

# We've got a winner

## Contests, sweepstakes provide fun opportunities for customer engagement

INTERVIEWED BY MARK SCOTT

Contests and sweepstakes can be a fun way to boost customer engagement, but there are some important details to consider before the games begin, says Christy A. Prince, a Director at Kegler Brown.

"These types of promotions are a valuable and relatively inexpensive way to engage with customers and build brand recognition and customer loyalty," Prince says. "They can also help the company position itself as fun, creative and relevant depending on the structure and execution of the promotion. The key is to have good rules for your promotions to ensure that they run smoothly and that any disputes can be handled appropriately without creating exposure or negative publicity."

The worst-case scenario is you develop an exciting contest that draws customers to your business, but you end up in court because you didn't verify that the prize and method of selection were in compliance with laws and regulations.

"If you have a good framework and clearly understood rules in place, it is a great opportunity," Prince says. "You want someone who has compliance in mind to be involved as you develop your plan."

*Smart Business* spoke with Prince about how to engage customers and build momentum with contests, sweepstakes and social media promotions.

### Where is a good place to begin building customer engagement using contests and sweepstakes?

One of the first steps is to be clear about the difference between contests and sweepstakes. A sweepstakes is a drawing in which the winner is randomly selected and everyone has an equal chance to win. A contest is based on skill, meaning everyone

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does not have an equal chance to win. The winner is the person with the cutest dog or someone who answered a series of trivia questions correctly or came up with the funniest one-liner for your new slogan.

As you consider the nature of your promotion, you should also think about customer demographics and what type of promotion customers would best respond to. Would they prefer a skill-based contest or a simple raffle for a prize? You should also consider whether you want to incorporate audience participation to select the winner or use a preselected panel of judges. In either case, participants need to clearly understand how the winner will be selected.

Look at your goals for the promotion. If you're trying to drive traffic to your website or social media channels, that forum would be your ideal method of entry. Social media has led to a surge in promotions as companies see value in the exposure and the additional opportunity for engagement, especially if your promotion goes 'viral' and gets shared with a wider audience.

### What are some legal concerns that need to be addressed?

There are laws you must comply with when conducting your promotion. If your promotion is only going to be available to Ohio residents, you should state that in the

rules. Make sure the entry method for your promotion is clearly understood.

Requiring any form of consideration (payment or valuable effort like completing a lengthy feedback survey, etc.) can be problematic if you don't have the right safeguards in place. For example, if you run a drawing and the only way to have a chance to win is to buy a product, and you don't fit into some exception, such as a charity, that would be illegal gambling. You must be aware of the law of each state where the promotion will be offered, and each state typically has substantial differences in what it considers to be permissible promotions. Your promotion must also comply with federal requirements.

Also, companies can run into 'troll' participants who perceive problems in the promotion (for example, with unclear rules or selection criteria) and threaten to sue or create negative publicity. Work with your attorney or legal counsel to ensure you've addressed all legal questions that might pertain to your promotion.

If you don't maintain your focus or try to take shortcuts as the promotion is developed and operated, it's easy to run into legal trouble. As long as there is a framework in place and you work within that framework, you can typically avoid problems and focus on the benefits of increased visibility that the promotion will offer you. ●