

In the ever-evolving landscape of influencer marketing, brands consistently seek new ways to collaborate with creators while maintaining transparency and legal compliance. A common question that arises is: **“Do I still need disclosure if I give an influencer a discount code?”** The short answer is yes — disclosure remains essential even if your influencer partnership involves only a discount or affiliate code without direct monetary payment.

Brands operating in regulated categories like hemp, CBD, or health-adjacent products—as seen with companies like Joy Organics—must pay special attention to the Federal Trade Commission (FTC) guidelines. These guidelines protect consumers from misleading claims and ensure transparency around material connections between brands and influencers.

## Understanding Affiliate Code Disclosure and Material Connection

An affiliate or discount code represents a *material connection* between an influencer and a brand. This connection can influence the influencer’s opinions or content, which is why the FTC requires clear disclosure to ensure consumers understand when they’re viewing promotional content.

Whether you provide an influencer with:

- A discount code exclusively for their audience
- An affiliate link that pays commission based on sales
- Free products or services

Each of these situations mandates disclosure of the relationship to maintain transparency.



### Why Is Disclosure Necessary for Discount Codes?

Offering an influencer a discount code creates a *financial incentive* for them to promote your brand. This qualifies as a "paid relationship" under FTC rules—even if the brand doesn’t pay the influencer directly in cash—for which disclosure is mandatory. The key is that the influencer’s content is not entirely impartial because the discount code benefits both parties financially or materially.

# FTC Guidelines & Brand Responsibility

The FTC's guidelines on endorsements and testimonials are clear: influencers must disclose any material connections with brands. However, the responsibility does not lie solely with influencers. Brands also have a duty to educate, monitor, and enforce these rules proactively.

## FTC Training and Monitoring Expectations

Brands should provide **FTC training** resources to their creators. This includes clear explanations of what constitutes a material connection and how to disclose partnerships properly. Platforms used for influencer discovery and campaign management—such as **Tomoson**—often include built-in tools to help brands communicate disclosure expectations with their affiliates.

Moreover, brands are expected to:

1. Implement monitoring systems that check influencer posts for required disclosures
2. Review content prior to posting wherever possible
3. Take corrective action if disclosures are missing or inadequate

Automated scanning powered by tools from platforms like **Meta** (Facebook, Instagram) and **Google** Ads can flag suspicious or undisclosed affiliate content, helping brands maintain oversight.

## Approved vs Prohibited Language for Disclosure

Not all disclosures are equal. The FTC provides general guidelines on how to disclose material connections clearly, but brands need to develop practical, user-friendly language for influencers to use. When working with affiliate codes or discount incentives, the disclosure should be unambiguous, concise, and placed close to the endorsement or promo code.

Approved Language Why It Works Prohibited or Ambiguous Language #ad, #sponsored, "I'm partnering with [brand]," "Use my code for a discount," Clearly signals material connection to consumer #partner, #sp, #ambassador (without explanation), "Thanks to [brand]" (ambiguous) "I get a commission if you use my discount code," "Affiliate link below" Explicit about financial incentive "Check this out," "Love this brand" (no disclosure)

Brands working with creators in health-adjacent or hemp/CBD sectors, like **Joy Organics**, should also provide influencers with a list of prohibited claims, as certain health benefit statements are restricted or regulated by the FTC and FDA.

## Health Products Claim Limits in Influencer Marketing

Categories involving hemp, CBD, and health supplements face additional scrutiny. The FTC restricts unsubstantiated health claims that could mislead consumers. Brands must make sure influencers:

- Avoid medical or therapeutic claims that lack scientific support
- Use disclaimers or approved language provided by the brand
- Understand that a discount or affiliate code does not exempt the content from regulatory compliance

For example, saying "This CBD oil cures anxiety" while sharing an affiliate code without supporting evidence can lead to legal consequences for both the influencer and brand. Instead, Joy Organics employs strict oversight to keep claims within regulatory guidelines while enabling creators to share discount codes transparently.

# Practical Steps for Brands to Ensure Compliance

To maintain a lawful, effective affiliate or influencer discount program with proper disclosure:



1. **Train Influencers Early:** Use FTC resources or specialized training modules via platforms like **Tomoson** to educate influencers about disclosure and claim limits.
2. **Use Clear Disclosure Language:** Provide pre-approved hashtags and phrases, and reject ambiguous terms that don't clearly communicate the paid relationship.
3. **Implement Monitoring Systems:** Leverage social listening and compliance tools integrated with services like **Meta** and **Google** to scan content for missing disclosures.
4. **Review Creators' Content Before & After Posting:** Request review rights or organize a process for manual checks.
5. **Clarify Health Product Claim Limits:** Share updated lists of approved and banned claims, especially for CBD and health-adjacent categories.
6. **Maintain Documentation:** Keep records of influencer agreements, training completion, and content reviews for regulatory audits.

## Summary: Always Disclose Affiliate & Discount Codes

In the world of influencer marketing, transparency matters more than ever. Whether your influencers receive direct payment, free products, or a discount/affiliate code, you must disclose the material connection clearly and conspicuously. The FTC's guidance leaves no room for doubt: consumer trust hinges on knowing the nature of influencer relationships.

Brands like **Joy Organics** and platforms such as **Tomoson** demonstrate that transparent, [tomoson.com](https://www.tomoson.com) well-managed affiliate partnerships with clear disclosure not only comply with FTC rules but also foster long-term consumer confidence and influencer collaboration. Utilizing monitoring tools from **Meta** and **Google** further enables brands to safeguard their programs and navigate complex advertising landscapes, especially when promoting health-adjacent products.

Remember, offering a discount code is a material connection that demands disclosure—never treat it as a loophole. With proactive education, clear language, and diligent oversight, your brand's affiliate programs can

ethically thrive while keeping consumer transparency front and center.