



# FTC

## Quick Guide for Influencer Marketing



***"In order to follow our mission and help advertisers influence better; we have to constantly stay at the forefront of the industry trends and that includes all regulatory requirements."***

Eric Dahan - CEO and Co-Founder

# Federal Trade Commission (FTC)

## Mission:

Working to protect consumers by preventing anticompetitive, deceptive, and unfair business practices, enhancing informed consumer choice and public understanding of the competitive process, and accomplishing this without unduly burdening legitimate business activity.



# FTC's Efforts at a Time of Transition

**May 2000**

**Releases .com Disclosures**

How to Make Effective Disclosures in Digital Advertising

**March 2013**

**Updates .com Disclosures**

FTC staff revises guidelines to address changes in the online and mobile advertising environment.



**Oct 2009**

**Publishes Final Guides Governing**

Changes affect testimonial advertisements, bloggers, celebrity endorsements.

**May 2015**

**Publishes FTC's Endorsement Guides: What People are Asking**

Includes information about disclosing material connections between advertisers and endorsers.



# Bloggers, brands, influencers, content creators...

Have a legal responsibility online.

Same rules that apply to other forms of advertising apply to electronic marketing.



## Why are they important?

To help consumers discern between partisan and genuine experiences in social media.



**TRANSPARENCY + AUTHENTICITY = TRUST**



## CHEAT SHEET:

What does it mean to comply with **FTC disclosures guidelines**?

Telling people when someone is **advocating** on behalf of a brand, product or service.

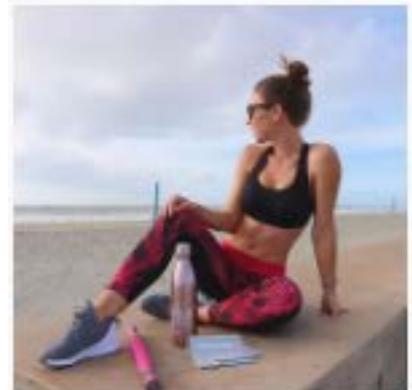
**The golden rule:** Disclosures must be "clear and conspicuous."

They are clear and conspicuous if consumers: Notice and understand them.

## When disclosing, pay attention to the **4Ps**

- **Prominence:** Is the disclosure easy to read? Evaluate graphic treatment, font size, and color.
- **Presentation:** Is the disclosure worded in a way that consumers can easily understand? Use plain language and syntax.
- **Placement:** Is the disclosure where consumers are likely to look? Disclosure shouldn't be hidden in a strange location on a post.
- **Proximity:** Even in a space-constrained promotion, put disclosure as close as possible to the claim. Make sure this doesn't change across devices or platforms.

**Bottom line: Don't be deceptive.**





## FTC's proper use of:

### Hyperlinks:

- Make the link obvious.
- Label the hyperlink appropriately to convey the importance, nature, and relevance of the information.
- Look out for the placement and prominence of the hyperlink on the web page or screen.
- Account for technological differences and limitations.

### Multimedia Content:

- For audio claims, use audio disclosures.
- For written claims, use written disclosures.
- Display visual disclosures for a sufficient duration. Repeat if necessary.

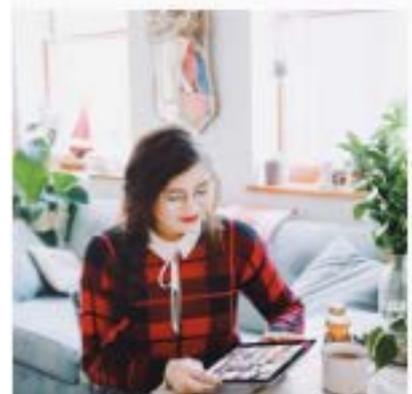
## Language:

- Disclosures should be as simple and straightforward as possible.
- Do not use icons or abbreviations.

**Suggestions:** Ad, #ad, sponsored, #sponsored (not 'spon'), promotion (not 'promo'), paid ad, #sweeptakes, #contests

## How to place it?

- **Blogs:** At the beginning or end of endorsement message.
- **Twitter, Facebook, Instagram, Pinterest:** At the beginning or end of endorsement message.
- **Snapchat, YouTube, Facebook Live, Periscope, Instagram Stories:** At the beginning of video.



# FOLLOW THE RULES...OR THIS COULD HAPPEN!

“The **FTC complaint charges Lord & Taylor with three separate violations:**

**1)** that Lord & Taylor falsely represented that the 50 Instagram images and captions reflected the independent statements of impartial fashion influencers, when they really were part of a Lord & Taylor ad campaign to promote sales of its new line;

**2)** that Lord & Taylor failed to disclose that the influencers were the company’s paid endorsers – a connection that would have been material to consumers; and

**3)** that Lord & Taylor falsely represented that the Nylon article and Instagram post reflected Nylon’s independent opinion about the Design Lab line, when they were really paid ads.”

