

Crypto Sweepstakes: How to Giveaway Free Crypto As a Prize

sweeppeasweeps.com/official-rules-center/crypto-sweepstakes-how-to-giveaway-free-crypto-as-a-prize/

Are you looking for a way to successfully run crypto sweepstakes? In this article, we will discuss how you can run Bitcoin sweepstakes for your business. We will cover everything from setting up the sweepstakes to choosing a winner. Whether you are an entrepreneur looking for creative ways to promote your business or just a marketer searching for innovative giveaway ideas, this article is for you.

A recent survey done in 2021, revealed more than half of current Bitcoin investors began investing in the last 12 months. As cryptocurrency's popularity increases, you can leverage consumers' interest to attract them to your crypto sweepstakes.

Another of the survey's key findings mentions interest has grown in 2 key segments: ages 55 to 64 and women. If your target audience is among these demographics, then running a cryptocurrency giveaway is an excellent choice for your business!

Your Sweepstakes Official Rules must consider the following:

Fluctuating Value of Cryptocurrencies

Just like the stock market, the value of cryptocurrencies rises and falls. This is why the value of crypto must be fixed on the publication of your contest's Official Rules.

During your promotion, you can leverage the net growth cryptocurrencies have through the years to increase the desire for the prize. Unlike cash prizes whose value decreases with inflation, Bitcoin's value has been steadily increasing over the years, making the prize an excellent asset for the winner.

Giving Crypto as the Prize Instead of Cash

The IRS considers cryptocurrency taxable assets. Therefore, in order to successfully offer cryptocurrency as a promotional prize, all winners must fill out an IRS Form 1099 for prizes that have an ARV (approximate retail value) of \$600 or more. It is important to clearly state this in your Official Rules.

State Registration & Surety Bonding

Certain states require bonding and registration which may vary based on the value of the prize.

For New York and Florida, state registration and surety bonding are required for prizes over \$5,000. There are different state laws and regulations for sweepstakes registration and bonding.

No Purchase Necessary

According to the Federal Trade Commission (FTC), sweepstakes promotions requiring purchases are considered an illegal lottery in the US.

If you prefer a purchase-to-enter promotion, make sure to read our article on the topic to ensure you're legally compliant.

Avoid Bad Publicity

Cryptocurrency sweepstakes attract many participants due to the nature of the prize. However, you must be very clear in your Official Rules, state registration, bonding, and all other legal aspects of the promotion to provide a fair and just promotion.

Crypto Specific Marketing Campaigns

Tap Into the Crypto Community

A good tap into a strong crypto community can help drive exceptional growth to your campaign, help to raise product awareness, encourage brand loyalty, and offer feedback that can help shape the future of your cryptocurrency sweepstakes.

Tapping into the right community can help you run evergreen sweepstakes all year round to continuously bring more and more consumers to your business. Sweepsta offers a self-service platform where you can run sweepstakes year-round on your own making it easy to offer recurring promotions. You can gather entries, manage the project, and ensure your rules are legally compliant through the use of the platform.

Leverage Co-Sponsoring

The cryptocurrency community has many well-known influencers you can partner up with for your promotion. Make sure that both your audience and theirs have an overlap so you can turn the participants into customers.

Co-sponsoring sweepstakes must also take into account details such as prize-provider agreement, privacy, compensation policies, and more.

If you're interested and not certain about working with a celebrity influencer, check out our article on involving a celebrity in your sweepstakes promotion.

Align your Promotion with the Right Channels

Crypto communities can be found online in places like Telegram groups, Discord, Slack, Reddit, and more. Make sure that you share your promotion in all the channels that intersect your audience with the crypto community. This ensures you'll get participants that are interested in both the prize and your business.

Podcasts:

Podcasts are an excellent way to directly tap into a crypto-community. You can share your cryptocurrency promotion in your own podcasts, on an influencer's podcasts, or partner up with another business that compliments your own and also has a crypto-community.

Crypto Conferences:

Crypto conferences are another great way to get your voice out about your promotions. Consider having physical promotional materials you can share at the conference to get new entrants.

Best Social Channels:

Telegram and Discord are the best social channels to promote your cryptocurrency sweepstakes. Be sure to engage with the members and build genuine connections. This will in turn get them speaking about your promotion. Encourage them to share the news of the contest with their friends and family interested in winning a crypto prize.

If you're not well-acquainted with Telegram and Discord, you can outsource engagement and promotion on these platforms to crypto-marketers and community managers.

Referrals:

Many crypto contests gain traction due to their referral structure. You can use referral marketing to increase your social media followers and get your existing audience to invite their friends and family for a chance to win. You may ask them to tag them in the comments of your thread so they can win more entries and increase their chances of winning the grand prize.

Measure Performance

We've listed several different legal and marketing considerations when running cryptocurrency sweepstakes.

Analyzing the performance of your crypto marketing strategies will help you to understand what your audience likes and what they don't like. You can use this data to improve your marketing strategies by finding out what content is being viewed the most and least, understanding customer engagement, and troubleshooting any website issues.

Conclusion

If you're looking for a new and exciting way to bring in new prospects, cryptocurrency sweepstakes might be the perfect solution for your business. By tapping into a tight-knit community that is passionate about all things crypto, you can lower your promotional costs while tapping into new audiences. Make sure you take into account all the legal considerations so you can run a legally compliant promotion.

Need help with crypto [sweepstakes](#) or [contest management](#)? Call 305-505-5393 or email us with your questions.