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FTC Publishes Practical Guidance for Influencers

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From beauty gurus on Instagram to product reviewers on YouTube, influencers are big business for brands. However, the intentions aren't always clear when reading the advice of a celebrity fitness trainer who was paid for his endorsement or watching a video of a fashionista who just received a new wardrobe from the clothing company she is promoting. To help clarify when and how influencers need to make disclosures, the Federal Trade Commission (FTC) released <u>Disclosures 101 for Social Media Influencers</u>, a new guide intended to supplement the agency's <u>Endorsement and Testimonial</u>

The guide and its accompanying video advise on disclosure language, how to disclose in different types of media, and avoiding dishonest claims. They also make important points for companies, such as recognizing that financial relationships are not limited to money and not assuming that social media followers are familiar with a company's brand relationships.

The FTC has taken action against a number of companies over the last year for inadequate disclosures and posting false reviews, including snack box delivery service <u>Urthbox</u> and supplement manufacturer <u>Nobetes</u>. Just last month, the FTC brought complaints against cosmetics company <u>Sunday Riley</u> for posting fake reviews on Sephora.com and the now-defunct marketing company <u>Devumi</u> for creating fake social media followers.

The FTC continues to provide educational resources to influencers and brands about how to comply with the Endorsement Guides, but does not hesitate to initiate enforcement action where undisclosed endorsements have the potential to deceive consumers. Companies should continue to ensure they and the influencers they work with are familiar with both the Endorsement Guides and Disclosures 101 when working with them on an advertising or marketing campaign.

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Guides and 2017 Q&A on endorsements.

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