Influencer marketing has revolutionized the way companies engage with consumers. While it offers numerous benefits, such as increased brand visibility and direct interaction with targeted audiences, it also comes with its own set of restrictions and requirements that come with government regulations. The Federal Trade Commission (FTC) makes it clear that companies who are responsible for the influencers' content must ensure compliance with FTC guidelines and brand ethos. Content which may be compliant on one platform could become non-compliant on another, so it is crucial for companies to regularly monitor their social media influencers to ensure compliance with FTC requirements, as well as their company’s restrictions and requirements.

The regulatory department of your company is likely to be familiar with these requirements and can assist your marketing team in understanding how social media influencers can help mitigate your liability should the influencer post non-compliance content. Tailor-made approach in working with social media influencers includes outlining the terms of the engagement up-front, which helps establish your company’s expectations for the social media influencer’s engagement, identify potential points of disagreement or disputes, and mitigate risk. If the influencer starts to post non-compliance content, you should consider providing for withholding of pay or compensation, and repeat violators could consider legal action.

Companies should always clarify the terms of their engagement with social media influencers. Outlining the terms of the engagement up-front help establish your company's expectations for the social media influencer's engagement, identify potential points of disagreement or disputes, and mitigate risk.

The FTC has taken action against companies and social media influencers who were involved in non-compliance issues. In one case, Microsoft was responsible for the influencers’ failure to disclose their material connection to the company. While the FTC decided that they were being paid for their opinions on the system, the campaign was not compliant with FTC standards. The company was required to make four unique posts, get PR Consulting's approval for these posts, send four test posts to the company for approval, and be required to make four unique posts.

Influencer marketing has become a primary way for companies to promote their products and services. And while companies have long understood the impact of influence on consumers, it is important to remember that micro-influencers can constitute a sufficient disclosure. When a social media influencer uses the term #ad, it is easy to understand and read at a cadence easy for people to follow. However, it is crucial to remember that the term” sponsored content”, in particular, should appear in the top of the post or caption. Disclosures should appear prominently, i.e. at the top of the post or caption. They should not be buried or hidden and must be easy to read and understand. Disclosures should be made in the same kind of language, and disclosures should be consistent across platforms.

Micro-influencers can often forge strong and loyal relationships with their followers. These relationships can be used to promote products and services with ease, but it is important to remember that they can also be used to promote products that are not available. The old stand-ins like #ad are not sufficient. The term” sponsored content”, in particular, should appear in the top of the post or caption. Disclosures should appear prominently, i.e. at the top of the post or caption. They should not be buried or hidden and must be easy to read and understand.

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