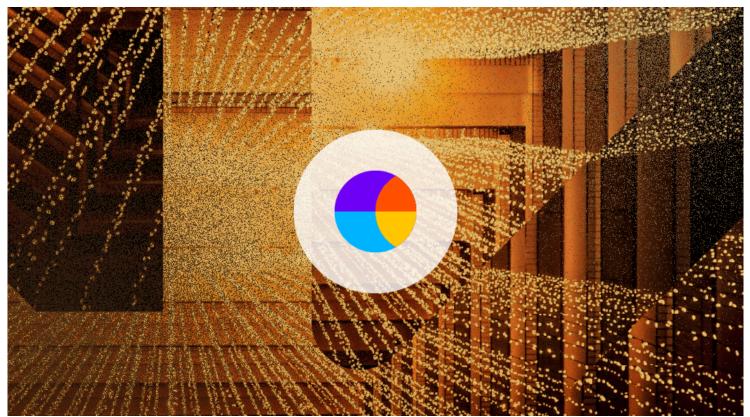
- Vendor Privacy Program
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# Case #125-2023: Monitoring Inquiry – Pink Zebra

# **BBB NATIONAL PROGRAMS**

Direct Selling Self-Regulatory Council Case #125-2023: Monitoring Inquiry – Pink Zebra

# **Company Description**

Pink Zebra At Home (or the "Company") is a direct selling company founded in 2011 and based in Sugar Land, Texas. The Company markets home fragrance and décor products including a wide range of items such as scented wax melts, candles, reed diffusers, room sprays, and other related accessories.

# **Basis of inquiry**

The Direct Selling Self-Regulatory Council ("DSSRC") is a national advertising self-regulation program administered by BBB National Programs. This inquiry was commenced by DSSRC pursuant to its ongoing independent monitoring of advertising and marketing claims in the direct selling industry.

This inquiry concerned ten earnings claims disseminated by Company salesforce members. The following representative earnings claims that formed the basis of this inquiry were communicated on Facebook, YouTube, and Pinterest.

# Earnings Claims

- "What would you do with an extra hundred dollars, an extra five hundred dollars, maybe an extra thousand dollars a month.
- "Are you looking to earn a little spending cash for the holidays? Maybe replace an income?"
- "Turn that into 📴 🛂 !

Join Pink Zebra and supplement a part time income, a full time income, or just have a fun side hustle."

• "Wanted; Women Seeking: Financial freedom; health care; Part-time hours; Stay home with Kids; Rewards...Use the extra income for: vacation; car payment; tuition; debt reduction; shopping; What would YOU use and extra \$100 - \$200 a month for?"

- "Looking to make some extra cash or replace a full time income."
- "Pink Zebra has allowed me to replace my income."
- "✓ extra money... or a full time income. Many earning 6 figures or more.
  - **✓** earn free trips around the world **③**"
- "These are all Bonus to the Financial Freedom Pink Zebra Gives me!"
- "financial freedom"
- "If you are already on social media, you have time to make money doing it! Part-time, Full-time, Anytime, on your time!"

DSSRC was concerned that the representative social media posts identified above would imply to a reasonable consumer that the typical salesforce member of the Company could generally expect to earn significant or substantial income, pay off significant debt, or earn full-time income.

#### **Company's Position**

Pink Zebra promptly responded to DSSRC's Notice of Inquiry. The Company did not attempt to substantiate the representative claims at issue in the inquiry, but rather informed DSSRC that nine of the ten social media posts identified in DSSRC's Notice of Inquiry had been removed from circulation on social media.

With respect to the remaining post, which was identified on Pinterest, Pink Zebra informed DSSRC that it attempted to contact the individual responsible for the post several times after receiving the DSSRC Notice of Inquiry. The salesforce member was unresponsive to the Company's request to remove the post. Accordingly, Pink Zebra terminated the account of the salesforce member who disseminated the remaining post at issue.

#### **Analysis**

DSSRC acknowledged that the Company was promptly able to remove nine of the ten social media posts identified in DSSRC's Notice of Inquiry and expressed its appreciation for the Company's good faith efforts while noting the actions taken by the Company were necessary and appropriate.

With respect to the remaining post, DSSRC remained concerned with the representations that the typical Pink Zebra salesforce members could work part-time hours and earn "\$100-\$200 a month" while achieving "financial freedom" through the Pink Zebra business opportunity. Pursuant to section 6 of the DSSRC Guidance on Earning Claims for the Direct Selling Industry, some words and phrases commonly used in earnings claims can carry a particularly high risk of being misleading to consumers. Such words and phrases include

claims such as "replacement income," "full time income," and "financial freedom..." With respect to any earnings claim, if the direct selling company does not have substantiation that the experience of the individual making the claim or who is the subject of the claim is representative of what the audience will generally expect to achieve, the advertisement (e.g., social media post) should clearly and conspicuously disclose the generally expected results in the depicted circumstance.

DSSRC acknowledged in previous self-regulatory inquiries that when a direct selling company is made aware of improper claims that were made by an active salesforce member who has been unresponsive to a company's request to remove or modify a social media post, the company should take the appropriate enforcement measures pursuant to its Policies & Procedures. Here, DSSRC agreed that Pink Zebra took the appropriate actions by terminating its relationship with the salesforce member.

Notwithstanding and as further demonstration of its good faith intentions to have the inappropriate claims removed, it was requested that Pink Zebra provide DSSRC with a copy of the correspondence that it sent to the salesforce member asking that the post be modified or removed. However, the Company has not provided DSSRC with a copy of the requested correspondence.

In addition, DSSRC recommends that the Company contact Pinterest to inform the platform that the post at issue has not been authorized by the Company and includes an inaccurate income representation, and that the Company also consider including a statement in the comment section of the social media post to put viewers on notice that the "financial freedom" and the "\$100-\$200 per month" claims have not been authorized by Pink Zebra.

# Conclusion

DSSRC was appreciative of the good faith efforts of Pink Zebra to address its concerns by removing nine of the ten earnings claims at issue in this inquiry.

DSSRC remained concerned with the representations in the remaining post. Although DSSRC recognized that by terminating the account of the salesforce member responsible for the remaining post, Pink Zebra took the appropriate enforcement action, it also recommended that the Company provide DSSRC with a copy of the correspondence that it sent to the salesforce member asking that the post be modified or removed. In addition, DSSRC recommends that the Company contact the social media platform where the post was disseminated, inform the platform that the post issue has not been authorized by the Company, and request that it be removed.

# **Company Statement**

Pink Zebra did not provide a Company Statement to DSSRC. Because all but one of the social media posts at issue in this inquiry have been removed, it was determined that it was not necessary to refer this matter to the government at this time. DSSRC will continue to monitor Company social media and website presences for any unsupported earnings claims being disseminated by Pink Zebra and its salesforce members and, if necessary, will open up a compliance inquiry with the Company at that time.

(Case No. 125-2023 PCM, closed 7/12/23)

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[1] dssrc guidanceonearningsclaimsforthedirectsellingindustry.pdf (bbbnp-bbbp-stf-use1-01.s3.amazonaws.com)

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