

ADVERTISING, MARKETING & PROMOTIONS

>>ALERT

INSTAGRAM ADDS PAID PARTNERSHIP TOOL FOR TRANSPARENCY

Instagram recently unveiled a new “branded content tool” that will allow influencers who are paid to endorse consumer products to tag partnering brands with an automated “paid partnership” disclosure.

This new feature is intended to create more transparency in the Instagram community and to provide sponsors and influencers the ability to track the performance of their social media content.

BACKGROUND

This new tool is being rolled out on the heels of the 90 warning letters that the Federal Trade Commission (FTC) recently sent to brands, celebrities and influencers regarding Instagram posts which failed to disclose their paid relationships, as discussed in a previous [Alert](#), through the use of words such as “ad,” “sponsor” or “paid.” The FTC has provided guidance to brands and influencers on how to make a clear and conspicuous disclosure of their material connections, which some influencers feel limits their creativity or authenticity.

HOW THE NEW TOOL WORKS

Instagram’s new branded content tool will be available for influencers who have registered business profiles with Instagram. These influencers will have access to the branded content tool located in “Advanced Settings” when preparing a caption. When influencers post content that is sponsored by another brand with an Instagram page, the branded content tool would allow

the influencer to “tag” the sponsoring brand’s page to indicate the paid partnership. By tagging the sponsoring brand, a “paid partnership with [tagged brand account handle]” disclosure would automatically appear directly below the influencer’s username.

WHAT THIS MEANS FOR USERS

This feature is intended to allow the Instagram community to quickly identify a sponsored post in lieu of including an FTC-compliant hashtag such as “#ad” or “#sponsored.” Additionally, influencers and sponsors using this feature will have access to data analytics, showing how well the content performed.

Because the new tool is still in its roll-out phase, not all brands and influencers will have access to the tool immediately. As such, influencers should continue utilizing the FTC-approved hashtags in their social media posts. While Instagram believes that its new tool will create more transparency in the influencer community, we will be monitoring to see whether the FTC agrees that this new tool and its automated paid partnership disclosure effectively disclose paid sponsorships on Instagram.

THE BOTTOM LINE

The new Instagram branded content tool is intended to provide greater transparency in the social media space by disclosing relationships between influencers and brands. Implementing this tool appears to be Instagram’s response to the FTC’s growing concern about paid endorsements on the platform.

FOR MORE INFORMATION

Allison Fitzpatrick
Partner
212.468.4866
afitzpatrick@dglaw.com

Samantha G. Rothaus
Associate
212.468.4868
srothaus@dglaw.com

or the D&G attorney with whom you have regular contact.

Davis & Gilbert LLP
212.468.4800
1740 Broadway, New York, NY 10019
www.dglaw.com

© 2017 Davis & Gilbert LLP