February 20, 2020

FTC requests feedback on Endorsement Guides



The FTC recently requested public comments on questions related to its Endorsement Guides (the Guides).

While the FTC has periodically updated the <u>FAQs</u> associated with the Guides, it has not directly updated the Guides since 2009. Given the changes to influencer and social media marketing over the years, the FTC is seeking input on a range of issues related to endorsements, influencers, reviews, and affiliate marketing. For example, the FTC asks the following questions in the proposed Federal Register notice:

- Are any specific provisions of the Guides no longer necessary, and, if so, which provisions and why are they no longer necessary?
- What is the degree of compliance with the Guides, and do the Guides support industry self-regulation or voluntary standards?
- Should the information in FAQs be incorporated into the Guides?
- What changes are needed to address technological, economic, or environmental changes?
- How well are advertisers and endorsers disclosing material connections on social media?
- How do children understand disclosures of material connections?
- How do incentives like free or discounted products bias consumer reviews even when reviewers are not required to make a positive review and whether/how those incentives should be disclosed?
- Should the Guides address affiliate links, and, if so, how?
- What disclosures, if any, do advertisers or the operators of review websites or review platforms need to
 make about the creation, collection, processing, or publication of reviews or ratings in order to prevent
 deception or unfairness?

The FTC's announcement follows its November 2019 "Disclosures 101 for Social Media Influencers" and recent cases related to fake reviews and fake indicators of online influence. In addition, the FTC staff indicated this month that the FTC is continuing to investigate influencer activities, and more cases are in the pipeline regarding deceptive reviews and the failure to disclose material connections between influencers and brands. Bottom line:

good influencer practices are essential for brands and influencers, and the FTC continues to focus on influencer marketing. **Key Takeaways:**

- The FTC is seeking comments from interested parties within 60 days after publication in the Federal Register.
- The comments could result in updates to the Endorsement Guides or related FTC guidance.
- Endorsements and influencers continue to be an enforcement priority for the FTC, so brands should audit their endorsement and influencer policies (and associated monitoring and training programs) for influencers, marketers, agencies, and employees.

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Consumer Protection