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Clamping Down on Promotional Campaign Prize Draws

A popular marketing method with Turkish advertisers is to launch a promotional campaign involving a prize draw. These campaigns aim to increase sales by offering consumers the chance to win a prize with every purchase. Such advertising campaigns are strictly scrutinized by the relevant regulatory authorities to ensure that they are not misleading or deceptive.

Together with the Advertising Board, these promotional campaigns are also monitored by the National Lottery Administration, which is the authoritative body for all games of chance in Turkey. Such promotional campaigns must obtain approval from the National Lottery Administration before they are launched. According to the administration's specific regulatory criteria, no prize draw can offer cash prizes. This is because the administration is the only authority permitted to organize lotteries and draws with cash prizes. In this respect, the administration also considers goods such as gold, platinum, precious stones, bonds and similar documents which are convertible into money as 'cash prizes' and thus prohibits such goods from being offered as prizes in a draw.

The administration's interpretation of 'cash' is strict. It does not permit promotional campaigns that offer multiple fungible goods as prizes, as the winner may keep one of the prizes and sell the others, thus converting the prize into cash. In one such case the advertiser intended to launch a promotional campaign in which the third winner would receive one bicycle, the second winner would receive two bicycles and the first winner would receive three bicycles. However, the administration concluded that the average Turk does not need three bicycles, as only one can be used at any given time. As a result, the winner would likely sell two of the bicycles and convert the prize into cash. The administration thus refused to approve the promotional campaign.

In another campaign the prize of the draw was a prepaid card which the winner could use to buy a number of goods up to its prepaid limit. The administration permitted the campaign on the condition that the winner could buy only one of each of the goods available.

According to the National Lottery Administration's legislation on cash prizes, only cash prizes and prizes such as gold, precious stones, bonds and similar documents which are convertible into money should be banned. However, the vague wording of the legislation seems to increase the scope of the administration's discretion when it comes to approving promotional campaigns.