



Ethics Code



WOMMA

word of mouth marketing association

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Introduction

The WOMMA Code of Ethics is a cornerstone of the principles that built this organization. WOMMA is very proud that the FTC recognized in their new guide, with no less than ten specific references, the authority and integrity of the overall WOMMA Code.

As part of our annual ethics evaluation process, WOMMA established the Living Ethics Review as the method in which we update the WOMMA Code of Ethics. Furthermore, WOMMA formalized an interim review process so that our organization can adopt necessary code changes quickly, but with thoughtful consideration and care for the impact on our industry and our membership.

We strive to provide ethical leadership, and wish to hold our members to high standards which are integral to maintaining a quality reputation for both our organization, and its valued members.

Code of Ethics and Standards of Conduct for the Word of Mouth Marketing Association

Preamble

The Word of Mouth Marketing Association (“WOMMA”) is an official trade association that represents the interests of the word of mouth and social media industry. WOMMA is committed to building a prosperous industry that is based upon best practices, effective standards, and responsible leadership. A central mission of WOMMA is to create an environment of trust between consumers and marketers. Members of WOMMA seek to enhance the meaningful development of their fellow members, the industry, and their customers, and are committed to compliance with laws and regulations that govern the prevention of unfair, deceptive or misleading marketing practices.

Therefore, members of WOMMA strive to:

- Maintain the highest standards of business conduct, by using only legal and ethical means in their business activity;
- Observe all applicable laws, regulations, and rules pertaining to their marketing practices;
- Actively promote and encourage the highest level of integrity within the industry;
- Cooperate in every reasonable and proper way with other members and work with them in the advancement of the industry;
- Lead by example and adhere to ethical standards that even may exceed those required by law; and
- Commit to the development and use of the most effective standards and practices to promote consumer protection.

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As a result, members of WOMMA share in the following core values:

Trust: WOMMA members are committed to engaging in practices and policies that promote an environment of trust between the consumer and marketer.

Integrity: WOMMA members pledge to comply with the requirements of applicable laws, regulations, and rules concerning the prevention of unfair, deceptive or misleading advertising and marketing practices. In particular, WOMMA members promote honesty and transparency in their practices and methods, such that all forms of consumer manipulation are rejected. Indeed, advertising is a creative enterprise that strives to convince the consumer that the advertiser's product or service is necessary and valuable, but in the course of engaging with the consumers, WOMMA members are committed to avoiding consumer deception as an end result of their marketing practices. As a result, WOMMA members engage in practices that are designed to enable the reasonable consumer acting rationally to make better informed purchasing decisions.

Respect: WOMMA members promote and abide by practices that focus on consumer welfare. WOMMA members believe that the industry is best served by recognizing that the consumer, not the marketer, is fundamentally in charge and control, and that it is the consumer that defines the terms of the consumer–marketer relationship.

Honesty: WOMMA members believe that consumers should be free to form their own opinions and share them in their own words. Simply put, WOMMA members do not support any efforts that tell others what to say or how to say it.

Responsibility: WOMMA members believe that working with minors in marketing programs requires sensitivity and care, given their particular vulnerability to manipulation and deception.

Privacy: WOMMA members respect the privacy of consumers, and encourages practices that promote the most effective means to promote privacy, such as opt-in and permission standards.



Conditions for Membership into WOMMA

To qualify for and maintain a membership in WOMMA, the applicant or Member shall:

- Share in the core values as set forth in the Code of Ethics and strictly abide by the “Standards of Conduct Required of WOMMA Members;”
- Supply accurate and complete information on the nature of the applicant or Member’s business and background, including information concerning the company’s principals and management personnel;
- Not having been convicted of a crime involving moral turpitude or fraud by a court of competent jurisdiction;
- Cooperate with and abide by WOMMA’s self-regulatory efforts, its complaint resolution programs, and other association rules;
- Promptly respond to all complaints forwarded by WOMMA or from any official complaint resolution program, make a good faith and reasonable effort to resolve all such complaints in accordance with generally accepted and proper business practices, and to comply with the terms of any findings issued; and
- Meet its financial obligations, including, without limitation, financial obligations to WOMMA.



Purpose of the Code of Ethics

WOMMA has adopted a Code of Ethics and Standards of Conduct as a requirement of membership into the association, with the hope that the Code and Standards reflect an attempt by industry members to “do the right thing” by engaging in responsible self-regulatory efforts concerning their marketing practices. The fulcrum of the Code and Standards is the Guides Concerning Use of Endorsements and Testimonials in Advertising promulgated by the Federal Trade Commission. See 16 C.F.R. §§ 255.0-255.5.

WOMMA, however, is obviously not an agent or representative of any governmental regulator or law enforcement agency, and its views are not intended to represent any formal or informal interpretations of any laws or regulations.

Standards of Conduct Required of WOMMA Members

Standard 1 – Disclosure of identity: A WOMMA member shall require their representatives¹ to make meaningful disclosures of their relationships or identities with consumers in relation to the marketing initiatives that could influence a consumer’s purchasing decisions.

Standard 2 – Disclosure of consideration or compensation received: A WOMMA member shall require their representatives to disclose meaningfully and prominently all forms of consideration or compensation they received from the member, marketer or sponsor of the product or service. In other words, WOMMA members shall not engage in marketing practices where the marketer/sponsor or its representative provides goods, services, or compensation to the consumer (or communicator) as consideration for recommendations, reviews, or endorsements, unless full, meaningful, and prominent disclosure is provided.

Standard 3 – Disclosure of relationship: A WOMMA member shall require their representatives involved in a word of mouth initiative to disclose the material aspects of their commercial relationship with a marketer, including the specific type of any remuneration or consideration received.

Standard 4 – Compliance with FTC Guides: A WOMMA member shall comply with the Guides Concerning Use of Endorsements and Testimonials in Advertising promulgated by the Federal Trade Commission. See 16 C.F.R. §§ 255.0-255.5.

Standard 5 – Genuine honesty in communication: A WOMMA member shall not tell their representatives what to ultimately state in their communications about a particular product or service, so as to enable the consumer to reflect his or her honest opinions, findings, beliefs, or experiences.

Standard 6 – Respect for venue: A WOMMA member shall respect the rights of any online or offline communications venue (such as a web site, blog, discussion forum, traditional media, and live setting) to create and enforce its own rules as it sees fit.

¹The term “representative” is intended to be construed broadly, so as, for example, to include vendors of marketing initiatives.



Standard 7 – Marketing with children and adolescents: A WOMMA member shall not include children under the age of 13 in any of its word of mouth marketing programs or campaigns; and shall comply with all applicable laws dealing with minors and marketing, including the Children’s Online Privacy Protection Act (“COPPA”). See 16 C.F.R. § 312.

Standard 8 – Compliance with media-specific rules: A WOMMA member shall comply with existing media-specific rules regarding marketing to children.

Review of the Code of Ethics

The Code of Ethics and Standards of Conduct constitutes a “living document,” that is intended to evolve given the development of new technologies and media and enactment of new laws and regulations. As a result, WOMMA has adopted two mechanisms for the membership and third parties to comment upon the Code and Standards.

The first mechanism is the annual review process that is announced at the beginning of November each year and which concludes in February of the immediate following year. It is designed to be transparent and inclusive, seeking thoughtful input and dialogue.

Specifically, there will be an announcement to WOMMA’s membership concerning the opportunity to submit written comments on the current Code of Ethics and Standards of Conduct. This announcement will be sent to the membership via email and posted on WOMMA’s web site; in addition, an announcement will be made to non-members and other interested parties concerning the opportunity to submit comments on the current code. Contemporaneous with the announcement WOMMA’s Living Ethics Blog will be made live. All comments received by the Living Ethics Blog will be captured and posted on the web site under WOMMA’s Ethics/Living Ethics Project. During this process, several reminders will be sent concerning opportunity to submit comment during this time period. In addition, an open session on the Living Ethics Project will be held at the Annual WOMMA Summit Meeting. All comments received will be provided to the Board to render any amendments to the Code and Standards. The decision of the Board will then be made public and WOMMA members will be immediately notified. Any members that are unable to comply with the amendments will be asked to resign their membership.

The second mechanism is a review that can be triggered by a petition concerning a specific issue to WOMMA’s Executive Director by three members in good standing. Specifically, once the petitions by the three members are received, the following steps will occur:



- The Living Ethics Blog will be made live within five business days and an announcement will be made to the membership both via email and on our web site.
- There will be a comment period for thirty days. The dates will be announced via email and WOMMA's web site concerning the time frame and the topic under review.
- Once the comment period is officially opened, the implementation of that particular issue of the Code or Standards will be held in abeyance for a period of sixty days.
- All of this information received will be made public on WOMMA's website so that the entire process will be transparent, inclusive, and robust.
- At the conclusion of the comment period, the Board will take all communications received and render a final and binding decision.
- The Board's decision will be announced to the membership via email and website.

Once the Board's decision has been announced, there will be a one hundred and eighty (180) day compliance period, which will be clearly set out for the membership. If any member is unable to comply, the affected member will be asked to resign from the membership.

Enforcement of the Code of Ethics and Standards of Conduct

Any member of WOMMA may be admonished, suspended or expelled for cause due to conduct, acts, or omissions that are contrary to the spirit and letter of the Code of Ethics and Standards of Conduct. This disciplinary review process is enforced through WOMMA's Membership Ethics Advisory Panel ("MEAP"), a Board-appointed group that is focused on monitoring the industry, educating WOMMA members on best practices in marketing ethics, and investigating allegations of Code violations. Specifically, the MEAP is responsible for reviewing (a) prospective member companies who are found in the membership application process to have questionable practices; and (b) allegations of unethical, deceptive, misleading, or unfair practices from current WOMMA members by other members of WOMMA. It acts in an advisory capacity to the Board of Directors.

The MEAP consists of a minimum of seven (7) and a maximum of eleven (11) members, including the Chair. The members of the MEAP, including the Chair, shall be appointed by the WOMMA Board of Directors from amongst the members of WOMMA. In order to be eligible to serve on the MEAP, panel members must: (1) be an employee of a WOMMA member company in good standing; (2) hold a management level position within the member company; (3) possess significant knowledge of and experience in word of mouth marketing or social media; (4) possess a working understanding of the WOMMA Ethics Code of Conduct, Standards of Conduct, Bylaws, and all other WOMMA policies, rules or regulations; (5) not have been involved in any acts, policies, or omissions that violates the Code of Ethics or Standards of Conduct; and (6) not be a member of the WOMMA Board of Directors.



MEAP members agree to keep confidential the subject of all complaints and investigative discussions unless or until corrective action is taken by the Board. Investigations may not be discussed outside of the panel's formal meetings.

The disciplinary measures which may be imposed upon a member may include, but are not limited to, one or more of the following: (a) a notice of corrective action, which entails a recommended remedy and an expression of concern and warning that more severe action could follow if a future violation occurs; (b) a public notice of corrective action; (c) probation, in which the member shall lose all rights of membership for up to three years; and (d) expulsion, in which the member shall lose all right of membership.

Detailed information concerning MEAP and these disciplinary procedures can be found at WOMMA's website.