



So that's a big miss by Audi here if they are interested in continuing the buzz after this is over.



## K-NOTES

# Contracting for Online Marketing



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## Drafting Online Marketing Contests

### Power of Contracts in a Prize-Based Marketing

Online sweepstakes are a common technique for businesses to grow customers and brand awareness while also raising funds. Ideally these are a win-win for all parties: the business has a fun and accessible marketing scheme, and consumers get the excitement of participating in (and maybe winning) a low-stakes, high-value contest. However, when setting up a sweepstakes, it's necessary to follow certain legal procedures.



## Key Takeaways

### ➔ Contest Creates a Legally Binding Contract

The company makes an offer, and the entrant accepts; hence the contractual relationship is formed. As long as you meet the requirements, like age and acceptable country of residence, you are forming a valid contract.

### ➔ Describing the Prize

The laws vary from state to state, but generally, the business has to list the prize's fair market value. If the company lists a value much higher than the prize they would have to make up that difference in cash or a quantifiable equivalent.

### ➔ Scope of the Sweepstakes

Businesses typically want to restrict their sweepstakes to their target audience and certain non-restrictive jurisdictions. But when a sweepstakes is on the internet, everyone visiting the landing page believes the contest is open to them.

### ➔ Compelling Reasons to Do it Right

One of the reasons for running sweepstakes is to improve brand awareness, in addition to raising funds. It is in the client's best interest to run a sweepstakes where everything is spelled out clearly and easy to understand for the consumer. Bad publicity is costly, while good publicity brings in revenue.



Basically, these are open offers that people can then accept during the term of the promotional period."