



Ignoring online marketing is like opening a business but not telling anyone.”

- Anonymous

5 Key Things to Know About Digital Advertising

Someone once said, “You can’t sell anything if you can’t tell anything¹,” and what better way to “tell” hundreds or thousands of potential clients your story than by incorporating online advertising into your practice? It’s estimated that Google now processes over 3.5 billion searches every day, and as many as 88% of those age 50-64 use the internet regularly. Chances are you’re aware of this and use digital advertising (website, social media, email, banner ads) as part of your marketing strategy.

UNNECESSARY RISK?

Is your digital advertising creating additional – and unnecessary - risk to your business? It’s been said that the best protection against risk is knowing what you’re doing. It is absolutely crucial to understand that if you are not currently building compliance into your digital advertising strategy, you’re gambling with the future of your business. Protect what you have worked so hard to build by understanding five key things to know about digital advertising.

1: Digital Is Forever

Advertising and marketing conducted online is the most visual and prominent type of marketing you can use. While that’s great for reaching prospects, it also means that everyone else can see it too – including regulators, and even your competition. (Did you know, other financial professionals are a common instigator of complaints about their competitor’s advertising in the insurance industry)?

Despite the internet’s fluid and dynamic nature, your website content, social media blogs, posts and comments can be saved, printed and forwarded at the touch of a button. This dramatically increases

the chance that you could face regulatory actions or complaints as a result of your advertising. Make sure your online advertising can weather regulatory scrutiny.

2: Yes, It’s Still Advertising

The financial industry has rigorous advertising standards at both the state and federal level, and these standards apply to online advertising as well. There are no allowances for incomplete, inaccurate or unbalanced advertising due to space constraints or limited functionality of the web. Insurance and securities regulators expect your digital advertising

to meet the same compliance standards as print advertising, so it's crucial to understand the requirements.

While some product and disclosure information may potentially be provided to consumers via links and other unique online methods, all key details must still be prominent and easy to find. This might mean being more creative with your marketing to ensure you can get your message across in a compliant manner.

3: It's No Time to Get Personal

Digital advertising, due to its interactive nature, can quickly get personal. It's crucial that you understand how to prevent this or correct it if it happens. For example, keep your posts and conversations high level. It's highly risky – and inappropriate – to give blanket advice or recommendations to the larger audience. Stay away from statements or recommendations that steer consumers to a specific financial product or strategy. While it may be just fine to ask consumers to consider if a certain financial approach or product might meet their needs, avoid giving advice that states or implies that it is suitable for everyone.

Additionally, ensure your digital platforms don't allow for or maintain personal client information. If a reader comments on your platform with specific financial questions, take it offline. Ask the reader to message you privately instead. In addition to refraining from posting personal content yourself (i.e. client names, account numbers, etc.), you should include a Terms of Use section which explains, among other things, that personal information should not be posted. If a consumer does post personally identifiable information, ensure you have a process in place to delete this promptly and follow up privately with the individual.

4: Don't Give Them What They Want

When you interact with consumers online, and especially when you collect their personal information (such as names, emails, addresses,

etc.), you are collecting valuable data. You know the value of this information for prospecting purposes. But hackers and thieves also find this data valuable, so don't make it easy for them to get. Make sure you have measures in place to protect consumer data.

For example, ensure that any consumer information collected is done safely and securely. Be sure that you store the information in a secure location, allowing access only to those within your organization who need it for business reasons. If you share the data with anyone – for example, a third-party marketing vendor – be sure to evaluate their data security and sharing practices as well.

And of course, be mindful of the consumer's privacy and their rights under the CAN-SPAM act. This includes ensuring you have the proper permission to contact clients, offering them the option to unsubscribe from communications from you, and managing the unsubscribe process to comply with the requirements of the CAN-SPAM Act.

5: First Rule of Business – Protect Your Investment

You've worked hard to build your practice, and you want to keep it. That means putting measures in place to safeguard your investment from unnecessary and unwanted regulatory scrutiny. This is difficult to do if you don't know the rules. Unfortunately, advertising regulations are just not intuitive. They are complex, nuanced, and voluminous. Depending on the licenses and registrations you hold, you may be subject to advertising rules and regulations from not only the individual state insurance departments, but also from state securities divisions, FINRA, the SEC, the carriers you represent, your broker/dealer and your Registered Investment Adviser. An advertising violation could subject you to a complaint, lawsuit, regulatory inquiry or enforcement action that could severely damage both your business, as well as, your reputation.

¹⁾ Beth Comstock, former GE Executive

YOU DON'T HAVE TO GO IT ALONE

Summit Compliance Group, LLC offers independent distribution the Gold Standard in Advertising Compliance Services, at surprisingly affordable rates. We provide expert reviews on insurance, securities and advisory advertising materials so you can rest assured your risk is covered.

Don't gamble with your investment. Robert Louis Stevenson once said, "Sooner or later, everyone sits down to a banquet of consequences." Call us now to make sure the business you've worked so hard to build is protected.

At Summit Compliance Group We Protect You, So You Can Grow Your Business

CONTACT US!

612.308.6161

www.summitcompliancegroup.com