

NEWS

Word of Mouth Marketing Association

www.womma.org

For immediate release

WOMMA Submits Comments on FTC's Proposed Revisions to Advertising Guidelines on Testimonials and Endorsements

CHICAGO, March 5, 2009 – The Word of Mouth Marketing Association (WOMMA), www.womma.org, said today it generally supports revised guidelines proposed by the Federal Trade Commission (FTC) requiring transparency in endorsements and testimonials used in advertising. The proposed guidelines are intended to cover social media as well as measured media and to prevent misleading product endorsements from bloggers and other third-parties who may have financial incentives to write favorable reviews.

“Bloggers need to be able to offer their opinions. That’s what a lot of their communities find valuable and we don’t want to scare them off from offering that honest point of view. However, WOMMA strongly supports the FTC’s proposed requirement that endorsers fully disclose their relationships with advertisers and product companies. That’s how we preserve the integrity of social media communications,” said WOMMA President John Bell.

WOMMA, in its Comments to the FTC, and in support of the agency’s commitment to meaningful self-regulation, agreed that core elements of the FTC guideline revisions should require disclosure and transparency, and emphasized that these principles are essential to establish consumer interest and trust, respect for industry self-regulation and integrity in the commercial marketplace.

In the proposed revisions, the FTC warns that advertisers could be subject to liability for false or unsubstantiated statements in endorsements or for failing to disclose material connections with their endorsers. The FTC also advised that endorsers may be liable for statements made in the course of their reviews, especially when a connection between the endorser and the seller of the advertised product could materially influence the weight or credibility of the endorsement. Such relationships must be fully and meaningfully disclosed, the agency said.

WOMMA Vice President Paul Rand said that WOMMA's Ethics Code, <http://womma.org/ethicscode>, is consistent with the intent behind the proposed revisions to the FTC Advertising Guides, and WOMMA supports the FTC's efforts in promoting transparency and honesty in advertising and marketing and industry self-regulation. "Through such principles, the integrity of advertising is preserved, and marketing practices that utilize word-of-mouth, consumer-generated, and social media platforms can be perceived as credible and viable," he said.

However, examples provided in the FTC revisions, according to WOMMA, are too broad in scope in proposing that both advertisers and bloggers themselves can be liable when promoting their products and services. WOMMA, therefore, asked the FTC to consider clarifications to identify those circumstances and contexts where liability cannot be triggered.

For example, could a blogger be subject to liability for endorsements even if they represent an honest appraisal of the product and the blogger's experience? "Bloggers might be afraid to state their opinions or experiences if they believe they go against the grain of mainstream opinion or are not supported by empirical evidence. However, WOMMA strongly supports the FTC's proposed requirement that endorsers fully disclose their relationships with advertisers and product companies to preserve the integrity of social media communications," said Bell.

WOMMA, www.womma.com, is the leading trade association in the marketing and advertising industries that focuses on word of mouth, consumer-generated and social media platforms -- or marketing techniques that include buzz, viral, community, and influencer marketing as well as brand blogging. The organization is committed to developing and maintaining appropriate ethical standards for marketers and advertisers engaging in such marketing practices, identifying meaningful measurement standards for such marketing practices, and defining "best practices" for the industry.

Founded in 2005, WOMMA currently has approximately 400 members. They include marketers and brands that use word-of-mouth marketing to reinforce their core customers and to reach out to new consumers, agencies that deliver word-of-mouth services and technologies, researchers that track the word-of-mouth experience and offline and online practitioners.

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