

BBB NATIONAL PROGRAMS

THE DIRECT SELLING SELF-REGULATORY COUNCIL

Tastefully Simple

Case 66-2022
Filed 3/28/2022

MONITORING INQUIRY

I. Company Description

Tastefully Simple, Inc. ("the Company") is a multi-level marketing company that sells meal kits and other prepared food products. The Company was founded in 1995 and is headquartered in Alexandria, MN.

II. 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 concerns earnings claims disseminated by the Company's salesforce members. The five representative claims that formed the initial basis of this inquiry were located on social media. Those claims are set forth below:

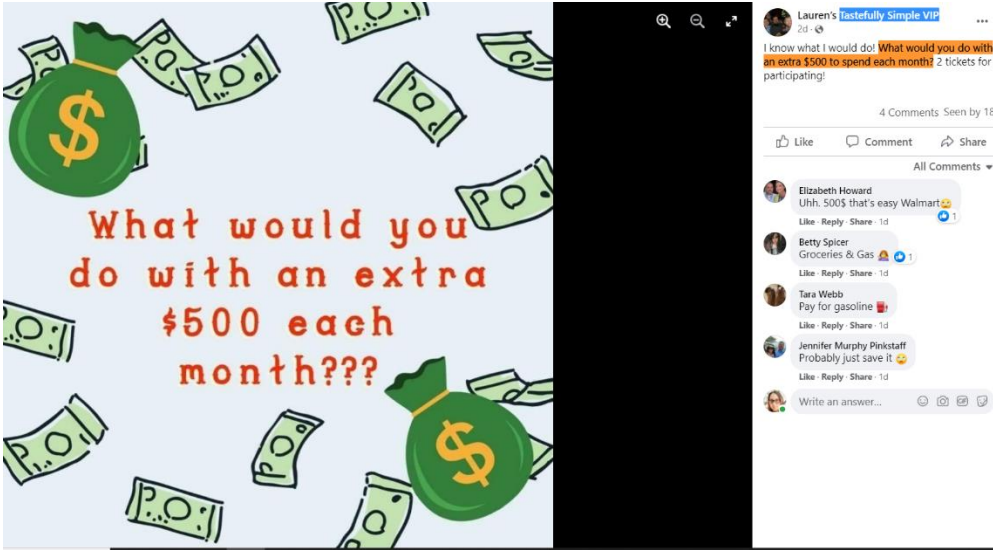
- *"Are you looking for a new career or a second income source?"*
- *"What would you do with an extra \$500 to spend each month?"*
- *"Replace another income"*
- *"Full-time opportunity"*
- *"Travel for free"*

DSSRC informed the Company of its concern that such claims may communicate the message that the typical Tastefully Simple salesforce member can earn significant, career level, and/or replacement income through the Company's business opportunity.

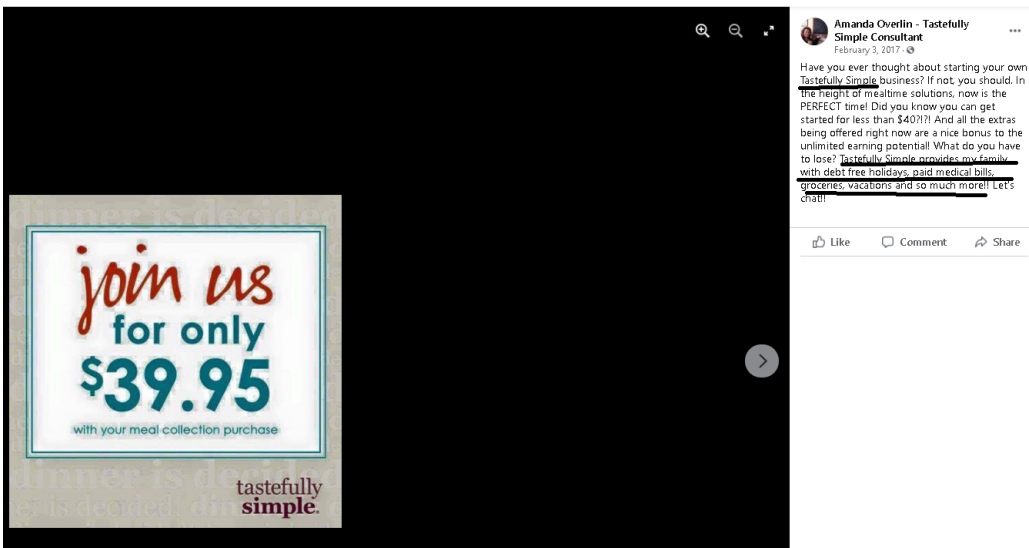
In addition, during this inquiry, DSSRC identified ten additional social media posts that communicated earnings representations regarding earnings that could be

achieved through direct selling with the Company (see representative examples below).

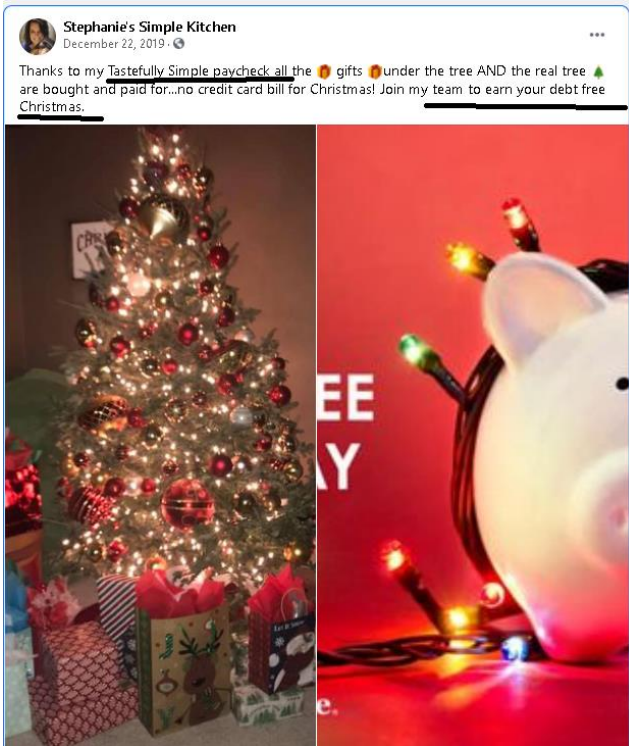
- Example 1



- Example 2



- Example 3



- Example 4



III. Company's Position

The Company promptly responded to DSSRC's inquiry and took several steps to address the claims at issue as discussed below.

With respect to the five representative earnings claims that formed the basis of this inquiry, Tastefully Simple was able to have all five posts removed from social media. In addition, the Company informed DSSRC that it took the opportunity to

revisit its commitment to clarity on income transparency. To that end, Tastefully Simple sent DSSRC compliance documents that the Company provides to its salesforce members (consultants) for review so they understand the Company's expectations for its consultants, how consultants are trained, and the Company's approach to the communication of earnings claims. DSSRC and Tastefully Simple also engaged in dialogue about the Company's earnings claim disclosures as well as its income disclosure statement.

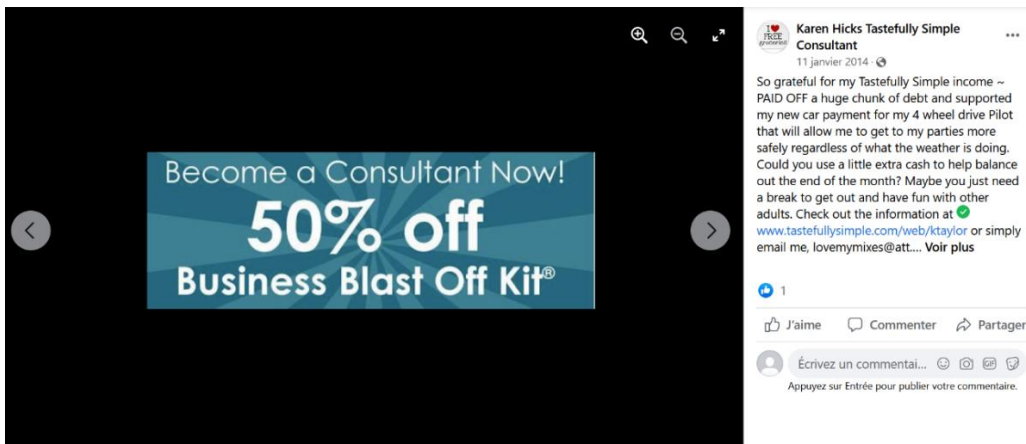
With respect to the ten additional social media posts that DSSRC identified during this inquiry, the Company was successful in having seven of those posts removed.

IV. Analysis and Recommendation

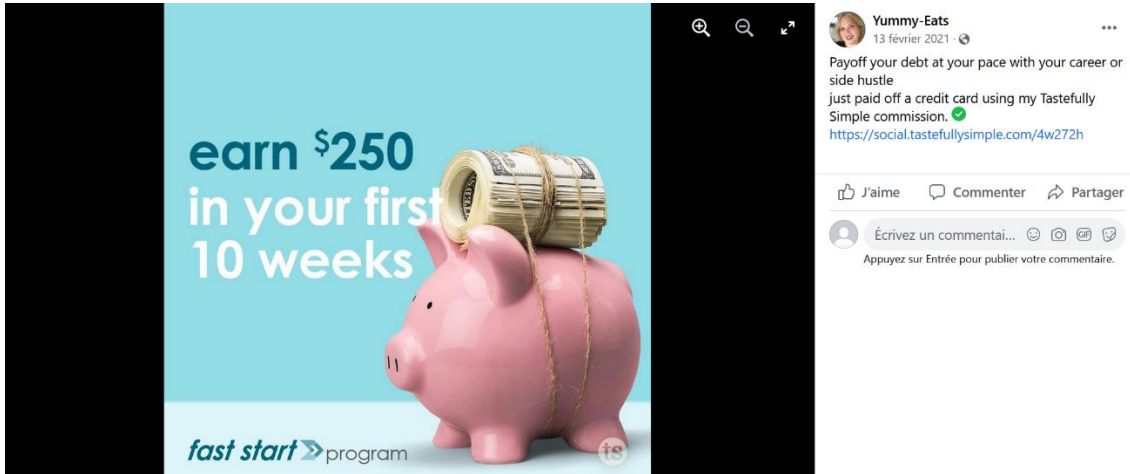
DSSRC appreciated Tastefully Simple's good faith actions to remove the earnings claims that were identified on social media. DSSRC determined that the removal of such claims was necessary and appropriate.

As noted above, three social media posts remain active on social media despite the Company's efforts to contact the individuals responsible for the posts to have such posts removed. Those claims are set forth below:

1. <https://www.facebook.com/172374249501581/photos/a.207824039289935/590105717728430/>



2. <https://www.facebook.com/yummyeats1/photos/a.130159125051194/507861993947570/> (money image)



3. <https://www.pinterest.es/pin/plan-a-vacation-pay-off-bills-save-for-the-kids-education-whatever-you-decide-to-do-with-your-tastefully-simple-in--728949889662556814/> ("more cash" and money image)



As stated in section 9 of the Direct Selling Self-Regulatory Council Guidance on Earnings Claims for the Direct Selling Industry, when evaluating express and implied messages from an earnings claim, DSSRC will review the totality of the claim including its words, images, and context in order to determine the “net impression” or the takeaway message conveyed to the audience.¹ Moreover, in determining the implied claims that a reasonable person may interpret from an advertisement, including social media posts, and other earnings claims appearing in any other medium, DSSRC will look not only at an isolated word or claim but will also consider the images and language that accompany the claim (e.g., hashtags) or are disseminated on the same social media account.²

In this inquiry, DSSRC determined that the earnings claims communicated in the social media posts that remain publicly accessible could be reasonably interpreted by consumers as meaning that they can expect to earn substantial income from the Tastefully Simple business opportunity. In the absence of substantiation that such results could be expected by the typical salesforce member of the Company, DSSRC recommended that these and any similar earnings claims, be discontinued. The Company did not dispute that such claims should be removed and DSSRC acknowledged the Company’s efforts to contact the individuals responsible for the posts to have such posts removed. In addition, DSSRC recommended that the Company utilize the social media platform’s reporting mechanism for intellectual property violations and, if necessary, also contact the platform in writing and request removal of the remaining social media posts.

V. Conclusion

DSSRC acknowledged the Company’s success in effectuating removal of twelve social media posts making earnings claims and determined the removal of such claims to be necessary and appropriate. DSSRC also acknowledged Tastefully Simple’s good faith actions to modify and refine its Income Disclosure Statement (IDS), to closely monitor social media posts and to apply the earnings claims guidance provided by DSSRC within its activities.

With respect to the three remaining posts (two on Facebook and one on Pinterest), DSSRC acknowledged the Company’s bona fide good faith effort to have such posts removed by contacting the salesforce members responsible for the posts. In addition, DSSRC recommended that the Company utilize the social media platform’s reporting mechanism for intellectual property violations and, if

¹ See Section 9 of the Direct Selling Self-Regulatory Council Guidance on Earnings Claims for the Direct Selling Industry at https://bbbnp-bbbp-stf-use1-01.s3.amazonaws.com/docs/default-source/dssrc/dssrc_guidanceonearningsclaimsforthedirectsellingindustry_2020.pdf?sfvrsn=4ecfd36_6.

² Supra, Section 10.

necessary, also contact the platform in writing and request removal of the remaining social media posts.

VI. Company Statement

Tastefully Simple, Inc. is a proud supporter of the Direct Selling Self-Regulatory Council Guidelines and the Direct Selling Association's Code of Ethics. We believe that transparency in income claims is critical to having matched expectations with consultants and prospective consultants. The Company takes its obligations seriously and has a strong program to support such obligations through actions such as the training of its sales field in how to accurately offer the business opportunity, having contractual obligations on truthfulness when making income statements/claims, by not exaggerating or inflating the amount of money that can be made, and by providing preapproved templates for consultants to use when offering the business opportunity. Tastefully Simple has quickly taken action, and will continue to take action on, any instances of concern raised by the DSSRC by reaching out to the consultant regarding the violation and taking action based on the nature and severity of the claim. Additionally, where appropriate, Tastefully Simple would reach out to the social media platform to request removal of the post. The Company has successfully removed all remaining posts that DSSCR flagged as problematic.

Tastefully Simple reaffirms its commitment to industry self-regulation and to its consultants/prospective consultants through its ongoing efforts and focus on accuracy of income claims. Only through transparency of such claims and active monitoring of social media posts can the direct selling industry be successful.

(Case #66-2022 HJS, closed on 3/28/2022)

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