interested in
using AR and VR
while shopping.

eMarketer, The Insider Intelligence
Ecommerce Survey, 2021



TO BE INNOVATIVE

Experiment with technology on a small scale

A promotion is a quick and inexpensive way to dip your toe into the waters of new technology. Merkle's web-AR promotions, for instance, are a frictionless way to quickly immerse consumers into the experience of your brand through games, face filters, or even product education.

Our technology helps brands execute these programs without needing to spend money or time developing a native app. Whether it's augmented reality, acquisition by QR code, virtual commerce, or crypto as a prize, promotions are great, low-risk entry points into emerging technologies.

07

Promotions provide an alternative to discounting.

Prices for clothing, food, and gasoline have increased since the pandemic hit, and consumers are looking for ways to save money with this recent inflation. How can you combat the change in consumer spending behaviors without joining the competition's race to the bottom with coupons and sales?

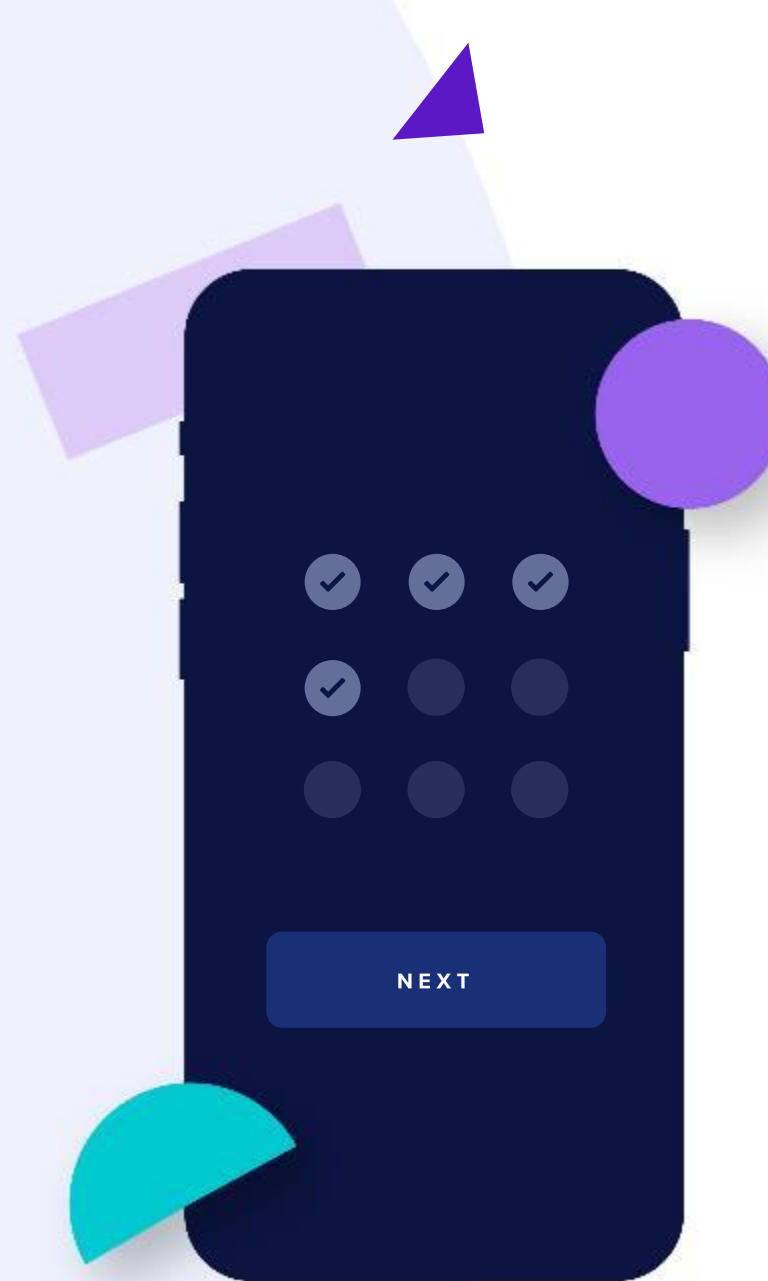


TO STOP DISCOUNTING

Try a gift with purchase

Build your brand equity through a strong mutual value proposition to become less reliant on discounting or coupon offers. Once thought of as old school, gifts with purchase, rebates, and punchcard programs now take a digital approach with modern features, including receipt upload, code entry validation, online prepaid codes, and digital gift cards.

These simple “do, get” strategies drive increased purchase intent and conversion for your brand. All three types of programs collect and enrich identity data, stop the cycle of discounting, and are a bridge to sustained loyalty with your brand.



Rebates and Gifts with Purchase can increase purchases and dollars spent.

Over the course of three grocery shopper marketing programs, one CPG brand saw:

6,000+	\$20K+
purchases	spent

Merkle Benchmarks

READY TO CHAT?

These are just seven of hundreds of promotions we can build that will help solve your business needs and challenges, so give us a call.

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About Merkle

Merkle, a dentsu company, is a leading data-driven customer experience management (CXM) company that specializes in the delivery of unique, personalized customer experiences across platforms and devices. For more than 30 years, Fortune 1000 companies and leading nonprofit organizations have partnered with Merkle to maximize the value of their customer portfolios. The company's heritage in data, technology, and analytics forms the foundation for its unmatched skills in understanding consumer insights that drive hyper-personalized marketing strategies. Its combined strengths in consulting, creative, media, analytics, data, identity, CX/commerce, technology, and loyalty & promotions drive improved marketing results and competitive advantage. With more than 14,000 employees, Merkle is headquartered in Columbia, Maryland, with 50+ additional offices throughout the Americas, EMEA, and APAC. For more information, contact Merkle at 1-877-9-Merkle or visit www.merkleinc.com.