



Insured Promotions

By Susan Greitz



An Insured Promotion enables event organizers a way to offer a large prize for a fraction of the prize value. The event organizer is actually purchasing an insurance policy that basically says if an event participant fulfills all the rules of the contest and wins a prize, the insurance policy will cover the cost of the payout. This type of promotion allows organizers to accurately budget for the cost of the promotion and offer large, attractive prizes while protecting the company's balance sheet.

An insured promotion maximizes the impact of every dollar in your promotion budget. They allow organizers to create a "buzz" by offering exciting prizes; they help drive brand awareness and reinforce brand image. Because of the nature of insured promotions they also provide organizers with the opportunity to build a customer database. Consumers are more likely to enter a contest and give more accurate data when offered the chance at a large prize (Digitrends, 2000).

Promotions are usually designed to give the public a compelling reason to take a desired action at a particular time. If you hold an insured promotion within a festival or event, it creates an additional incentive to attend the event and stay. It also protects a prize budget in the event too many consumers respond to an offer.

The basic concept is that randomly selected consumers "win" a chance to win a large prize. Often times the consumer is guaranteed to receive a small prize for participating. These types of promotions are a great opportunity to develop a partnership with a local radio station that can help publicize the contest and secure participants. Some examples of insured promotions follow:

"Unlock Your Dream Car Promotion"

- Event attendees register for a chance to win when they enter the fair/festival.
- During the fair/festival, a small pre-specified number of entrants will be randomly selected to pick 1 out of 100 keys (only one key will open the car)
- If the key unlocks the door, the consumer wins the car.

"One For Show Putt For Dough" Promotion

- Variations on this are often used at golf outings, but also could be used at other festivals or events by setting up a putting green
- Have a radio station conduct an on-air contest where three listeners will win a small prize as well as the chance to win \$1,000,000 at your event
- The three listeners plus two randomly selected consumers at the fair/festival will have the chance to win \$1,000,000 if they can sink a putt from 50 feet.

"Bring On The Rain Promotion"

- This promotion would be dependant on the location of your event- parts of the country that receive snow may want to adjust the name
- The general concept is that if it rains/snows more than X amount on one pre-selected day during specified hours, the \$100,000 prize is awarded
- The method for selecting a name can vary - for example, everyone who buys a ticket in pre-sale is entered into a drawing that will take place during the fair/festival
- Other self-insured secondary prizes can be given to the winner if it doesn't end up snowing/raining enough such as gift certificates, discounts, sponsor prizes, etc.

"Scratch & Win Promotions"

- A representative hands out scratch-off cards as attendees enter the fair or festival
- The game pieces will have 9 squares; attendees are only allowed to scratch off three of the squares for a chance to win a new car or a large cash prize
- Only one of the game pieces handed out will have at least three boxes that reveal the word "CAR" or "CASH"
- If the three boxes that the attendee scratched match, they win that prize.

There are other types of promotions, plus a number of variations on the above examples. All provide excellent opportunities to connect with consumers in a positive, cost effective manner while keeping your liability low. If you are interested in a quote for a promotion, or have an idea for a promotion and are interested insuring it, please call Carol Porter with Haas & Wilkerson at 913-676-9258.

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