Can I Require a Purchase to Enter a Sweepstakes?

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Want a great way to thank your customers? Offer them the chance to enter and win a sweepstakes! You can **require a purchase** to enter a sweepstakes as long as you offer a free method of entry. By law, you have to give participants a way of entering that does not require a purchase.

Here's how to require a purchase for your sweepstakes.

"Customer-only" Sweepstakes Must Have Free Method of Entry

A "customer-only" sweepstakes means that only people who have purchased from your brand can enter. However, **sweepstakes law** requires that you also offer a free method of entry for your sweepstakes.

In this case, you can require that new or old customers make a purchase in order to get access to a way to enter the sweepstakes. On the other hand, you must let customers know how to access the free method of entry in your sweepstakes advertisements.

To enter without making a purchase and uploading a Photo, hand print your first and last name, your complete street address, phone number, email and date of birth on a 3" x 5" index card or piece of paper and place into an outer-mailing envelope with proper postage affixed and mail it to:

Free Method of Entry Language

How does this work in real life?

Companies that **sell physical products** put sweepstakes entry game pieces inside of the products or details printed inside of the packaging so that a purchase must be made to access the promotion.

To enter via the free method of entry, the outside of the product packaging invites potential entrants to visit the company's sweepstakes website for access to the sweepstakes free web entry form.

eCommerce companies that sell a **digital product or service** can ask customers to scan a copy of a receipt as proof of purchase to submit with their web entry form submission. Or you can automatically offer entries based on the amount of the purchase or on the types of items purchased. Entrants who haven't made a purchase, can enter on the free entry form.

Can I Avoid the "No Purchase Required" Restriction?

Use cases

Here are some examples of companies that use "customer-only" sweepstakes:

- Non-alcoholic beverage brands
- Cereal and breakfast food brands
- Beauty product brands

Overall, the companies that fare best with customer-only promotions are those with an established customer base or access to an extensive customer base via a partner, because it's easier to incentivize a purchase with a prize from a customers who already loves your products.

Alcohol and Cannabis Brands Are Prohibited

Alcohol companies and cannabis brands are prohibited by law from using this type of sweepstakes. For these industries, both alcohol and cannabis purchases may never be required in order to enter a sweepstakes. Alcohol and cannabis sweepstakes also have additional requirements with regards to registration and bonding.

Final Notes

The point of a customer-only sweepstakes is to encourage customers to make a purchase or increase their order amount in order to participate. However, if you want to offer a legally compliant sweepstakes, you have to make sure that purchase requirement doesn't change the odds of winning by ensuring that free entries receive the average amount of paid entries for each free entry received.

For example, if you offer 3 products for purchase, with Product A = 3 Entries, Product B = 6 Entries, and Product C = 9 Entries, your free entry participants must receive at least 3 entries to ensure everyone (free and paid entries) has an equal chance of winning.

As a result, always make sure that it's clear and unambiguously advertised that there is a free method of entry available in both your Official Rules and Abbreviated Rules.

Need help with <u>sweepstakes</u> or <u>contest management</u>? Call 305-505-5393 or <u>email</u> <u>us</u> with your questions.