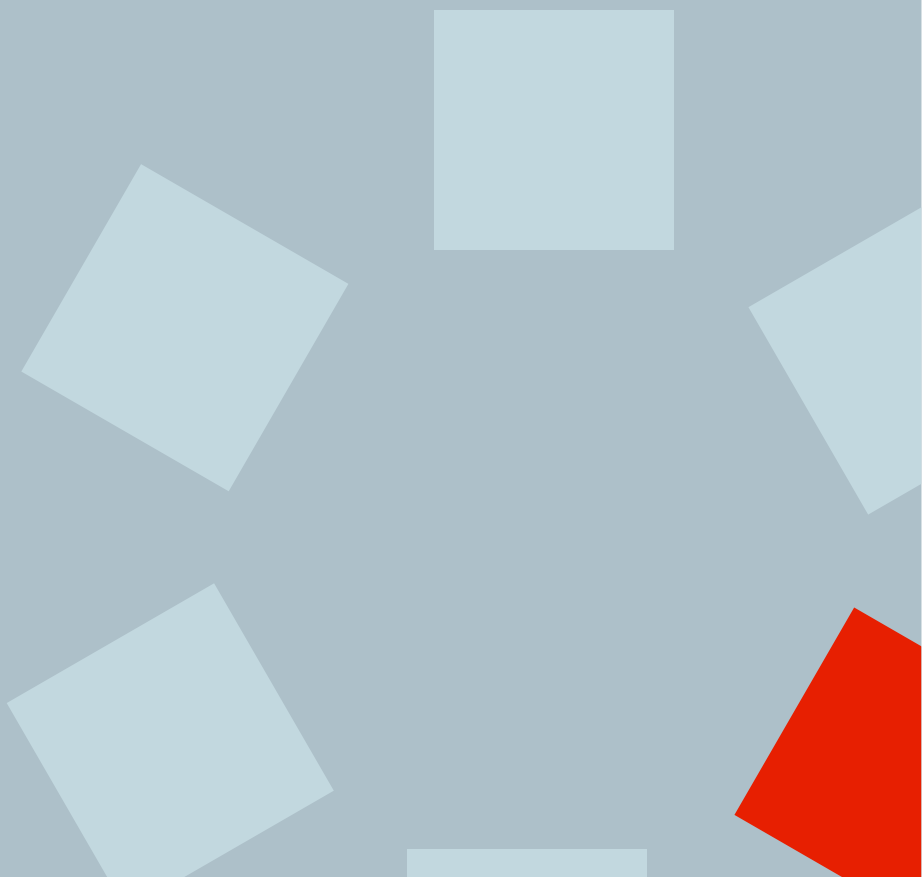


The Direct Marketing
Commission

Enforcing Higher Industry Standards

**Annual Report
2010/2011**



Annual Report

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◆ About The Direct Marketing Commission

The Direct Marketing Commission (DMC) is the body which enforces the Direct Marketing Association (DMA)'s DM Code of Practice and forms part of, and is funded by, the Association. The Code and DMC are established to give effective protection to recipients, users and practitioners of direct marketing, ensuring that companies observe high standards of integrity and trade fairly with their customers and with each other. This is processed through the investigation of complaints, direct marketing issues and practices, and providing guidance to consumers. The DMC and DMA have also recognised the potential value of shared research or other action to build marketing understanding, awareness of industry standards and compliance.

The DMC comprises an independent Chief Commissioner, two independent Commissioners and two industry Commissioners. Independent Commissioners serve on a paid basis but industry Commissioners serve entirely on a voluntary basis. All Commissioners are bound by the Charter and decisions which relate to the adjudication of complaints about a member of the DMA are taken independently by the DMC and its decisions are final. In addition, the Direct Marketing Code of Practice makes provision for an Independent Appeals Commissioner because where the DMC concludes that a member is in breach of the Code the member is entitled to appeal against the ruling. The DMC's current Appeals Commissioner is John Bridgeman CBE TD who is appointed by the Board of the DMA.

The DMC will address any complaints against DMA members where the complaint is within the scope of the Direct Marketing Code of Practice. If the complaint is not covered by the Code, it is referred to another relevant organisation. The Secretariat of the DMC aims to confirm receipt of all complaints within two working days and aims to achieve at least 65% satisfaction levels with the action taken by the DMC in relation to cases dealt with by formal or informal procedures. Every complainant is informed of the action taken and/or the outcome of investigations. In addition, the DMC aims to complete 80% of formal adjudications within three months of the first dialogue with a DMA member or any other party and register and progress complaints within seven working days. The DMC aims to have no cases reversed after action by the Independent Appeals Commissioner and no successful judicial reviews or legal challenges, and makes available key trend information on complaints as required.

Minutes of the DMC Board meetings are published on the DMC website.

◆ About the Commissioners:

George Kidd: (Chief Commissioner)



George Kidd was formerly Chief Executive of Phonepay Plus (previously ICSTIS), the national regulatory body responsible for the phone-pay phone content market. Prior to that George was a director in the Cabinet Office responsible for regulatory policy and practices, equality issues and work in the Economic and Domestic Secretariat. He was British Consul in Chicago for five years and his earlier career was with the DTI on international trade matters.

Martyn Percy: (independent member)



Martyn is Principal of Ripon College Cuddesdon and the Oxford Ministry Course. He is also Honorary Professor of Theological Education at King's College London and Canon Theologian for Sheffield Cathedral. After a career in publishing, Martyn trained for ordination at Durham. He has served as a Director and Council members of the Advertising Standards Authority and is currently a member of the Independent Complaints Panel for the Portman Group, the self-regulating body for the alcoholic drinks industry.

Michelle Peters: (independent member)



Michelle previously worked as a solicitor at Clifford Chance LLP where she specialised in advertising and marketing law and intellectual property litigation. Michelle is currently a business consultant in the franchising and business growth sector. She is also a Tribunal Chairman for PhonepayPlus (the premium rate service regulator) and an Ombudsman with the Financial Ombudsman Service.

David Coupe: (industry member)



David Coupe has had a twenty-five year career at global information services company Experian. He joined in 1983 as an Account Manager and became Managing Director for the UK in 1995 and Managing Director of International Marketing Services in 2002. David is a Fellow of the Institute of Direct Marketing and a former Chairman of the DMA from 2003 to 2005.

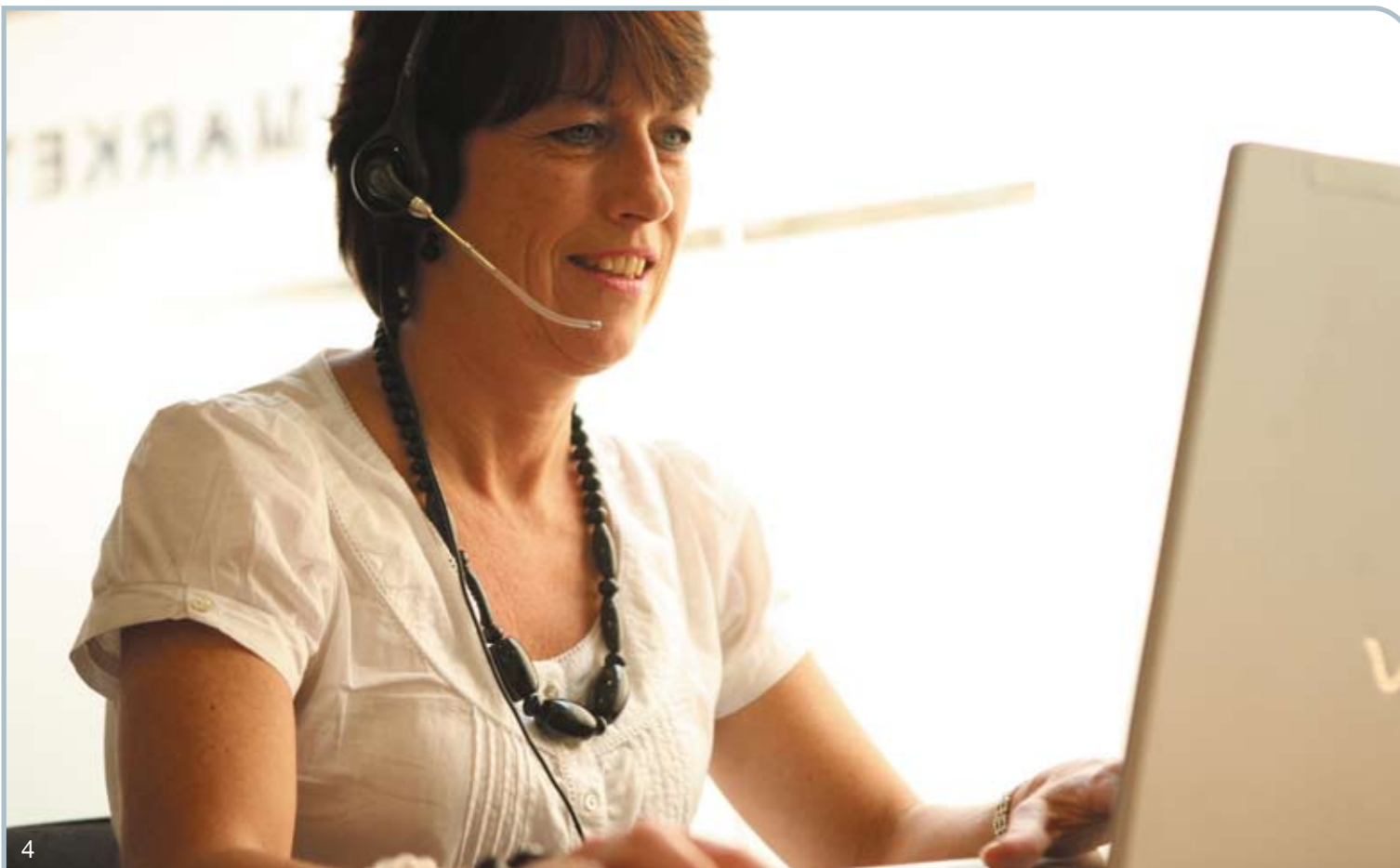
Danny Meadows-Klue: (industry member)



Danny Meadows-Klue is one of Europe's pioneers in online media and marketing. He is best known for helping to launch the Interactive Advertising Bureau in the UK, and then across Europe where he was re-elected as President four times. In the mid 90s he ran the UK's first online newspaper www.Telegraph.co.uk and helped with the launch of hundreds of websites and dozens of digital media industry initiatives, as well as co-producing BBC Television's first internet packages. As a digital marketing coach he has helped thousands of companies around the world with their digital strategies, and helped launch digital trade associations from Mexico to New Zealand. Danny has advised several government departments and lectures at many universities and business schools, as well as through the www.DigitalTrainingAcademy.com he created. He is Chief Executive of the Digital Strategy Consulting group.

◆ Direct Marketing Commission Charter

The Direct Marketing Commission ensures that practitioners in the direct marketing industry uphold the highest standards and it applies the Direct Marketing Code of Practice equitably and professionally in the interests of consumers, business and society.





◆ Introduction

I am pleased to introduce the Direct Marketing Commission's report for 2010/11.

This was a year of change for the Commission in terms of our structure, our way of working and in the issues we were asked to address. In the Summer of 2010 and in response to difficult economic circumstances we worked with the DMA to create a new and smaller Commission focused strongly on compliance with the Direct Marketing Code of Practice by the wide DMA membership.

The review of our arrangements and the actions taken were anchored in a commitment to a self-regulation that was credible, scalable and affordable. The Commission now has five members; three of whom are independent of the industry. I have been truly fortunate in having Martyn Percy and Michelle Peters as fellow Independents and David Coupe and Danny Meadows-Klue as Industry Commissioners. Their expertise and the quality of their thinking is evident from the contributions each has made to this report. At the same time I must thank my predecessor Matti Alderson and former Commissioners Susan Singleton and James Middlehurst for their work and support in years past and for the roles they played in mapping our new course. I should also register my continuing gratitude to John Bridgeman, our Appeals Commissioner, for his work and advice on the appeals process.

We were supported by an executive team within the DMA linked to the DMA Compliance Unit. As Commissioners we rely on the professional, timely and well-considered advice and support from Suzi Higman and Richard Evans and others at the DMA. They are the people dealing with the public and the membership on a daily basis and we value their tact and judgment.

To ensure consistency and increase transparency we have published the criteria we use when complaints are assessed and handled. We aim to be proportionate in our response to issues; brokering informal solutions wherever possible but looking thoroughly at cases where actions might be a serious threat to consumers and wider trust in direct marketing. Our website now also has flow-charts and other information on how complaints will be handled and the performance measures we have set for responding to complainants, for processing cases and on the general level of user satisfaction with the outcome of our work.

Commission meetings can be used to discuss any cases requiring a formal adjudication but more time is now spent looking at trends in complaints and compliance, at technological and other market changes that might throw up issues and at how we can work with the DMA and its various Councils to keep the high levels of compliance in the industry. We have started to publish the minutes of all meetings of the Commission.

Compliance standards remain high in so far as they can be assessed solely by the number and nature of complaints seen. The detailed figures are set out in this report. In brief we dealt with complaints about 211 services. Nearly seventy of these related to DMA members while over a hundred were referred to other statutory or self-regulatory agencies. The majority of cases related to individual experiences with nothing to suggest that marketing services might pose difficulties for consumers at large. Ten cases came for formal adjudication and most were resolved by company action to revise procedures and deal professionally with complainants. In one case we recommended a company be suspended from DMA membership. This reflected the seriousness of our concerns but also our hope that this would encourage the business involved to make the changes in governance and strategy needed to meet agreed standards.

Codes sometimes have to contain detail and a high level of prescription. The Direct Marketing Code is no different in this regard. But we think it is important too that we can set out what we see to be the big cultural message that sits within the Code. These are the tests that businesses, consumers and the regulator can apply to products, services and behaviours. We think this can be distilled to three simple messages to direct marketers:

Be responsible – be transparent, fair and reasonable in contracts and other communications and ensure all data is managed correctly.

Be respectful - respect individuals' stated privacy and other preferences.

Be reliable – be honest, deliver what you promise and deal effectively with complaints.

I hope this report gives a flavour of our work and of how we are likely to approach big issues in the coming year. I hope all our stakeholders will see the benefit of our work to develop a self-regulatory system that can use influence alongside a robust rule-book and efficient regulatory processes to deal with new challenges.

George Kidd, Chief Commissioner

◆ Complaints and Compliance

Here's an irony. That complaint and compliant should be so close together in the dictionary, and only differ in spelling by the ordering of a single letter. This will not surprise many in the sales and marketing industry. Every day in just about any business brings a tranche of happy and fulfilled customers. And, inevitably, one or two for whom the service or product has been less than satisfactory. Sometimes, the difference – the margin between the two – can be wafer thin. In English language, the word complain means to lament – an old biblical word, that speaks of despair (literally, the absence of hope) and even grief. Even the very best companies will know consumers who have regarded their service or product in this way. Compliance, on the other hand, is about satisfaction, fulfilment, the discharging of duty, and accomplishment. To comply is literally, to satisfy by filling up. It is to accomplish all that is required.

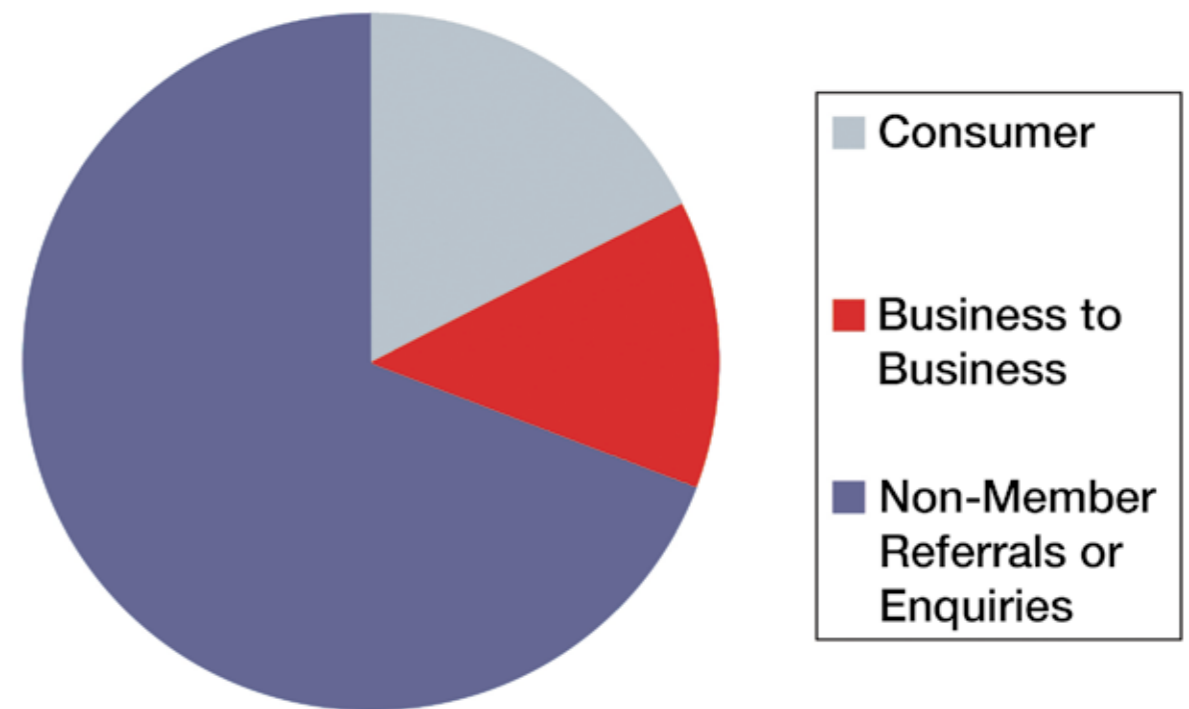
The tasks and functions of any self-regulating body in sales, marketing or media is to sit within the inevitable gaps – but hopefully only occasional – that emerge between consumer complaints and industry compliance. The responsibility of the DMC is to listen attentively to both the industry and the consumers, and to enable mutual and fair comprehension over the nature of the contact and contract that are undertaken. It is not always easy work; but it is essential. Compliance – in the case of the direct marketing industry – is rooted in publicly accessible and rigorous codes. These help to build trust and confidence on the part of consumers. And consumers who can trust and have confidence in an industry, of course, are less likely to complain.

DM Commissioners come from all walks of life, and bring a range of expertise and experience to the direct marketing industry that helps consumers and members alike. The Commission seeks to implement the Code fairly and thoroughly, in order to adequately address consumer complaints, whilst at the same time contributing to the incremental improvement of industry compliance. As with all self-regulation, the aim is not to over-police the industry, or to act as an amplifier for consumer complaints. To be sure, there are occasions when it is necessary to get tough, and the DMC can be relied upon to be resolute and firm. But mostly, the work of the DMC is rather more subtle than this. Through enabling mutual comprehension, and based on the sound and consistent interpretation of the codes, we ultimately seek to play a small part in helping to build trust and confidence between consumers and industry, especially when there are complaints and misunderstandings.

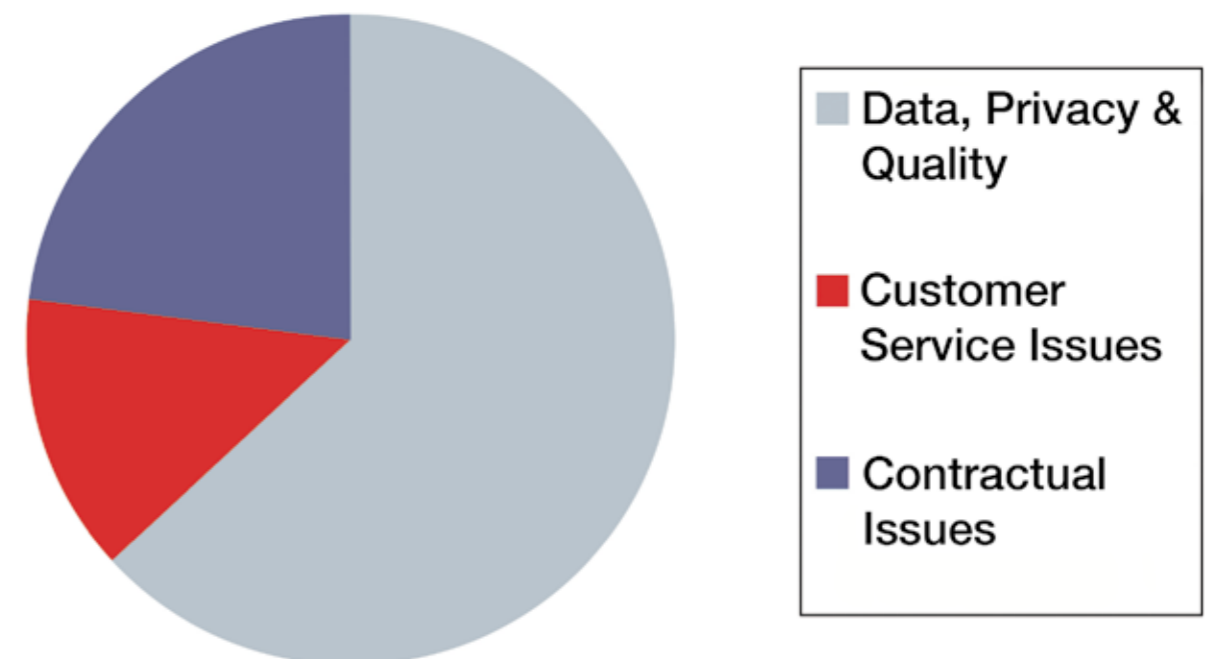
The DMC exists for the benefit of both consumers and the industry. So our authority rests not in some kind of abstract power, but ultimately in how well we serve all those who provide and use the products and services of direct marketing. Put another way, we have one single vested interest: to help the industry and consumer move from complaint to compliant.

Revd. Canon Prof. Martyn Percy

Number of Complaints
1st April 2010 – 31st March 2011



Nature of Complaints (DMA members only)
1st April 2010 – 31st March 2011



◆ Complaints History

The complaint numbers over the last financial year show that DMA members work hard to maintain compliance and adhere to the industry standards set out in the Direct Marketing Code of Practice. Out of 211 complaints the DMC Secretariat received 37 consumer complaints and 28 business to business complaints involving DMA members.

During the year we logged over three times this number of complaints against non-members of the DMA. In almost every case the Secretariat was able to provide advice to these complainants and refer them to the most appropriate regulatory body wherever possible. This is in line with the policy agreed with the DMA that we should focus on DMA member compliance with a DMA Code that is binding only on the membership. We remain alert, however, to the actions of non member companies if these actions pose a serious and wide threat to consumers and to public trust in direct marketing. The Commission cannot be indifferent to the damage a non-member might cause and is ready itself to collect evidence and pursue the matter with co-regulators. This vigilance and our ability and readiness to act is part of our commitment to building consumer confidence.

We recognise, however, that the complaints we receive are likely just to be the tip of an iceberg to some extent. In some cases that were opened on the basis of a single complaint our investigations found evidence that the policy or practices in question would have affected many or all of those who received the marketing or service in question or whose data may have been managed in an inappropriate way. This is an issue for every regulator. This possibility of harm or a risk to people other than our complainant is something we think about every time a complaint is received and investigated or put to member companies for informal resolution. The thinking and methodology we use for this is set out on our website for all to see.

When investigating cases, the Secretariat looks at the history of complaints received against a company as well as details of their previous compliance record and the numbers and nature of complaints received by other organisations. One particular trend we have noticed is the rise in the number of complaints which relate to the quality of data being provided. These concerns are often raised by small businesses who have ordered data and found a percentage to be inaccurate or unusable for some other reason...or who have seen a campaign under-perform for whatever reason.

Data is by its nature information in a state of constant change. This is reflected in codes and in the terms and conditions of those in this market. But there are times when problems seem to revolve around the mis-match between the client's expectations when being sold data and the impact of campaigns using this data. This is one area which prompted us to develop the core principals approach to compliance – flagging the need for clarity and responsibility in sales offers and contracts.

We have also noticed a high level of complaints in relation to unwanted emails, often against non-member companies and often from offshore. This issue seems to reflect a wider problem within the industry in relation to ensuring individuals are given the opportunity to unsubscribe from emails and that the appropriate suppressions are then carried out as requested.

Out of ten cases formally investigated by the DMC in the financial year, six were upheld against member companies and the details published on the DMC website (www.dmcommission.com). The formal investigations involved a case where a consumer had continually received unwanted mailings despite repeated requests for the mailings to stop; a case where a business had ordered data which they claimed to be inaccurate and /or unusable; a case where a company seemed not to be TPS screening its telemarketing calls; a case where small firms complained that door to door deliveries had not been carried out in full; a case in which a business was accused of provided misleading information online; cases involving companies using poor sales tele-sales tactics, and cases where companies had failed in their responsibility under the DMA Code to provide information to the Commission.

In one particular case which related to the telemarketing activity undertaken by a member company, the direct marketing activity in question affected thousands of consumers although the original complaint had emanated from one individual who was registered with the Telephone Preference Service. The investigation involved contact with the original complainant, a review of TPS and other web-based complaints and an attempt to validate compliance with TPS cleansing. Over 100 complaints involving people who had registered with TPS were attributable to the company. Based on the evidence presented, the Commission reached a view that the company was misrepresenting

itself as a researcher when making calls that were really designed to sell goods or services. The practice was found to be the cause of the considerable number of public complaints over what was seen to be cold call marketing. The Commission found the company in breach of four provisions of the Direct Marketing Code of Practice which related to TPS compliance and data cleansing, responsibility for compliance by suppliers and marketing in the guise of research known as “sugging”. The Commission decided that this was a very serious case involving fundamental Code provisions and proposed membership of the DMA be suspended for a period of at least one year and that the lifting of this suspension thereafter be conditional on evidence of action taken to ensure future compliance. This proposal was implemented by the DMA.

This relationship with the DMA is of critical importance. As a self-regulator we exist to add substance and meaning to the Direct Marketing Code of Practice. In a field in which compliance standards are very high our goal is generally to capture the lessons that an individual member or the DMA membership at large can take from our investigations. We have pointed to the fact that more people or businesses may be affected by services complained about than is evident from the complainant numbers alone. The same is true of the benefits of actions taken as a result of our work with member companies. Changes in the ways data is collected, managed and sold and changes in the marketing techniques used as a result of our action with member companies and feedback to the DMA can increase customer satisfaction and trust across the board to the benefit of all.



Responsible

Be transparent, fair and reasonable on contracts and other communications and ensure all data is managed correctly.

Reliable

Be honest, deliver what you promise and deal effectively with complaints.

Respectful

Respect individuals' stated privacy and other preferences.

◆ Data and Data Security

Most consumers are now aware that it's fairly quick, easy and effective to stop unsolicited mail and telephone calls using the Mail and Telephone Preference Services, and they also expect to be able to unsubscribe to email communications.

More importantly though, consumers prefer to deal with and are starting to trust those brands and organisations that have clear privacy policies and a fair, clear and positive approach to the collection, management and use of their personal data. For businesses then, the effective combination of people, processes and technology to provide good data governance is more important than ever before, and it's also more of a challenge.

In the past, an organisation's skills requirements for successful direct marketing were largely focussed around analysis, segmentation and targeting. In 2011, all of the above are still relevant, but together with the need to exploit an ever expanding range of digital media options is a definite necessity to embrace data security, privacy and governance.

Getting data governance wrong can be a risky business. Only in recent months there have been several high-profile breaches and losses of data in major organisations with significant loss of brand reputation as well as cost.

Regulation of the use of data is growing in scope and complexity and penalties for non-compliance are greater, (up to £500,000 for Data Protection Act breaches). In recent years the responsibility for use of data has moved 'horizontally' in organisations across IT, Marketing, Sales, Finance, Compliance and Security etc, and also moved 'upwards' into the boardroom and onto the CEO's desk. It is also quite common for customers' personal data to be held on multiple databases within an organisation, (eg. prospecting, customer service, billing, web purchase etc.) albeit for different and logical reasons, but the need for good data management is therefore even greater.

No surprise therefore to see the launch in April 2011 by the Institute of Direct Marketing (IDM) of their 'Award in Data Management' which is the direct marketing industry's first professional qualification specifically designed to help educate users in the regulatory, compliance and governance issues surrounding data.

Direct marketing needs trust to successfully deliver relevant personal offers and therefore the DMA fully supports and welcomes the new IDM course, as do the Advertising Association and other advertising and marketing trade bodies.

Equally the Direct Marketing Commission applauds and supports all initiatives which improve the self-regulatory mechanisms of direct marketing and most importantly the consumer's trust and confidence.

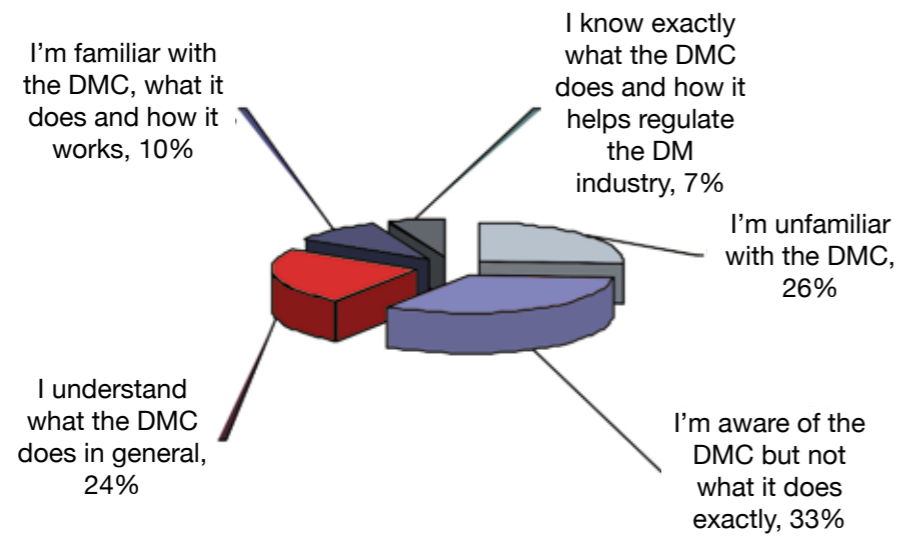
David Coupe



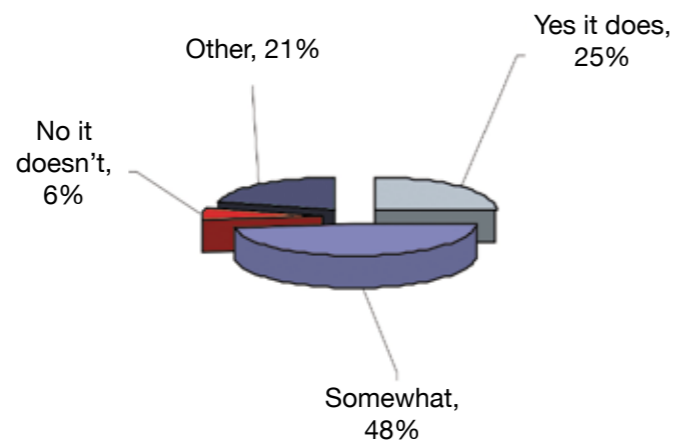
◆ Direct Marketing Commission Survey

The DMC conducted a survey amongst the DMA membership prior to Xmas 2010 in order to gain an understanding from members as to how familiar they were with the DMC's role, whether they considered the DMC achieved its objective of regulating members and how aware members thought consumers were of the DMC's role in regulating the industry and how they can complain. Just under 25% of the total DMA membership responded showing an appetite for dialogue between the Commission and the DMA and the significance of regulation in the direct marketing space.

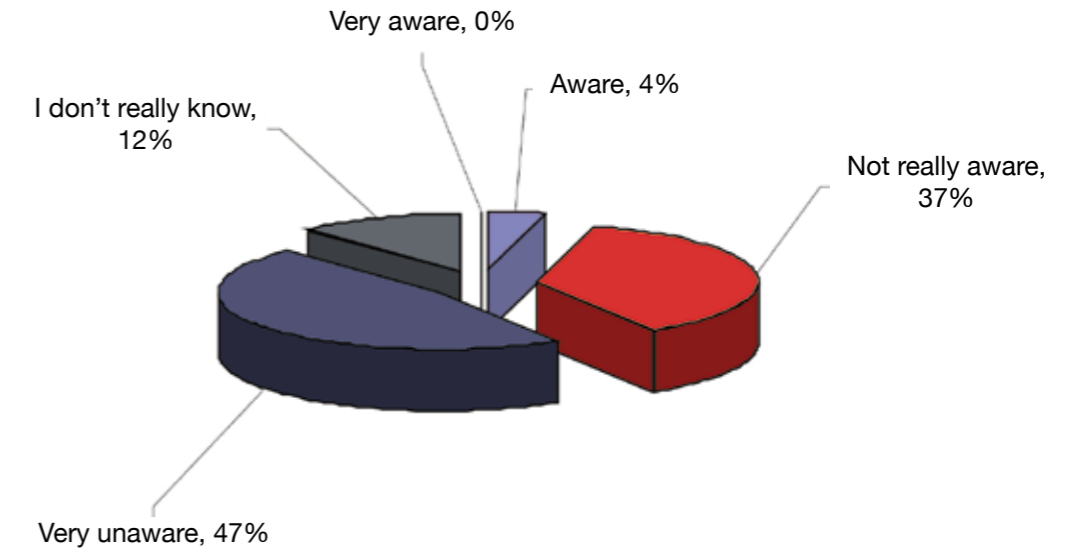
How familiar are you with the DMC's role in regulating the DM industry?



If you know about the DMC do you think it achieves its objective of regulating DMA members?



How aware do you think consumers are of the DMC's role in regulating the DM industry and how they can complain?



The research suggests that while there was a strong commitment to self-regulation and the maintenance of high standards there were gaps in knowledge and understanding amongst members over the Commission and how it worked, and a fear that public awareness was far lower and this could be a barrier to those with complaints but also a missed opportunity in terms of giving customers the assurance that DMA members worked to a robust Code supported by an effective regulator.

The Commission is looking to address the issues in its workplans for 2011/12.

Some of the members' testimonials are quoted below:

"Effective self regulation is the badge of a mature and responsible industry. Compliance with the DMA Code ensures that members demonstrate their commitment to the long term growth of direct marketing in all its channels."

"Self-regulation is the key principle for a responsible industry authority to be able to demonstrate its professionalism, integrity, and for that to be auditable."

"A responsible industry serves itself by ensuring that it follows proper codes of practice to both the benefit of both its customers and itself. Abiding by self-regulation and the Direct Marketing Code of Practice shows a maturity, a discipline and a professionalism that distinguishes DMA members from others."

"As a growing area of public concern, data and all things relating to data needs to be worked with to as high a level of practice as reasonably possible. DM, in whatever form it takes is only getting bigger and more complex; it needs constant upheavals in regulation."

◆ Digital Networked Society: Data Trails Abound

Twenty years ago direct marketing focussed on postal mail and print adverts. As direct response TV grew, another channel was added within the framework of the discipline. The tools in today's world of DM are unrecognisably broad, but the good business practice for maintaining customer trust may feel very familiar.

With digital marketing mainstream in the corporate cultures of the largest multi-nationals to SMEs, a new lease of life has been unlocked for direct marketing, and with the traditional DM skills sets have let a new generation of marketers leap forwards.

In digital, two particular disciplines of direct marketing have undergone rapid acceleration: data profiling and split-run testing. The direct marketer's discipline and focus made for a natural fit with digital marketing. A/B split run tests are part of the daily routine for those who work with e-mail and on website navigation. Traditional tests of how different target groups respond have evolved into complex multivariate testing with cookies usually allowing tests to happen with no awareness to the user.

In terms of data profiling, the world is unrecognisable from 20 years ago. No longer do we need to know the demographics or postal address if the sales leads on our websites are pre-qualified buyers. Lead generation tools from Google AdWords to online affiliate networks can deliver anonymous clicks, with a strong propensity to buy and a readiness to impart their data as they do. The buyers are in control, and the direct marketers' craft is to persuade them to listen.

The nature of identity too is evolving as tools like Facebook, Linked-In and RenRen see hundreds of millions of people open up their most personal of details to much of the world. These tools allow the targeting of advertising in ways triggered by the very language each individual uses to describe themselves: If it's female Manchester United fans living in London that you're after, then there's now a way to find them. Data profiling has become immensely richer in the data at its disposal, with a growing sector of data augmentation allowing marketers to build out detailed customer profiles from just the simplest fragments of data.

Similarly customer insight has leapt forwards. Predictive modelling techniques can deliver real-time results and decision making based on what your customer did online a second ago. The profiling of today in an Amazon-generation knows that 'people who like this, also like this', and the source of these data fragments are aplenty. From the things people tell search engines, to the subjectlines of emails that get opened, to the clickpaths through an online store. Propensity modelling and realtime decision making is the new home for direct marketers. The breadth of this data and the richness of the processing is advancing fast, and as the fixed internet fuses with mobile location data, a new era of direct marketing is being unlocked.

Consumers leave fragmented data trails everywhere: IP addresses, cookies, cellphone locations, email responses, tweets and social media posts. Often without realising it, and almost always with scant regard for their meaning, the digital networked society is rich in data for anyone with the tools to look.

Smart firms are keeping close to the ethics as well as the laws around this, not just because they fear falling the wrong side of the law. They know the power base has shifted to consumers, and any firm not honest and open about its dealings has a world of social media reprisals to fear. Effective data protection isn't just keeping to the law; it's keeping a spirit of transparency and fairness in everything you do.

Direct Marketing has come to life in digital. The number of digital marketing tools will continue to proliferate, but the principles of good business practice in the digital networked society are now firmly grounded. Self-regulation reinforces these principles, and as channels evolve, the frameworks for supporting their use keep pace. But when the technology is moving this fast, every director needs to check their own marketing and legal teams have to keep pace too.

Danny Meadows-Klue

◆ Self-Regulation – Toothless Tiger or More Than Meets the Eye?

Ask a variety of people what they think about the merits or otherwise of self-regulation and you'll get - not surprisingly - a variety of answers. But it is not uncommon to hear self-regulation described in a way which suggests it is an inferior sibling to its bigger brother, 'statutory regulation.'

But not only is that not true, but it misses a key point – self-regulation rarely exists independently of statutory regulation, it usually exists within a statutory framework. For example, the Advertising Standards Authority's CAP Code, probably the best known of the self-regulatory codes, is underpinned by the Consumer Protection Regulations and the Business Protection Regulations. In our case, the Direct Marketing Code of Practice is underpinned by a wide number of legal statutes, reflecting the expansive nature of direct marketing activities. In fact, Appendix 4 of the Code lists more than 50 Acts of Parliament or Regulations which impact upon marketing activities.

Not only does self-regulation co-exist, quite happily, with its statutory siblings, but it can do so much more than they can. At the heart of self-regulation is the ability for a non-statutory code of practice to be flexible and adaptive to the changes in the industry it serves. So whilst legislation is left languishing when there are new developments in an industry or when new technologies emerge which change the way industry conducts itself (behavioural advertising is just one example), self-regulatory codes of practice can be quickly updated to protect both consumers and the industry itself. Self-regulatory systems also offer a quicker way of dealing with complaints and wrong-doings than the law is generally able to offer – and at a considerably lower cost. This improves 'access to justice' for complainants and means that wrong-doers can be dealt with more quickly in order to maintain consumer confidence and thereby protect the industry as a whole.

So, am I saying that self-regulation is, in fact, better than its statutory siblings? Not necessarily. To have an effective self-regulatory system requires a number of different things – without which it can, indeed, be the toothless tiger it is sometimes alleged to be.

First, the industry sector must be suitable for self-regulation. Arguably some sectors – for example the pharmaceutical industry - are not, because the consequences of failure to keep up standards are too dire for there not to be a more serious 'stick' with which to ensure compliance than self-regulation can realistically offer.

Next, the industry sector in question must be sufficiently mature that there is true acceptance of the need to keep standards high for the benefit all the industry players, rather than just for consumers. Self-regulation will not work if the industry, as a whole, is more intent on exploiting loopholes than it is on reaping the benefits of self-regulation. Fortunately, in the direct marketing sector, we have seen an ongoing commitment amongst the industry to the enforcement of higher standards, which is why the Direct Marketing Commission exists today.

Of course, there must also be a readiness to invest in developing standards and a robust system for applying them, without which the industry's acceptance of higher standards will be puffery, not reality. Where all these factors are present, then the industry sector can benefit from the all the advantages that self-regulation brings - not just the flexibility and adaptability of such a system, but the opportunity for the industry members to help shape and influence the system itself. That is, after all, what is truly at the heart of 'self-regulation'.

Michelle Peters

◆ Looking forward.....

We hope our Annual Report gives a real sense of how we will work in the coming months. Dealing efficiently and effectively with complaints is core for any regulator and we and the Direct Marketing Association have agreed there should be a focus on this specifically in relation to DMA member organisations.

At the same time we have highlighted the importance of pre-empting and preventing problems arising in the first place. The default approach to pre-empting problems is to look at new risks and come up with new rules to manage these risks. There is clearly a place for this, not least in the digital field where the European Commission, national governments and regulators are grappling with privacy issues on-line. It is equally true in other fields where technological or other changes affect the economics and acceptability of direct marketing.

In our report – and in each of the pieces written by fellow Commissioners – we make clear we see this as just one part of the picture and, indeed, that there is a case for moving from layer after layer of prescriptive regulation to an outcomes-based approach.

We argue that the public has the right to see their privacy and other preferences respected, to be confident marketers will show high levels of responsibility in contracts, communications and the management of data, and reliable; delivering what they promise.

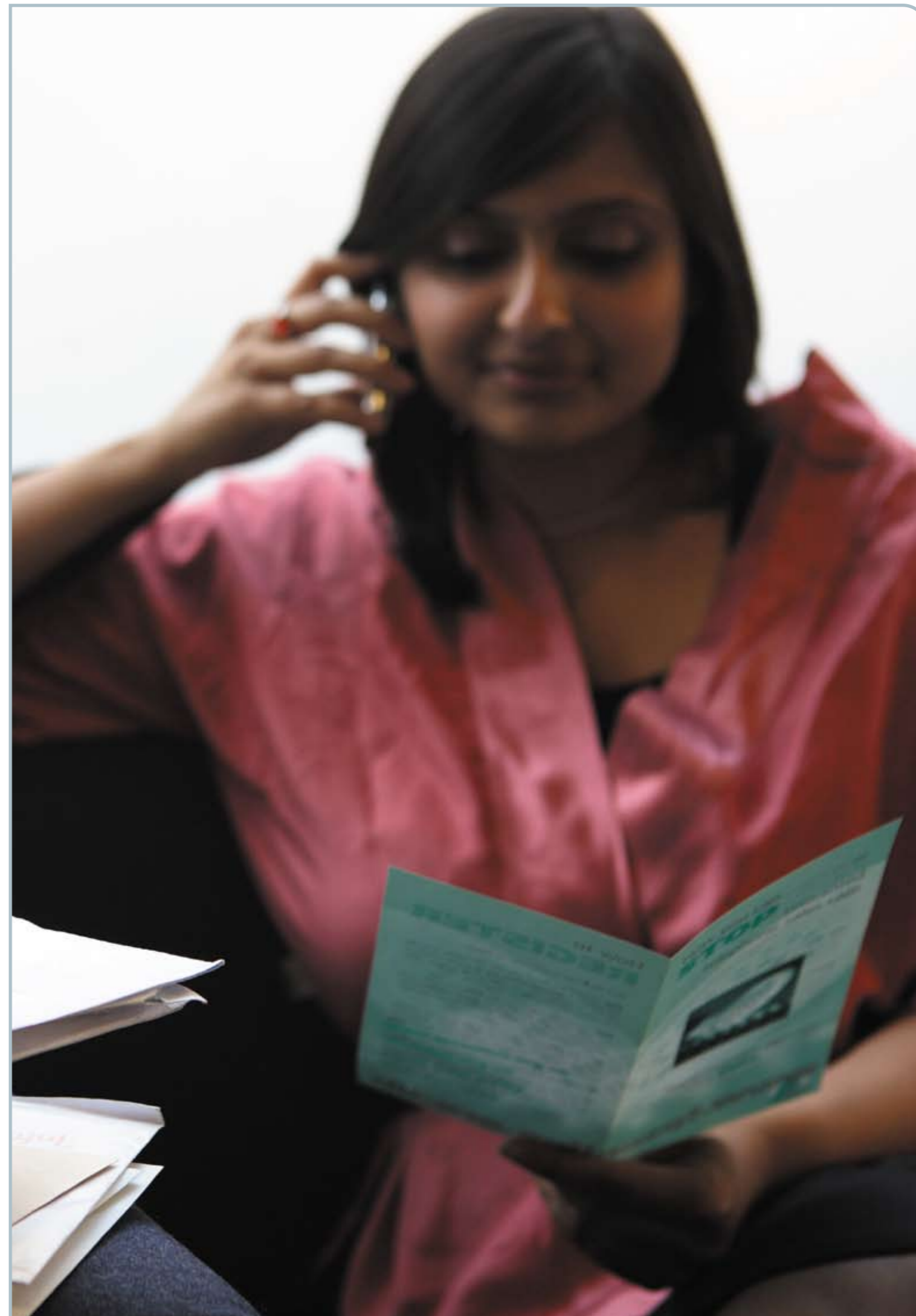
This cannot be achieved by rules alone. Or, indeed, solely through “incentives: carrots alongside regulatory “sticks”. Progress depends in part on the will of the industry itself. The DMA’s members have shown foresight in investing in a set of standards and in underpinning these in its compliance team and in its support for the DMC. We want to help to reinforce the idea that there is business, market and social benefits of “Respect, Responsibility and Reliability” and in compliance with standards that reflect these principles. We already see this happening with initiatives on data management and good practice in telemarketing and in talks we have had with those involved in door-drop marketing.

We plan to do this through meetings with individual Councils within the DMA, through possible reviews of sectors and how changes in them may affect compliance, through work in support of the DMA as it develops its Code of Practice and other guidance and by building membership and public awareness and understanding of the DMC and the Direct Marketing Code of Practice. We want people to know they can deal with confidence with DMA members and to help create an environment in which members can invest and innovate.

If you have an enquiry about the work of the DMC please contact us:

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