



The FTC & the Shifting Sands of Reviews

GatherUp
March 2022



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What I'll be covering

1

New Review Guidance for Businesses

2

New Guidance for Platforms/Agencies

3

Living with the New Standards



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The shifting sands of expectations

The new FTC business marketer guidance

Sources:

[FTC Marketer Guidelines \(Near Media\)](#)

[Soliciting Reviews \(FTC\)](#)



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NO review gating

NO selective review display

Positive & negative reviews

TREATED EQUALLY

Incentives made explicit

Connections between reviewer & business
disclosed

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Fashion Nova to the FTC:
**"My review platform
made me do it"**

The FTC to Fashion Nova:
"Yeah.... right"

Source: [The FTC Gets Serious](#)



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FTC wanted your attention

High profile announcement

New guidance

Letters to 10 (+700) platforms



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[Home](#) » [News & Events](#) » [Press Releases](#) » Fashion Nova will Pay \$4.2 Million as part of Settlement of FTC Allegations it Blocked Negative Reviews of Products

Fashion Nova will Pay \$4.2 Million as part of Settlement of FTC Allegations it Blocked Negative Reviews of Products

January 25, 2022

Case is first to challenge a company's failure to post negative reviews

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The *business* is responsible.

Sources:

[FTC Marketer Guidelines \(Near Media\)](#)

[Soliciting & Paying for Reviews \(FTC\)](#)



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Working with other companies:

- **Know what the review platform does**
- **Your business is responsible for SEO and reputation management firm's behaviors**
- Don't misuse platform review flagging options
- No pay to play on comparison review sites

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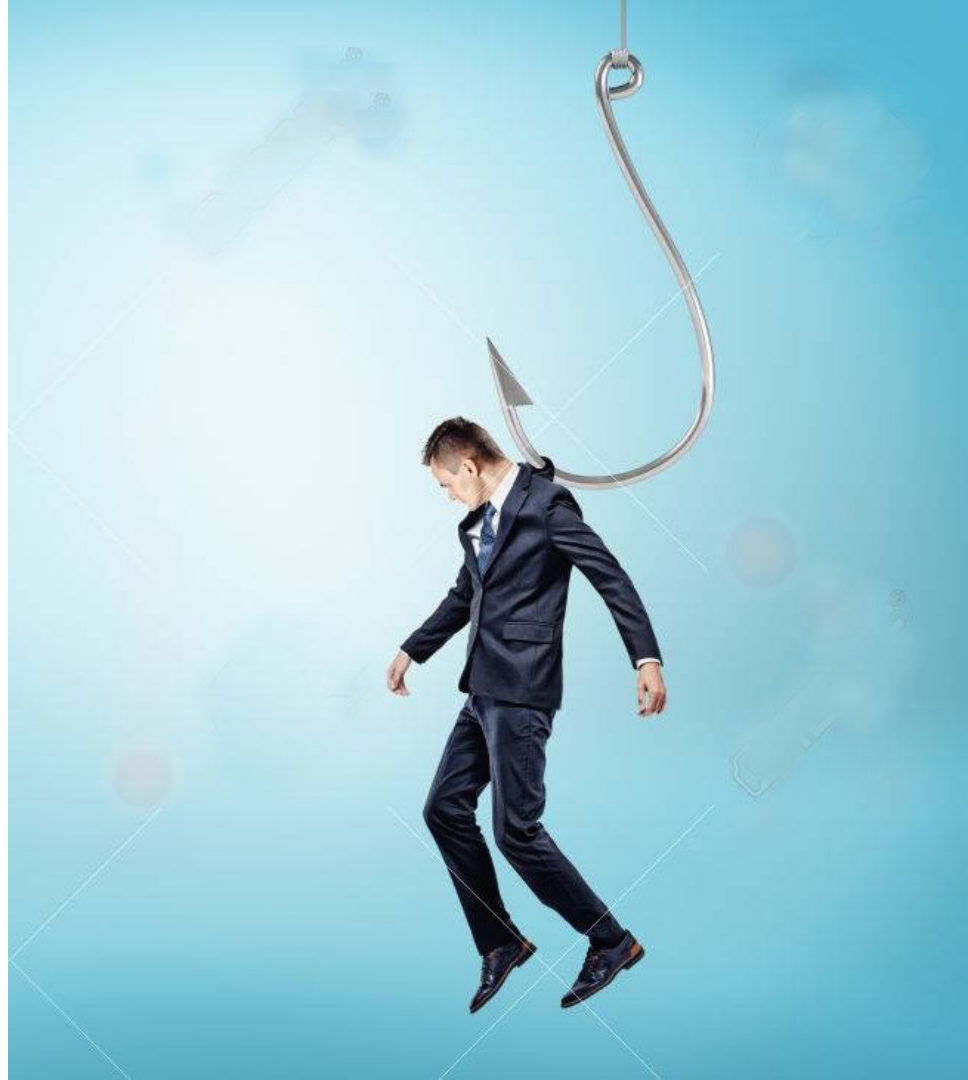
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Are platforms &
agencies off the
hook?

"Yeah.... right"



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Division of Advertising Practices

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

November 17, 2020

Amy R. Mudge, Esq.
Randall M. Shaheen, Esq.
Baker & Hostetler LLP
1050 Connecticut Ave, NW
Suite 1100
Washington, DC 20036-5403

Sent via email to amudge@bakerlaw.com and rshaheen@bakerlaw.com

Re: **Yotpo**, Ltd., FTC File No. 202-3039



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FTC staff has
determined not to
enforce at this time
due to changes & co-
operation .

Sources:

[Staff Closing Letter to Yotpo, Ltd.](#)

[FTC Kills 'Review Gating](#)



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Yotpo's star-rating and sentiment filter:

- Provided the means to easily & deceptively suppress negative reviews
- Mislead consumers that reviews displayed reflected the views of all purchasers who submitted reviews.

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The new platform (agency) guidance

Sources:

[FTC Platform Guidelines \(Near Media\)](#)

[Featuring Online Reviews](#)



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Review Collection

Review Moderation

Review Publication

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The new platform (agency) guidance

Sources:

[FTC Platform Guidelines \(Near Media\)](#)

[Featuring Online Reviews](#)



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Review Collection

- **Don't ask for reviews only from people you think will leave positive feedback.**
- If you offer a review incentive don't condition it, explicitly or implicitly, on being positive.
- **Don't prevent or discourage people from submitting negative reviews.**

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The new platform (agency) guidance

Sources:

[FTC Platform Guidelines \(Near Media\)](#)

[Featuring Online Reviews](#)



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Review Moderation

- Verify that reviews are genuine and not fake/manipulated.
- Don't edit reviews to alter the message.
- **Treat positive and negative reviews equally.**
- **Don't subject negative reviews to greater scrutiny.**

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The new platform (agency) guidance

Sources:

[FTC Platform Guidelines \(Near Media\)](#)

[Featuring Online Reviews](#)



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Review Publication

- **Publish all genuine reviews & don't exclude negative ones.**
- **Don't display reviews in a misleading way.**
- Be sure incentives are clearly & conspicuously disclosed.
- **Disclose how you collect, process & display reviews & calculate ratings.**

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Living with the new standards

Sources:

[FTC Platform Guidelines \(Near Media\)](#)

[Featuring Online Reviews](#)



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- **Understand your risk**
- Think Differently
- Make Lemonade

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What is your risk of
FTC investigation?

**Mostly very small
but...."it depends."**



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Recent FTC Actions

Warning Letters to 10 Review Platforms

Sources:

[The 10 Review Platforms Who Got Warnings \(Near Media\)](#)



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For either gating or suppression:

- Dealer Rater
- Adentro
- Signpost
- Rallio
- Reputation.com
- EyeRate
- Grade.us
- Oggvo
- Mindbody
- GoSite

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FTC sent Guidance letters to 700+ Co.

Corporate America on Notice

Eases Future Punishments



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FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

October 13, 2021



FTC Puts Hundreds of Businesses on Notice about Fake Reviews and Other Misleading Endorsements

Notice of Penalty Offenses can trigger steep penalties for recipients who use endorsements to deceive consumers

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What increases your risk?

If you...

- received a letter
- use one of the 10 platforms
- gate/suppress at scale

Source:

[The 10 Review Platforms Who Got FTC Warnings](#)



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The 10 Review Platforms Who Got FTC Warning Letters

Ten review management platforms were put on notice by the FTC. Here they are and what got them into trouble.



MIKE BLUMENTHAL

3 FEB 2022 · 9 MIN READ



The real risk is your customer!

Customers expect honesty.

Customers are getting smarter.



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Living with the new standards

Sources:

[FTC Platform Guidelines \(Near Media\)](#)

[Featuring Online Reviews](#)



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- Make Lemonade

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Impact of Gating



10,000 Locations

Source: [Does Gating Impact Star Ratings](#)



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Year Before

3rd-Party Online Reviews

4.66

46,746
TOTAL REVIEWS



Review Site Ratings

	Facebook (14,047)	4.8 ★
	Google (32,689)	4.7 ★
	Facebook Recommendations	YES 29 NO 2



Year After

3rd-Party Online Reviews

4.59

57,515
TOTAL REVIEWS



Review Site Ratings

	Facebook (3,725)	4.7 ★
	Google (53,790)	4.6 ★
	Facebook Recommendations	YES 5141 NO 455



68%

Source: [Does Gating Impact Star Ratings](#)



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Review Suppression Doesn't Work

**Customers want to assess
the negatives**

**Customers don't believe
"perfection"**

Source:

[Study shows 5 Star ratings are not best](#)



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Why?

Most clients stop at Google.

Google as your new home page

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Living with the new standards

Sources:

[Build a better business using complaints](#)

[Featuring Online Reviews](#)



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- **Understand your risk**
- **Think Differently**
- **Make Lemonade**

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Making reviews work for you

**Create a Terms of Service
(TOS).**

**Moderate, moderate,
moderate.**

Source:

[Study shows 5 Star ratings are not best](#)



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TOS creates a standard for review removal

Source:

[FTC Closing Letter Footnote](#)



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FTC: Not required to display reviews

- That are unlawful, harassing, abusive, obscene, vulgar, or sexually explicit
- Inappropriate re race, gender, sexuality, or ethnicity
- Unrelated to your services/products
- **Criteria for withholding is uniform**

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TOS creates a standard for review removal

Source:
[FTC Closing Letter Footnote](#)



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Review TOS Examples

- [Barbara Oliver Review Content Guidelines](#)
- [Allstate Online Review Policy](#)
- [PODS Online Review Policy](#)
- [GMap User Contributed Content Policy](#)
- [Google Review Specific Criteria](#)

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Moderated consistently

Source:

[FTC Closing Letter Footnote](#)



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Moderation strategies:

- Show all then remove violations
- Show none and then publish

Agency service opportunities:

- Customizing TOS
- Moderation services

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Succeeding with reviews



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1

Create a TOS

2

Ask everybody &
publish all reviews

3

Moderate reviews equally

4

Respect your customers

The real secret:

Build a better business.

Source:

[Build a better business using complaints](#)



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THANKS!

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