

NAD Decision Holds Important Lessons for Advertising in Social Media

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This week, the NAD issued an important decision involving advertising practices in social media. Here are the highlights.

- eSalon operates a hair-styling blog, and many posts promote the company's products. Because the blog didn't have eSalon branding, the NAD was concerned that consumers would view the blog as independent, despite a fine-print disclosure at the bottom of the site. The NAD recommended that eSalon disclose its affiliation at the top of each page.
- eSalon provides consumers incentives to promote the company's products in social media. As we've [noted before](#), advertisers must take steps to ensure the consumers disclose those incentives. The NAD recommended that eSalon advise reviewers of their disclosure obligations and that the company not re-post reviews that fail to include these disclosures.
- eSalon's Pinterest page includes a review section with links to content discussing the company's products. Although some of the content was independently generated, other content was sponsored by eSalon. The NAD advised eSalon to clearly differentiate sponsored content from independent content.
- eSalon used celebrity photos to highlight the celebrities' hair color choices. The NAD was concerned that consumers would interpret the use of the photos as implied endorsements by the celebrities. As a result, the NAD recommended that eSalon not use celebrity photos unless the celebrities have endorsed the product.

This case serves as a reminder that advertisers need to take steps to differentiate sponsored content from independent content. For more on these issues, take a look at this article on [Advertising and Promotions in Social Media](#), and stay tuned for a new article in the next few weeks.