Strategies to tweak competitive scenarios and boost performance.

Imagine that two brands are running contests where participants stand to win nearly identical fitness watches. Both companies will award the watches to randomly chosen winners, amounting to 1 percent of all participants. Brand A has capped the number of entries at 1,000, while Brand B allows up to 10,000 entries. Which competition would you rather enter?

Chances are you would pick Brand A’s competition. After all, you would be up against fewer competitors and may think you have a better shot at winning. But the reality is that the statistical likelihood of clinching a prize in each contest is exactly the same.

Competitive scenarios involving large groups of individuals are par for the course in all aspects of life. Our recent research, published in the Journal of Consumer Psychology and featured in Harvard Business Review, examined a wide spectrum of competitive contexts. Our findings reinforce the idea that a larger competition size can discourage participation even when the objective likelihood of winning remains identical. We also found that helping people better comprehend their chances of winning could make a huge difference to whether people choose to take part in a contest or not.
Reframing the odds

Why do people experience decreased motivation when competing against larger groups of individuals? Prior research shows that as the number of competitors increases, it becomes more difficult to compare your own progress to that of others. This can be both frustrating and discouraging.

Furthermore, people may be irrationally demotivated by competition size due to the imperfect nature of their subjective perceptions. Our research reveals that larger-sized competitions alter people’s belief in their chances of winning, alongside their perceptions of the size of the prize. That’s regardless of whether individuals can compare themselves to other competitors.

For instance, one of our studies involved a competitive scenario where people who signed up had to stay physically active for four weeks. Each participant’s physical exercise activities would be recorded during this period, and the top 10 percent of performers would each receive a US$75 cash prize.

We discovered that participants were much less motivated to compete when there were 5,000 participants compared to 50 participants, despite the chance of winning and the cash prize being identical in both situations. Participants in the larger competition felt that they were significantly less likely to win a prize, and that the prize for each top performer was significantly smaller. This is a prime example of imperfect subjective perceptions that in turn negatively impact one’s urge to compete.

Overcoming this psychological barrier hinges on how competition details are presented. For instance, reframing information about the size of the prize can help foster higher participation levels. In one of our studies, highlighting the total prize pot of US$100,000 was seen as more appealing, and inspired more people to sign up, than stating that 2,000 competitors could win US$50 each.

In the same vein, we found that telling would-be participants that one out of every 10 entrants would win is more easily understood, and therefore seen as more appealing, than stating that they have a 10 percent chance of winning. Without altering other elements of the competition, providing a better understanding of the likelihood of winning led to more people signing up.
Recommendations for brands

Competitions are useful marketing tools for businesses to better engage with target audiences. They present an opportunity for direct engagement, to source ideas for new products and to obtain insights about a target segment. Yet, they can also be costly and complex to organise.

Interestingly, our research uncovered a general lack of awareness among real-life executives responsible for creating such competitions. We recruited and asked seasoned executives from advertising agencies, FMCG companies and other large firms to edit a competition description to maximise its effectiveness in attracting a large number of people to sign up to a fitness competition. Just 6 percent of participants opted to improve how information about the likelihood of winning was presented. Only 3 percent chose to include information on the total pot of prize money.

Our findings can be used to help companies design competitions that receive high levels of participation and deliver real impact. For example, say you work for a cheese company and are organising a viral video competition to help promote the company’s Brie on social media. Out of the 40,000 videos posted by consumers, the company will reward the top 5 percent (ranked by the number of video views) with a kilogram of luxury Brie. Instead of simply declaring that top contributors will each get one pack of cheese, reframing it as, “Top posters will each get a share of an Olympic-size swimming pool worth of luxury Brie” could help make the reward feel much larger and encourage greater participation.

Strategically presenting competition information can help boost individuals’ subjective perceptions of their chances of winning. This can reduce or even eliminate any negative effect on participation motivation caused by competition size.

Overcoming social comparison

Furthermore, our research provides insight into how to help individuals change their mental approach to competition. For example, one of the factors that influences a person’s levels of motivation is how likely they think they are to succeed. Processing competition information differently can make you feel you have a better chance of winning and promote a stronger desire to compete.
Imagine you are undertaking a training programme. Out of 1,000 participants, only the top 20 percent will get a job placement at the end of the course. Rather than let the numbers put you off, you could reframe it as, “On average, one in five applicants will receive a job placement”, which sounds far less daunting.

Many individuals experience an innate feeling of dread when they face larger numbers of competitors. Instead of letting this affect your motivation, mentally reframing the situation can allow you to gain a different perspective – and even increase your chances of success.

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Find article at
https://knowledge.insead.edu/marketing/reframing-competition

About the author(s)
Haiyang Yang is an Associate Professor at Johns Hopkins Carey Business School.

Amitava Chattopadhyay is a Professor of Marketing, the GlaxoSmithKline Chaired Professor of Corporate Innovation and Marketing Area Chair at INSEAD.

About the research
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