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### The New Advertising Era

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# The New Advertising Era

BY [MINHEE LEE](#) / ON NOVEMBER 12, 2017

There used to be a simpler time when live news happened but twice a day. I obviously don't mean that literally. But whatever happened around town and across the world throughout the day (and night), people in their bathrobes picked up their papers still moistened in the morning dew, with steaming cups of coffees in their hands. They would then actually sit down on a kitchen table, and read (imagine that!) news. That's the first time of the day news broke to the public in the simpler era. Sure, the time did not freeze for the rest of the day, but whatever happened after the time that paper went to print at the break of dawn simply had to wait its turn for another day. There was no way to edit throughout the day and recirculate that information. Information on paper did not circulate instantaneously.

The second time news happened was when the families gather in front of a TV after a dinner to watch the evening news. To cover international news, news agencies, papers, and broadcasters sent their reporters overseas and set up a bureau. There used to be a set time and place where most people could access news, and to a certain extent, information in general. It was simply neither everywhere nor anytime.

The internet made things easier to edit and recirculate as further developments took place. People now could access news 24 hours a day. The advent of Social Media further changed the paradigm of news and information transmission and reception. News channels and papers could not keep up with virtually ubiquitous presence of well over 3 billion social media users scattered around the world, including 2.01 billion Facebook users,<sup>[1]</sup> 328 million Twitter users,<sup>[2]</sup> and 700 million Instagram users,<sup>[3]</sup> instantaneously transmitting news stories from ground zero. The traditional news outfitters became last in time to break news. When something happens anywhere in the world, people hear about it on Social Media first.<sup>[4]</sup> As people moved away from the traditional platforms to social media platforms, so did demand for advertising.<sup>[5]</sup> Even with advertisers who remain loyal to the traditional TV advertising, "[a] new trend is fast developing as a standard for global brands and ad agencies – integrated TV and social media campaigns."<sup>[6]</sup>

The Social Media Revolution changed the way people consumed products. To get information on a product, interested customers used to seek out a friend who had used it before. Potential consumers received information (though highly biased) about a certain product through traditional forms of advertising (on TV, movies, billboard, print, and radio) or as a chance encounter of a street events as part of their BTL (Below the Line advertising initiatives are designed to meet potential consumers in person and give them an opportunity to interact

with the product and company's representatives) advertising campaigns. Social Media postings are replacing the roles traditionally played by trusted friends. Consumers can potentially be vulnerable to unfiltered, biased information disguised as "user review" when paid endorsements are not disclosed as such. Celebrities and influencers post photos of themselves using a particular product, write a review, or flat-out endorse the product via their social media accounts. Sometimes the photo angle is obvious enough that many consumers viewing it could infer it to be an endorsement for which the celebrity or the influencer had been compensated. However, there is a real danger in failing to properly putting the consumers on notice that the posting she is viewing is a paid content. To address this pressing issue, the Federal Trade Commission (FTC), the federal agency in charge of regulating advertising activities and protecting consumers, came up with a "guideline"—FTC's Endorsement Guides: What People Are Asking.<sup>[7]</sup>

This guideline recommends that bloggers and social media users fully disclose the fact that they are paid by the company to endorse the product.<sup>[8]</sup> It is a step towards the right direction in better informing consumers and encouraging fair business competition but mere guideline without a force of law will be hard pressed to regulate conduct.<sup>[9]</sup> Disclosure requirements and other specific regulations that businesses must follow to have their advertisement aired or printed via the traditional advertising platforms are governed by a code with actual legal consequences for noncompliance.<sup>[10]</sup> The time is ripe to extend the same level of legal regulations in the field of social media endorsement given its increasing dominance in shaping public opinion and norm.

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[2] Twitter, Q2 2017 Letter to Shareholders, [http://files.shareholder.com/downloads/AMDA-2F526X/5310948323x0x951000/718EA233-DF7E-4ECB-AC2B-BFAB3F067C72/Q217\\_Shareholder\\_Letter.pdf](http://files.shareholder.com/downloads/AMDA-2F526X/5310948323x0x951000/718EA233-DF7E-4ECB-AC2B-BFAB3F067C72/Q217_Shareholder_Letter.pdf).

[3] Instagram, <https://instagram-press.com/blog/2017/04/26/700-million/>.

[4] Meranda Adams, *Inforgraphic: How Social Media Wins at Breaking News*, <http://www.adweek.com/digital/social-media-wins-at-breaking-news/>, April 18, 2012 (last visited October 1, 2017).

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[9] Fedd Trade Comm'n, *A Brief Overview of the Federal Trade Commission's Investigative and Law Enforcement Authority*, [https://www.ftc.gov/about-ftc/what-we-do/enforcement-authority#N\\_1](https://www.ftc.gov/about-ftc/what-we-do/enforcement-authority#N_1), Revised, July 2008 (Accessed October 1, 2017).

[10] 15 USCS §§ 41 et seq.  
[AdvertisingFTCintellectual propertyinternetIPsocial media](#)