

Be a Good Influencer: FTC Releases "Disclosures 101 for Social Media Influencers" Guide

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Remember when you were a teenager and rules seemed excessive and tiresome to follow? And remember getting grounded because you missed curfew ("nothing good happens after midnight") or skipped school ("Bueller? ... Bueller?...")? And then, suddenly, you grew up and realized that your parents enforced all those rules because they love you and want what is best for you.

Well, if you use online influencers to promote your business, the Federal Trade Commission loves you and wants to enforce its rules on you. Luckily, the FTC makes those rules crystal clear. Consider this a family meeting where the parents lay down the law.

I recently wrote an [article](#) discussing the FTC's recent settlement with cosmetics firm Sunday Riley related to alleged misleading advertising practices in the form of untruthful online reviews. The FTC stated in that press release: "Posting deceptive or inaccurate information online pollutes the e-commerce marketplace and prevents consumers from making informed purchasing decisions." This week, the FTC continued its campaign against deceptive online advertising with a new guide, "[Disclosures 101 for Social Media Influencers](#)" (the "Guide").

The Guide doesn't include anything truly groundbreaking. In fact, the FTC's previous "[.Com Disclosures](#)" guidance contains most of the standards included in the Guide.

However, the FTC apparently believes that influencers (and the advertisers that love to use them) need additional attention. So, the FTC put out the [Guide](#), a [blog post](#), a [dedicated webpage](#), and sharable [videos](#). The FTC clearly wants to get the word out. In fact, the FTC encourages influencers and brands to share what they know so that everyone follows the same standards.

The FTC's Guide reiterates that the responsibility to make endorsement disclosures lies with the influencer. The Guide also includes information on WHEN to disclose and HOW to disclose. The WHEN focuses on the need for a disclosure because of a material relationship with the brand. The HOW discusses making sure people see and understand the disclosure.

According to the Guide, disclosures should not just be in the influencer's profile section or

buried in a bunch of hashtags. They should be repeated often enough that people will catch them and understand the significance. A relationship between the influencer and the brand can be relayed by the phrases "ad," "advertisement," or "sponsored." A hashtag can be used with the disclosure but doesn't have to be. The influencer can also label him or herself a "partner" or an "ambassador."

For picture platforms, the disclosure should be superimposed over the picture long enough for a reader to see it and read it. For video platforms, the disclosure should be in the video itself and not just in the description of the video. For live stream platforms, the disclosure should be repeated periodically.

The FTC also notes that influencers should not talk about a product they haven't tried, lie about their experience with a product, or make up claims requiring proof that the advertiser doesn't have.

The FTC puts the burden on the influencer, but all advertisers should remember that when the FTC makes an example out of an influencer, the name of the advertiser is always included, and the reputation of the advertiser takes a significant hit. Financial services companies should ensure their paid influencers follow these FTC guidelines.

Family meeting adjourned. You know the rules. Don't get grounded.

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