

Consultancy Practice Guidelines 01/2010:

Bloggers testimonials need better disclosure

Web link: [FTC Publishes Final Guides Governing Endorsements, Testimonials](#)

In October 2009, the Federal Trade Commission (FTC) in the United States took steps to make product information and online reviews more transparent for consumers, guiding blogging for the first time and mandating that testimonials reflect typical results.

Most significantly for bloggers, the revisions to the Guidelines make clear the long-standing principle that “material connections” (sometimes payments or free products) between advertisers and endorsers must be disclosed to consumers. In practice, this would generally mean that a blogger who receives some kind of benefit, such as a cash payment or a product/service to review, would need to disclose it on his/her blog post. An endorsement is, essentially, any mention of a product that aids in the favourable outlook of a sponsor’s product or brand. It does not have to be of specific length or style.

In summary, the FTC requires that writers on the Web clearly disclose any freebies or payments they get from companies for reviewing their products. The FTC guidelines are not binding law, but rather interpretations of law that hope to help advertisers comply with regulations. Violating the rules, which take effect 1 December 2009, could result in various sanctions, including a lawsuit.

In Malaysia, there has been an increasing practice where companies pay bloggers either in cash or with products to write blog posts about a company or product. These arrangements are done either through blog aggregators/agencies or directly with the blogger.

PRCA Malaysia is of the opinion that companies embarking on review programmes or have product giveaways to bloggers should require that the freebies or payments be clearly disclosed on the blog post so that readers and consumers are aware of this.

Sponsored blog posts should not be confused with paid advertisement slots, where sponsors are expected to exercise control and biased influence over its content.

Social media is influential and relevant and it is crucial that transparency, credibility and trust be maintained. It is crucial that companies, consultancies and bloggers alike be aware of their obligations and responsibilities with respect to ethical practices and education will play a substantial part of the process in ensuring that the social media sphere in Malaysia continues to be vibrant and rooted in trust.

There have been numerous reports where certain bloggers require payment or advertisement support as a prerequisite for event attendance and/or review of products and services. This is not indicative of the larger social media community. However, if proper disclosure is not made, it will run contrary to the FTC guidelines. In addition, it is important to note that relationships built on a payment model may not be sustainable in the longer term.

In agreeing with the spirit of the FTC guidelines, PRCA Malaysia recommends the following when advising clients on the practice of paying bloggers for posts:

- Proactively share the revised FTC guidelines with your clients and employees.
 - Advise clients seeking to market their products/services with bloggers to first discuss the issues of transparency and disclosure up front and agree on the terms that will govern their relationship. Bloggers should also be prepared to include appropriate disclaimer language/indicators on their sites.
 - Clients /marketers should advocate full disclosure for participation in a review. This can be as simple as asking the blogger to identify when they have received a product from the brand in their review post.
 - Companies should encourage a disclosure on the relevant blog post that the blogger had received products or payment from the company that he/she is providing a testimonial on. The disclosure should be "clear and conspicuous" i.e. clearly stated and not hidden in another section. This is already practiced by many ethical bloggers.
 - Should payment in cash or sponsorship of products be a prerequisite from a blogger, either via a blog aggregator or direct from the blogger, consultancies should advise clients of the FTC guidelines and make recommendations that uphold transparency in the interest of the public at large. It is preferable for a client to show support to a particular blogger by way of an advertisement on the blog site.
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2010 World Public Relations Forum (WPRF)

Organised by Global Alliance, the 2010 WPRF will be held in cooperation with the [Swedish Public Relations Association](#) (SPRA) **in Stockholm on June 14-15**. The forum will bring together 500 PR and communications practitioners from the around the world.

For more information about this event, please visit: www.wprf2010.se

Contact PRCA Malaysia via e-mail at secretariat@prcamalaysia.org or visit our website for the latest news: <http://www.prcamalaysia.org>
