



4 Things to Know When Planning a Social Media Contest

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Social media has revolutionized the way companies run sweepstakes, contests and promotions. Specifically, social tools have made it easy to accomplish things that weren't possible a few years ago. Maybe too easy.

Some companies forget that social media promotions are subject to various laws, special requirements and unique risks. Let's review four of the most important considerations before your company takes on a social media promotion.

1. Know Your Terminology

People often use the words "sweepstakes" and "contest" interchangeably, but the words refer to two different things. In general, a sweepstakes refers to a promotion in which prizes are awarded based on chance, whereas a contest awards prizes based on skill. However, don't assume that a promotion is skill-based just because it doesn't include a random drawing. Different regions and states have different definitions of what constitutes a skill, so it's not always easy to determine which side yours falls on

Why does it matter? Sweepstakes and contests are subject to different sets of laws. The first step toward ensuring that you comply with the laws is determining exactly which ones apply.

2. Know the Laws

Most importantly, you can't require people to make a purchase or payment in order to enter a sweepstakes. In most cases, you can create a method of entry that involves paying money, as long as you also provide a free method of entry option. Ensure that both methods are treated equally, and that you clearly disclose the free option. Be careful — if you get this wrong, you could be in violation of criminal law.

You have more flexibility to require a purchase in a skills contest, but it's not easy. Remember that states define skill differently, so a promotion that qualifies as skill-based in one state may not qualify as skill-based in another. Moreover, some states prohibit purchase requirements altogether, even if winners were selected based on skill. If you intend to have a purchase requirement, you will have to exclude these states.

Most states require companies to make certain disclosures about their promotions. It's tempting

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to simply copy what another company has done recently, but it's dangerous to assume that another brand got it right, or that its disclosures apply to your plans. In addition to the disclosure requirements, keep in mind that some states may require companies to register, and even to post a bond, before they can launch certain promotions.

There's a lot to consider before you even begin to research other laws that involve promotions, privacy, intellectual property, tax, etc. If you're not an expert in this area, work with someone who is.

3. Know the Platform Rules

Some social media companies restrict the types of promotions you perform on their platforms. For example, the [Facebook Promotions Guidelines](#) state that a user can't award someone a contest entry simply for liking a page. Instead, users and brands must run promotions via apps on a Canvas Page or Page Tab. Facebook also requires companies to make various disclosures, and prohibits brands from notifying winners through Facebook. Check the guidelines for the complete requirements.

Google+ has taken a different approach to promotions. The [Google+ Pages Contest and Promotion Policies](#) state, "You may not run contests, sweepstakes, offers, coupons or other such promotions...directly on your Google+ Page." In other words, you can run a promotion on another site and include a link to it on your Google+ Page, but that's about it.

Twitter has [guidelines](#) too, but most are designed to prevent spamming. For example, Twitter asks that companies discourage people from creating multiple accounts, and from posting the same tweet repeatedly. For example, a brand that awarded a user who tweeted the same message the most times would likely be in violation.

Violating platform guidelines can get you kicked off the platform, so make sure you know these rules.

4. Know the Risks

Most of the social media promotions recently gone wrong have not failed due to broken laws or platform rules. Rather, companies failed to account for risks inherent to the social media space. Social media is interactive, but remember that the more control you turn over to consumers, the less you'll have.

Public voting produces some of the biggest problems. If you allow the public to determine a winner, you'll almost certainly have to watch for cheating. In some cases, cheating can be so extensive that it will derail your promotion. Indeed, some companies have spent countless hours trying to plug holes, respond to complaints and regain control of their promotions. It's fine to allow consumers some input, but don't give them complete control.

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Cheating isn't the worst that can happen — lawsuits pose a big threat. For example, Quiznos ran a contest that asked people to create videos showing why their subs were better than Subway's. Then Subway sued Quiznos over some of the entries. Be careful what you ask customers to submit; if you encourage them to provide problematic content, you may not be able to distance yourself from that content later on.

Before you launch a promotion, spend some time thinking about possible setbacks, and take steps to plug potential holes before consumers exploit them. A little work up front can save you a lot of time, aggravation and legal fees later.