

MEDIA

'Mum's the word': The online influencers secretly paid to go on 1News

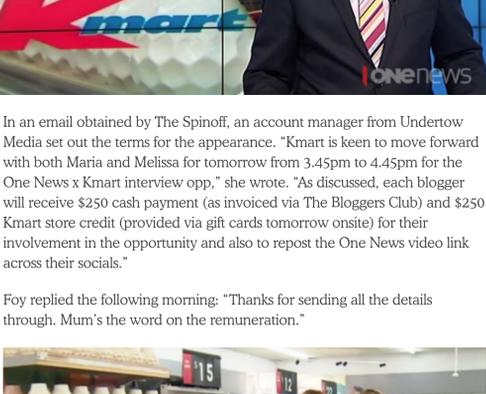
By Alex Casey | Television Editor November 15, 2017

TVNZ has pulled a story about Kmart from its site after The Spinoff obtained emails showing two online influencers received undisclosed payments to appear. The revelations raise fresh questions about the murky and unregulated world of the influencer economy. Alex Casey investigates.

Two prominent online "influencers" appeared in a 1News story about Kmart without having disclosed payments from a PR company acting for the retailer. The Spinoff has learned. News of the secret payment, which came to light in emails leaked to The Spinoff, has prompted TVNZ to remove the story from its online archive and pledge a review of its processes, saying it had on this occasion been "duped".

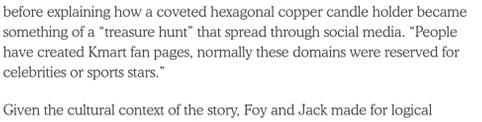
In the item, which aired in April 2016, parenting and lifestyle bloggers Melissa Jack (The Best Nest) and Maria Foy (Happy Mum, Happy Child) appeared at Kmart in St Lukes shopping centre, Auckland. Jack extols the "reawakening and rediscovery of Kmart" in an interview with journalist Rebecca Wright. Nobody at TVNZ was made aware that the influencers, put forward by the PR company Undertow Media for interview, had accepted remuneration to the value of \$500 each to take part.

Both Jack and Foy have made strong statements about the importance of disclosing commercial relationships with brands they write about. Foy specifically stated this year that she has never been paid by Kmart.



In an email obtained by The Spinoff, a Kmart manager from Undertow Media set out the terms for the appearance. "Account is keen to move forward with both Maria and Melissa for tomorrow from 3.45pm to 4.45pm for the One News x Kmart interview opp," she wrote. "As discussed, each blogger will receive \$250 cash payment (as invoiced via The Bloggers Club) and \$250 Kmart store credit (provided via gift cards tomorrow on site) for their involvement in this opportunity and also to repost the One News video link across their socials."

Foy replied the following morning: "Thanks for sending all the details through. Mum's the word on the remuneration."

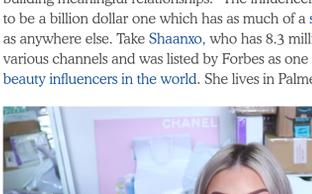


As the story went to air, the bloggers can be seen strolling through Kmart, picking up products and chatting. Although Foy's interview didn't make the final cut, "consumer blogger" Jack featured heavily. "The last 18 months have just seen this sort of reawakening and rediscovery of Kmart," she said, before explaining how a covered hexagonal copper candle holder became something of a "treasure hunt" that spread through social media. "People have created Kmart fan pages, normally these domains were reserved for celebrities or sports stars."

Given the cultural context of the story, Foy and Jack made for logical interview subjects at the time. Kmart - specifically Kmart homeware products - have taken on a cult-like status in recent years thanks to low prices and high social media frenzy aided by "instagram mums". If it's not a hexagonal copper candle holder, it's a Dyson-rivalling vacuum cleaner or an affordable Scandi-inspired shoe rack.

Kmart did not respond to The Spinoff's request for comment.

Every turn I take, every trail I track, Every path I make, every road leads back to the place I know where I cannot go Where I long to be ...



Instagram post by happymumhappychild with 771 likes and comments.

Editor of newsgathering at TVNZ Phil O'Sullivan told The Spinoff that although the story had merit at the time and that there was "genuine interest" in the popularity of Kmart, the revelation cast doubt over the subjects' views. "We can't have a story up if money has changed hands between the person who is commenting on this brand and the brand itself," he said.

Had the financial arrangement been disclosed to One News, Jack and Foy would not have been considered. "Why would we do that? It demeans the story, it brings the whole thing into question."

As mentioned in the emails, both influencers are a part of The Bloggers Club, a digital talent management agency with the likes of Anika Moa and How to Dad on their books, whose purpose is "to connect brands and people by building meaningful relationships." The influencer industry is now estimated to be a billion dollar one which has as much of a stronghold in New Zealand as anywhere else. Take Shaanxo, who has 8.3 million followers across her various channels and was listed by Forbes as one of the most powerful beauty influencers in the world. She lives in Palmerston North.



One of the many PR agencies that has enlisted the services of local influencers is Auckland's Undertow Media, which currently boasts clients including Cotton On, Roadshow Films and Cadbury. "We know how to create waves, resulting in exceptional earned media, events and marketing strategies for the products and clients we represent," the website announces. In March of 2016, Undertow were working with Kmart on the launch of their new Kmart Living range, and facilitated the financial arrangement between The Bloggers Club, Foy and Jack prior to the the appearance on 1News.

Undertow Media confirmed the transaction took place, stating that they were contacted by 1News to cover "the mass hysteria over Kmart products" and approached Foy and Jack for what began as an unpaid interview opportunity. An Undertow spokesperson told The Spinoff in an email that after the shoot was set up, the influencers' management at The Bloggers Club requested a fee. With a tight deadline, Undertow agreed to reimburse them with \$250 cash and \$250 in Kmart vouchers.



Instagram post by thebestnest with 124 likes and comments.

Having been alerted to the arrangement by The Spinoff yesterday, 1News made their own contact with Melissa Jack to verify the claims. She denied payment for the appearance, but 1News were informed within an hour by Undertow that the transaction had indeed occurred. Neither The Bloggers Club, nor Foy or Jack when contacted individually, responded to The Spinoff's requests for comment. When the claims were put to Jack over the phone, she hung up.

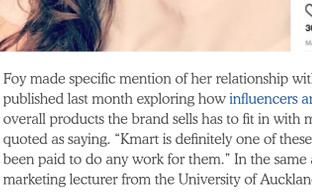
Asked if this sort of payment arrangement happened regularly, Undertow said it is "not very common" for their clients, but noted that "we are seeing more and more requests for payment" from influencers, for social coverage in particular. TVNZ's O'Sullivan said this was the first time this situation had occurred in his three years at TVNZ. "The issue is that we take a lot of people on trust. If it is that we have to ask every person in our news stories if they've been paid ... well, that might be something that we have to start doing."



In March this year, Australia introduced new transparency rules around paid influencer content. New Zealand currently does not have any specific regulations in place around influencers disclosing when they have received money to endorse a product. In The Spinoff's short documentary The Influencers, editor of StopPress Damien Venuto noted that "There is no disclosure happening consistently enough" and that "there is certainly a level of risk in deceiving people into thinking they are just promoting this on their own accord."

The Kmart story is all the more pertinent as both the bloggers involved, like many other influencers seeking a transparent relationship with their audience, have openly addressed issues around the importance of disclosure in their writing. "I started the week off stressing about disclosure, wondering what my readers think about sponsored posts," Melissa Jack said in a blog post published in August of last year. "But you know what? I got paid for that picture, and I told you that too (ie disclosure)."

Maria Foy voiced a similar stance in a blog post published last month titled "Full Disclosure". "I dislike it incredibly when people don't know if something is sponsored or not," she wrote, outlining the lengths she goes to make it "painfully obvious" when she has been paid to promote something. The post concluded: "There is nothing worse than seeing people lie to their audience and their audience has no idea."



Instagram post by happymumhappychild with 368 likes and comments.

Foy made specific mention of her relationship with Kmart in a Stuff feature published last month explaining how influencers are driving retail trends. "The overall products the brand sells has to fit in with my audience," Foy was quoted as saying. "Kmart is definitely one of these brands, but I have never been paid to do any work for them." In the same article, Bodo Lang, a marketing lecturer from the University of Auckland, warns that "you don't know who is being rewarded or incentivised to say what" when it comes to influencer marketing.

Undertow told The Spinoff that, despite paying the influencers for their time, they did not have any editorial control over their messaging and therefore did not deem it necessary to disclose the fee at any stage. "As genuine Kmart fans [they] were happy to give their own opinion on what was happening in the market." On their own blog wrapping up their work with Kmart at the time, Undertow refer to the 1News interview as "the icing on the cake."

With the story now removed from the TVNZ site, O'Sullivan says that 1News will be examining its processes, and installing more checks to ensure that people are who they say they are. "The lesson for us in this is that we just have to be a lot more wary of these so-called experts or bloggers that are talking in that consumer affairs space," he said. "There's lots of people with really genuine stories out there and we need to keep relying on that. When we get duped by people like this, it just mucks the system up."

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