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## NAD Finds Nutrisystem's "Pinned" Content is Testimonial in Nature, Requires Disclosures

Company Modifies 'Real Success' to Include Material Information

*New York, NY – July 12, 2012 –* The National Advertising Division, following its review of "Real Consumers. Real Success." – a Pinterest board maintained by Nutrisystem, Inc. – has determined that the weight-loss success stories "pinned" to such boards represent consumer testimonials and require the complete disclosure of material information. NAD further noted its appreciation that Nutrisystem took immediate steps to provide such disclosures.

NAD is an investigative unit of the advertising industry's system of self-regulation and is administered by the Council of Better Business Bureaus.

Pinterest is a virtual bulletin board, often described as a social photo-sharing website where users create and manage theme-based image collections by "pinning" digital content they find on the web to their personal boards.

When content is "pinned," Pinterest automatically grabs the source link for the content which allows Pinterest to give credit to the original creator, and allows users to return to the original source of the content simply by clicking on the image as it appears on the pinboard.

As a result, NAD noted in its decision, Pinterest has become a new way for companies to encourage consumers to engage with their products and drive traffic to their websites.

Nutrisystem's "Real Consumers" pinboard featured photos of "real" NutriSystem customers and highlighted their weight-loss successes. The customer's name, total weight loss and a link to the NutriSystem website appeared below each photo.

Claims at issue in NAD's review included:

- "Christine B. lost 46lbs on Nutrisystem."
- "Michael H. lost 125 lbs. on Nutrisystem."
- "Lisa M. lost 115 lbs. on Nutrisystem."
- "Christine H. lost 223 lbs. on Nutrisystem."

Upon receipt of NAD's inquiry, the company asserted that necessary disclosures were inadvertently omitted from Pinterest. The advertiser stated that the testimonials at issue had appeared on Pinterest for less than two months, and said the disclosures were added immediately upon receipt of NAD's letter.

NAD noted its appreciation for the advertiser's immediate change to the advertising in question – an action deemed necessary and proper – and concluded that no further action was necessary.

The advertiser stated that it shares "NAD's goal of promoting truthful, accurate advertising and ethical business practices, and supports advertising self-regulation to advance that goal."

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## NAD's inquiry was conducted under NAD/CARU/NARB Procedures for the Voluntary Self-Regulation of National Advertising. Details of the initial inquiry, NAD's decision, and the advertiser's response will be included in the next NAD/CARU Case Report.

**About Advertising Industry Self-Regulation:** The Advertising Self-Regulatory Council establishes the policies and procedures for advertising industry self-regulation, including the National Advertising Division (NAD), Children's Advertising Review Unit (CARU), National Advertising Review Board (NARB), Electronic Retailing Self-Regulation Program (ERSP) and Online Interest-Based Advertising Accountability Program (Accountability Program.) The self-regulatory system is administered by the Council of Better Business Bureaus.

Self-regulation is good for consumers. The self-regulatory system monitors the marketplace, holds advertisers responsible for their claims and practices and tracks emerging issues and trends. Self-regulation is good for advertisers. Rigorous review serves to encourage consumer trust; the self-regulatory system offers an expert, cost-efficient, meaningful alternative to litigation and provides a framework for the development of a self-regulatory to emerging issues.

To learn more about supporting advertising industry self-regulation, please visit us at: <u>www.asrcreviews.org</u>.