

LEGAL AND PRIVACY

Federal Trade Commission issues new sponsorship disclosure guidance for online influencers

November 6, 2019



Like it or not: The Federal Trade Commission puts social media influencers in the right and proper place with its new guidelines. Image credit: Federal Trade Commission

By MICKEY ALAM KHAN

The Federal Trade Commission has published a new document that outlines legal practice for how social media influencers should disclose sponsorships to their followers as that form of marketing annually runs into billions of dollars.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

The guide from the United States government's chief enforcer of consumer rights is supported with videos on the proper disclosures to make for endorsing products or services. Below in its entirety is the **FTC's** "Disclosures 101 for social media influencers."

Disclosures 101 for social media influencers

Do you work with brands to recommend or endorse products?

If so, you need to comply with the law when making these recommendations.

One key is to make a good disclosure of your relationship to the brand.

This brochure from FTC staff gives tips on when and how to make good disclosures.

The FTC works to stop deceptive ads, and its Endorsement Guides go into detail about how advertisers and endorsers can stay on the right side of the law.

If you endorse a product through social media, your endorsement message should make it obvious when you have a relationship ("material connection") with the brand. A "material connection" to the brand includes a personal, family, or employment relationship or a financial relationship such as the brand paying you or giving you free or discounted products or services.

Telling your followers about these kinds of relationships is important because it helps keep your recommendations

honest and truthful, and it allows people to weigh the value of your endorsements.

As an influencer, it's your responsibility to make these disclosures, to be familiar with the Endorsement Guides, and to comply with laws against deceptive ads. Don't rely on others to do it for you.

When to Disclose

Disclose when you have any financial, employment, personal, or family relationship with a brand.

Financial relationships aren't limited to money. Disclose the relationship if you got anything of value to mention a product.

If a brand gives you free or discounted products or other perks and then you mention one of its products, make a disclosure even if you weren't asked to mention that product.

Don't assume your followers already know about your brand relationships.

Make disclosures even if you think your evaluations are unbiased.

Keep in mind that tags, likes, pins, and similar ways of showing you like a brand or product are endorsements.

If posting from abroad, U.S. law applies if it's reasonably foreseeable that the post will affect U.S. consumers. Foreign laws might also apply.

If you have no brand relationship and are just telling people about a product you bought and happen to like, you don't need to declare that you don't have a brand relationship.

How to Disclose

Make sure people will see and understand the disclosure.

Place it so it's hard to miss.

The disclosure should be placed with the endorsement message itself.

Disclosures are likely to be missed if they appear only on an ABOUT ME or profile page, at the end of posts or videos, or anywhere that requires a person to click MORE.

Don't mix your disclosure into a group of hashtags or links.

If your endorsement is in a picture on a platform like Snapchat and Instagram Stories, superimpose the disclosure over the picture and make sure viewers have enough time to notice and read it.

If making an endorsement in a video, the disclosure should be in the video and not just in the description uploaded with the video. Viewers are more likely to notice disclosures made in both audio and video. Some viewers may watch without sound and others may not notice superimposed words.

If making an endorsement in a live stream, the disclosure should be repeated periodically so viewers who only see part of the stream will get the disclosure.

Use simple and clear language.

Simple explanations like "Thanks to Acme brand for the free product" are often enough if placed in a way that is hard to miss.

So are terms like "advertisement," "ad," and "sponsored."

On a space-limited platform like Twitter, the terms "AcmePartner" or "Acme Ambassador" (where Acme is the brand name) are also options.

It's fine (but not necessary) to include a hashtag with the disclosure, such as #ad or #sponsored.

Don't use vague or confusing terms like "sp," "spon," or "collab," or stand-alone terms like "thanks" or "ambassador," and stay away from other abbreviations and shorthand when possible.

The disclosure should be in the same language as the endorsement itself.

Don't assume that a platform's disclosure tool is good enough, but consider using it in addition to your own, good disclosure.

What Else to Know

You can't talk about your experience with a product you haven't tried.

If you're paid to talk about a product and thought it was terrible, you can't say it's terrific.

You can't make up claims about a product that would require proof the advertiser doesn't have such as scientific proof that a product can treat a health condition.

[Please click here to download the PDF of the Federal Trade Commission's "Disclosures 101 for Social Media Influencers" document](#)

FTC's words of caution to social media influencers

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.