

From: Brian Connolly
Sent: Monday, September 17, 2007 11:24 PM

Subject: DRAFT: Should the FTC Investigate the Word of Mouth Marketing Association
Importance: High

Should the FTC Investigate Word of Mouth Marketing?

ABSOLUTELY! Why? Well first off, WOMMA, the trade association for the Word of Mouth Marketing industry, is acting guilty as hell. Sorry but it's human nature; obfuscation is born of something to hide. And that's exactly what they've done for about a month now. So much for that little transparency thing they claim as their cornerstone.

By way of background... back in early August, we contacted WOMMA to get them on the record with a comment about the FTC's upcoming hearings on Online Behavioral Advertising. On November 1-2, "the FTC will bring together consumer advocates, industry representatives, technology experts, and academics to address the consumer protection issues raised by the practice of tracking consumers' activities online to target advertising."

Fact is, there's a lot of apparent similarity between "Online Behavioral Advertising" and WOMM. One tracks you quantitatively (cookies and such); the other qualitative. Both use analysis to spot trends in order to predict and leverage buying preferences. Both management functions are tasked with getting a better position in the marketplace on a macro level and a better position in the transaction on the micro level. Quacks like a duck? You bet! In fact, that's exactly what has WOMM all the rage. It's Behavioral Marketing on the cheap.

Hell, most of the bigger PR firms and now engaged overtly in "Influence Mapping." Some of the Social Media revolutionaries even have what they are calling "Online Conversation Analysts." As one senior PR exec who's asked to remain anonymous said: "WOMM is the little sister of Online Behavioral Advertising. She's not as smart but she's learning quickly."

That said, what is the FTC interested in? Apparently, some of the very practices WOMMA members are involved in. Specifically, the FTC wants to know:

- How does online behavioral manipulation work?
- What types of companies are involved in this activity?
- What types of information is being collected? Are influencers being monitored?
- How is the information used, and by whom?
- What security protections are companies providing for consumers?
- What do consumers understand about the collection and tracking of their information online?
- What standards do, or should, govern practices related to online behavioral marketing?
- What changes are anticipated in online behavioral marketing over the next five years? Will information be collected through technological means other than cookies? How is behavioral tracking evolving?

HELLO!!

Anyway, we've asked WOMMA to make a CLEAR distinction between what they do and what the FTC is investigating. It's been like pulling teeth. Here's how they've responded:

Jim Nail, Chief Strategy & Marketing Officer, TNS Media Intelligence/Cymfony and Member of WOMMA's BOD, 8/28/07: "The more I think about it, the less I see a connection between the two issues. There are some pretty technically complex, legally thorny, touchy consumer perception issues with behavioral targeting that your readers would probably appreciate insight on. [However] I think it might be more confusing to them to introduce a whole other approach and a different set of concepts then try to explain why they aren't connected."

And that's about as clear as mud. Bottom line, to paraphrase, "If I explain myself; I'll incriminate myself."

Exactly.

Well, maybe as PR and advertising race toward integration, WOMMA just might have to either fess up or exit stage left. Maybe sooner than they'd planned. We've learned that Peter Waldheim, Interim CEO WOMMA, is meeting with the organization's General Counsel next week to prepare a formal statement. But don't hold your breath that it will be totally transparent and actually say anything.