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Rob Edwards



It has been a challenging yet rewarding year for us in many ways at ADMA and I suspect the same applies to our members. I would like to finish the year by offering this conundrum for you to think about.

Is Direct Marketing about to become the victim of its own success?

This was the impression I was left with after chairing the International Federation of Direct Marketing Associations meeting held in conjunction with the annual US DMA conference at the end of October. In particular the Federal Trade Commission – equivalent of our ACCC – is taking a tough line with telemarketing and e-mail as being exploited to the point that there is considerable consumer backlash and the real danger of rejection of these communication mediums – at worst, and a diminution of their effectiveness at best.

Until now, we in Australia, have been fortunate that we do not suffer from the same level of overlapping and duplicated regulation that exists in the US and some other parts of the world. This did not happen by accident.

ADMA spent years, ultimately successfully, negotiating a private sector privacy regime that struck an acceptable balance between consumer protection and business efficiency. We have had our stoushes with the Office of the Privacy Commissioner – we would not be doing our job if we did not – but at the end of the day, the privacy law we operate under is predominantly national and uniform.

But now a new threat is creeping up on direct marketers which, if the regulators get their way, will be neither national nor uniform. The threatened restrictions on telemarketing could vary from state to state and apply differently across industry sectors. This applies to Telemarketing in the broadest sense. On one extreme the seemingly benign practice of business contacting their existing valued

customers, and on the other extreme, the more intrusive “cold calling” to prospects.

That is why I question whether DM is going to become a victim of its own success because telephony accounts for more than six out of

every ten dollars spent on direct marketing. As the article on pages 4 & 5, clearly demonstrates, telemarketing has become the regulators favourite whipping post.

If all the Federal and State regulators get their way, call centre operators will be

facing the following confusing and costly rule changes that will result in:

- A total of 74 days each year – that is nearly 20 per cent of the calendar – where some, but not uniform, calling restrictions will apply.
- The ease and convenience of marketing financial products by the telephone – the fastest - growing sector of telemarketing – being severely curtailed to the point where it will become impractical.
- Calling hours will vary from State to State creating a logistical and expensive nightmare.

Two years ago I was appointed by the Federal Government to be a member of the Self-Regulation Task Force. We made some recommendations for change but overwhelmingly concluded that self-regulation was working well and there was insufficient rationale for wholesale change.

“A new threat is creeping up on direct marketers which, if the regulators get their way, will be neither national nor uniform.”

Self-regulation remains official government policy but in relation to the \$9 billion telemarketing sector unofficial black letter law creeping in by stealth, is well and truly on the agenda.

Let me assure you that ADMA will not be standing by and allowing this regulatory-creep to just happen. We have been tackling each challenge as it occurs and we are now working on strategies to deal with what is becoming a systemic problem threatening to strangle the most successful and prolific sector of our industry.

It may be that we have to put our own house in order. The basic rules governing telemarketing were drawn up more than five years ago, and subsequently included in the ADMA Code. Given the level of growth since then it is reasonable that they should be reviewed.

I have asked the Call Centre Council and the new Relationship Marketing and Customer Management Council to assist ADMA in assessing the impact that these proposed regulations will have on this burgeoning sector.

“Your call is important to us” is probably the most often-heard phrase in Australia and ADMA intends to keep it that way.

I couldn't conclude this year end piece without making mention of the 2002 ADMA Awards. The talent behind these Award winning campaigns puts the industry in good stead for the coming years. All in all the Awards are a testament to the strength of the direct marketing industry, which continues to grow, while others are seeing market share diminish. It was also a big night, with one of the largest attendances ever achieved – a fitting finale to a trying year all round!

Finally, on behalf of the Board Chairman, Andrew Robb, the Board of Directors and all of us here at the Secretariat, I would like to thank you all for your valued support during the year, and wish you all the very best for the festive season and trust that the new year brings with it success in whatever you do.

A Scotsman with a passion for direct response television and a woman who set up her own DM “think tank” firm at a young age, are the winners of this year's prestigious 2002 ADMA Awards for Excellence, presented at the Association's annual Awards dinner.

Accepting the award for Direct Marketer of the Year, the highest accolade the industry bestows for outstanding achievement, was Martin Wise of Optus.

“Martin is a direct marketer with a passion for accountability and creativity. He represents the best our industry has to offer,” said ADMA CEO Rob Edwards. “This award not only honours his outstanding performance and contribution, it represents the high esteem in which he is held by his peers.”

The criteria for “DM-er” of the Year states the winner must have achieved outstanding success in the discipline and contributed to the industry as a whole.

Born in Scotland, Martin worked in London for Cable and Wireless UK, where he was a key leader in the direct response customer recruitment channel for all cable and wireless products. The significant success of this channel led to a stream of accolades including the UK Direct Marketing Association Award for direct response television.

He was transferred by Cable and Wireless to its Australian operation to share his expertise and knowledge. “In less than seven weeks he developed a similar direct channel [to the UK] from scratch. There was little or no precedent for this type of best practice acquisition of customers in the telco industry prior to this,” noted Mr. Edwards.

IT'S ROCKET SCIENCE!

The Awards for Excellence also shone a spotlight on Melanie Johnstone, director of Rocket Science, as Young Direct Marketer of the Year, sponsored by Australia Post.

Selected from an impressive group of candidates aged 30 or under who had demonstrated remarkable DM achievements, and then from four finalists, Melanie was recognised for her “passion and commitment to the discipline of direct marketing.”

Melanie started her career in DM when she stumbled across an ad for a telemarketer for

Cellarmaster Wines, after completing her studies in Arts/Humanities at university.

Within a year she was off the phones and into their customer service department. A year later she became the Cellarmaster's Wine Club Manager, looking after a membership of 75,000. In this role, she became an expert in customer segmentation helping increase the response rate to club mailings. She later developed a new member program that achieved over \$1.2 million in sales.

After five years experience she left the client side and joined the MercerBell agency to apply her strategic and analytical skills, working across a range of clients including TD Waterhouse, Australia Post and Lion Nathan among others.

Brimming with energy, Melanie has now opened her own business – Rocket Science – specialising in strategic thinking.

The Direct Marketer of the Year and Young Direct Marketer of the Year are the highest accolades a direct marketer can achieve. All the candidates were nominated by people in the industry, even in some cases by their competitors.



Martin Wise (Pictured left) from Optus was named the 2002 Direct Marketer of the Year.



Melanie Johnstone accepting the award for Young Direct Marketer of the year from ADMA CEO, Rob Edwards.