

New FTC Guides Raise Stakes for Companies that Advertise Through Social Media

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The Federal Trade Commission recently released a new version of its Guides Concerning the Use of Endorsements and Testimonials in Advertising. The new Guides, which are effective as of December 1, 2009, contain numerous provisions that apply to messages in social media, such as blogs, word-of-mouth marketing, and other promotions in which companies encourage consumers to speak on their behalf. If your company uses social media to advertise, you need to pay close attention to the Guides because your company may be liable not only for its failure to comply with the Guides, but also for the failures of consumers you work with.

Click here for an article (starting on page 19) that addresses some of the key issues under the new Guides.