



## BUSINESS

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# Social media trade promotions – tips and traps

Written by Sharon Givoni - lawyer, lecturer, and author of *Owning It*



Online promotions and competitions can be an effective way to boost exposure to your brand and engage with your target market. When it comes to the area of window furnishings, this principle equally applies.

You may want to run a competition like:

- \* “Caption this photo for a chance to win”
- \* “Tell us in 50 words or less why ...”
- \* “Like, comment or share this to be in the draw for ...”

But there is a catch – what many people do not realise is that these sorts of promotions are regulated by strict trade promotion lotteries laws, as well as the specific rules of the social media platform.

## **DO THE QUIZ AND SEE FOR YOURSELF...**

Test yourself by taking this quick quiz to see if you're on top of your game:



- \* Are you aware of when you can't offer the prize to people under 18?
- \* When do you need a permit?

## WHAT DID YOU ANSWER?

If you didn't know the answer to two or more of these and intend to run trade promotion, you may want to get some legal advice first.

This is a complex area – particularly because the laws in each state or territory can be quite different. However, once you get it right, at least you know you can run the promotion safely.

## BASICS

There are two basic types of trade promotion competitions that a business can run and this can make all the difference to the rules that apply.

The first is a “game of chance”. Here, the winner is essentially just chosen at random. The second is a “game of skill” where there is something required from the contestant, and then the winner is judged or voted.

Each type of promotion is governed differently, so it is important that you have a good understanding of the type of promotion you are running and the rules that apply.

## TRADE PROMOTION LAWS

Running a trade promotion is subject to relevant laws concerning trade promotion lotteries. Some states and territories also require you to obtain a permit before you run the trade promotion.

There are some prizes that may be forbidden as well, such as tobacco products, alcohol (in some cases) and cosmetic surgery.

In addition with the various regulatory requirements, if you are running your trade promotion through social media, you also have to comply with the social media platform's terms and conditions. Take Facebook for example which doesn't permit “sharing” as a condition of the promotion, but “liking” may be ok.



...then people will clearly know what rights and obligations, which does certainly help your promotion.

SHARON GIVONI - lawyer, lecturer, and author of *Owning It* – will be hosting a workshop at Life Instyle in August to share her invaluable insights into the law for retailers, including consumer protection laws, regulation around trade promotions and Facebook competitions, branding law and website terms and conditions. To register to Life InStyle visit:

<http://www.lifeinstyle.com.au/>

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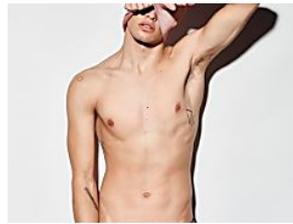
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