

Self-Regulation and Enforcement

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Self-Reg

& Social Media

- Senny Boone
- October 22, 2013



Advancing and Protecting
Responsible Data-Driven Marketing

Self-Regulation

Evolution:

**From offline “do not mail” & environmental responsibility:
4 million consumers on DMAchoice.org**

Now: do-not-track; opt-in or opt-out; Big Data; mobile cloud...

Scrutiny of privacy policies, online terms & conditions & new technologies prevail.

Self-Regulation

DMA has an active self-regulatory process—across all marketing channels.

-Committee-based. Volunteer practitioners meet to review ongoing ethics cases; volunteers shape DMA Guidelines.

-All DMA members must comply with Guidelines; nonmembers are reviewed as well.

-Goal is to be accountable and build consumer trust.

Self-Regulation

Consumer Tools:

DMAchoice.org

Aboutads.info

Consumer help-line

Consumer complaint process

Self-Regulation

Annual Compliance Report:

15,000 consumer contacts per year

300 complaints

50-60 cases

Referrals & resolution

Suspension

Publication—see www.thedma.org/compliance/

Social Media

3 Areas of Concern:

1. General Privacy

2. FTC: Endorsements & Testimonials, dot com disclosures.

3. “Targeting” Social Profiles

Social Media

Privacy v. Social – A Contradiction

Private = concealed

Social = public sharing

What is the consumer expectation—most posts, tweets, blogs are meant for public...

What is private, what should be protected?

Social is Not the Wild West

Common marketing best practices & rules apply:

- Truthfulness, accuracy**
- Privacy policy on data collection & use**
- Terms of the offer**
- Marketing to children**
- Contests, sweepstakes**
- Health information**
- data collection, use & security...**

Social is Unique

Best Opportunity to Build Your Reputation: good or bad
Online word-of-mouth

#Tweets

Likes

Blog posts

FB friends

=Success

Social Media

FTC is paying attention!

See .com Disclosures: 2013.

-General rules of advertising law apply online (not any particular medium) new issues concerning space-constrained screens and social media platforms.

-“Clear and conspicuous” disclosures are required.

Social Media

FTC is paying attention to endorsements & testimonials:

Endorsement: an ad message that consumers believe reflect the actual opinion or belief of the endorser, even if is the same as that of the sponsor.

“Material connection” between the seller and endorser.

Social Media

Celebrity Endorsers

-“generally expected results,”

Endorsers should disclose their connection to advertisers.

Mom-bloggers: Guides impose potential liability on advertisers; could be held liable for false or unsubstantiated statements made through a blogger’s endorsement.

Social Media

Likes, Tweets & FB Posts:

Genuine? Or Paid? Social consumers rely on peers and others to make their purchasing decisions. Exploitation of consumers can occur.

Compensation must be disclosed.

Social Media Complaints

DMA has seen some of this with “paid friends,” complaints—companies who claim to sell 1,000 “friends” for a price.

Social Media & Regulators

NY Attorney General Schneiderman concluded a year-long investigation into “reputation management” companies.

“Astroturfing is 21st Century’s False Advertising.”

-Companies manipulated consumer-review websites, flooding them with fake consumer reviews on Google, Yelp, Citysearch.

-Paid freelance writers from Bangladesh, Eastern Europe \$1-10 per review.

Social Media

Busted by a Yoghurt Shop!

AG posed as a yoghurt shop seeking help with its online reputation due to negative reviews.

Companies offered to write fake reviews and post them on consumer review websites like Yelp.

Companies used IP spoofing techniques to hide their identities and set up hundreds of fake online profiles to post fake reviews.

(Yelp aided the investigation and has added filtering techniques.)

Social Media

Examples:

Laser Cosmetica (a hair removal business) hired an SEO that posted fake reviews on consumer review websites, and instructed employees and friends to write fake reviews on consumer review websites. They offered discounts on services in exchange for online reviews without requiring the customer to disclose the gift in the review.

Remember that compensation is to be disclosed!

Social Media

OAG entered into “Assurances of Discontinuance” with 19 companies, penalties from \$2500-\$100,000

OAG found the practice of preparing or disseminating a false review is a form of false advertising known as astroturfing, violates New York laws against false and deceptive advertising.

Gartner predicts that by 2014 between 10-15% of social media reviews will be fake.

Social Media

Social media profile “targets”

DMA complaints:

- dating ads

- high income individuals seeing highly priced car ads

- inappropriate or obscene ads

Social Media

DMA Guidelines

www.dmaresponsibility.org/Guidelines/

Contacts:

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Thank you!



Advancing and Protecting
Responsible Data-Driven Marketing



Social Media and Self-Regulation

Venable Seminar

Oct. 22, 2013

C. Lee Peeler
President, National Advertising Review Council
EVP, National Advertising, CBBB

How CBBB-Administered Self-Regulation Works

- Monitoring
- Inquiries
- Published decisions – guidance, compliance, transparency

Applies to all industry members

“ Arguably, however, the most influential factor respecting national advertising over the last 30 or so years is self-regulation. Meaningful self-regulation provides a critical complement to the FTC’s law enforcement efforts. It relieves the FTC from supervising some issues, and frees up resources that can be used in other areas. It allows the FTC to focus more efficiently on the activities of those who don’t comply with the self-regulatory regime. ”

*J. Thomas Rosch, FTC Commissioner,
Advertising Law and Business Affairs Conference,
Association of National Advertisers, March 11, 2009*

- High level of voluntary compliance
- Strong government support

Applies Same Principles as FTC

- Tell the truth – support your claims
- Transparency – be clear whether its content or promotion
- Disclose unexpected material connections
- Protect privacy/comply with self-regulatory guidelines



WeKnowDiets

ERSP Case #129

We know you will find this information useful and we wish you all the best of health and nutrition. Please remember that these reviews are done by human editors with the goal of helping you make the best decision that fits you. All reviews and are subject to current information at the time the review was conducted and could change as various products or programs change.

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filled with no-hum diet choices, isolated and marketed by Urban ms to stand head and shoulders From its informative website ie. superior ingredients included in Miracleburn® blows away its

This Week's Editors Choice Award:

Week of: Tue to Sun, 2009

MiracleBurn: The powerful product distills both Hoodia & Adipex-25, making it a modern and effective all in one formula that burns your appetite and reduces your metabolic rate safely. We have found that the MiracleBurn formula can provide a better, healthier and better-looking body without the need for a specific meal plan. The MiracleBurn website has a custom testimonial form customers here have enjoyed their products. They also have a social feedback and after picture that easily shows what the product can do. The MiracleBurn® customers are enough to ask the product name. We appreciate a company who believes in their products so confidently that they give away free trials. You can order a 7-Day Free Trial of MiracleBurn® and also receive a free \$10 gift card from one of their top sponsors: Wal-Mart, Target, Costco, Home Depot, Barnes & Noble, Starbucks or Blackboard Video.

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Videos

Popcorn - Cell phones ; made by CARDO SYSTEMS



0:04 / 0:45

This is a video response to Popcorn at portable : c'est une vidéo virale (CardoSystems)

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softballkitten90 (1 week ago) [Reply](#) 0
that was awesome i mean how they did that

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pjdambra (2 weeks ago) [Reply](#) +3
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Case #5387

6.29.12

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Progressing information and research in the treatment of Apraxia

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"I started using a patented omega-3 / vitamin E speech supplement three weeks ago for my 5 yr old son, adopted by me at 2 yrs of age, who had always talked in a mumbled, muffled voice. He'd been in speech therapy for over 3 yrs. On his seventh day, taking 2 capsules a day, Robbie began talking more clearly and in full sentences. On his 8th day I began giving him 3 capsules a day. On his 14th day I met with his school teacher as well as his speech teacher. Both wanted to know what we had done to improve Robbie's speech so quickly and so dramatically. I explained to them about the supplement and gave them some literature to review.

Also, Robbie's speech teacher from his preschool days is now working with Rebecca, Robbie's sister. When she was here last week she kept saying over and over how she couldn't believe the change in Robbie's speaking ability. With Rebecca, she is now on three capsules a day. Although she is nonverbal I have noticed an increase in her swallowing ability. This we hope will inevitably lead to her trach being removed. A blessing in itself. Her complexion and appearance look so good. We are also noticing an improvement in her muscle tone and spasticity. In fact, Rebecca's chiropractor commented that she was showing great improvement in her whole body since she has started the patented omega-3 / vitamin E supplement. He was impressed.

A friend of mine, whom I gave some of the supplements to 5 days ago, now has had her 5 yr old grandson on 2 capsules a day. This morning she reported that Brahan was moving his mouth muscles attempting to speak and that his spasticity had greatly improved. She is so thrilled. She will move him up to 3 capsules once a day starting Sunday.

We have seen remarkable results in a very short period of time. In fact, Rebecca's Neurologist at Vanderbilt Children's Hospital inquired about the patented omega-3 / vitamin E formulation and we gave him a brochure. The results have, in a short period of time, greatly exceeded our expectations. Thank you so much. I will keep you informed.

Nourishlife

Case #5620

8.8.13

NEW STUDY PUBLISHED!

Syndrome of Allergy, Apraxia and Malabsorption:

Characterization of a neurodevelopmental phenotype that responds to Omega 3 and Vitamin E supplementation.



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Qualcom/ Snapdragon

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The Tech That Makes the Pebble Watch Tick

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SPIIL Games

Case #5533

12.12.12

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CARU Recommends SPIIL Games Modify Website to Better Protect Children's Privacy, Company Agrees to Do So

New York, NY – Jan. 10, 2013 – The Children's Advertising Review Unit recommended that SPIIL Games, BV, operator of the website "GirlsGoGames.com," modify the site to better protect the privacy of child visitors. The company has agreed to do so.

CARU is an investigative unit of the advertising industry's self-regulatory system and it is administered by the Council of Better Business Bureaus.

The website, directed to children and teens, allows members to create profiles and individualized avatars, play and rate games, make friends and view profiles of others.

Upon its initial review of the site, CARU was concerned that the website did not employ a tracking mechanism as part of its age screening system. Further, CARU was concerned that the site allowed children to disclose personally identifiable information on member profile pages without first providing proper parental notice or obtaining verifiable parental consent and allowed children to register for the site using social media tools – including Facebook and Twitter – that do not permit participation by children under the age of 13.

“CARU was concerned that the site allowed children to disclose personally identifiable information on member profile pages without first providing proper parental notice or obtaining verifiable parental consent and allowed children to register for the site using social media tools – including Facebook and Twitter – that do not permit participation by children under the age of 13.”



A Tale of Two Markets

Infomercial Industry

v.

Word of Mouth Marketing



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