

# The Australia Institute

Research that matters.

<b>TITLE:</b>	<b>Setting the record straight on telemarketing</b>
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Late last year, The Australia Institute released research on the social and economic impact of intrusive marketing. In our paper, *Go Away, Please*, we calculated that the time Australians waste on unsolicited telemarketing calls equates to \$1.58 billion annually, and found that there is frustration in the community about various kinds of direct marketing.

We also discovered that the Do Not Call Register, which was supposed to allow people to opt out of all unwanted sales calls, has been only partially successful. There are many exemptions to the Do Not Call regime, and many companies can still legally claim 'inferred consent' to make telemarketing calls to people on the Register.

The response to our report, in the media and from ordinary people, was overwhelming. It turns out we were right on the money: people are still receiving telemarketing calls under the new system, and many are alarmed at the unwanted intrusion into their lives and the use of personal details without their knowledge. They thought the problem was being fixed.

The response from the direct marketing industry, on the other hand, was dismissive. In this magazine, ADMA chief Rob Edwards called our research 'nonsense', 'laughable' and 'unjustified or patently false'. He cited ADMA-commissioned research showing that most people don't mind being contacted by companies they already have dealings with.

Mr Edwards' response was of course predictable. ADMA represents an industry which relies on the community's willingness to tolerate intrusive marketing, and any criticism of its practices is immediately belittled. According to ADMA, it's not unsolicited telemarketing; it's 'information'.

ADMA was instrumental in having the Do Not Call regime watered down, arguing that companies such as banks and telcos should be able to make telemarketing calls even to customers who are signed up to the Register. And in the recent review of Australia's privacy laws, ADMA opposed any move to offer consumers the opportunity to opt out at each marketing approach because 'this ignored the need for organizations to communicate with their existing customers to "fulfill their wants and needs"'. It also argued that allowing people to opt out in this way would place Australian businesses at a 'distinct commercial disadvantage' internationally.

In the real world, direct marketing does little to assist individuals to 'fulfill their wants and needs', and plays absolutely no part in securing Australia's international standing. But it is ADMA's role to maintain this charade – to pretend that across Australia people are sitting in their lounge rooms eagerly anticipating the next telemarketing call or item of junk mail.

So I welcome this opportunity to clarify a few things about The Australia Institute's research. First, we don't believe that the cost to the economy of telemarketing is exactly \$1.58 billion. Our approach, commonly used by economists, was simply a way of putting a dollar value on time – which is always difficult.

In fact, it's impossible to put an accurate dollar figure on one's time at home. It is instead a subjective question: would you rather answer an unsolicited sales call, or spend more time with the kids?

Contrary to Mr Edwards' comments to the media, our figures were not based on a survey of Australia Institute members. In fact, our survey sample was representative of the adult Australian population, and was sourced from a reputable, independent online research panel provider. And given his criticisms, I'd be pleased to set Mr Edwards straight on questions of sample size and statistical validity.

But these are mere quibbles. The wider issue is whether ADMA seriously believes that there is no social cost associated with direct marketing. To put it another way: how annoyed does the community need to get before further restrictions can be placed on telemarketing, junk mail and street spruiking? And which is more important, the interests of direct marketing companies or the views of the wider public?

These are the kinds of issues that The Australia Institute sought to raise through its research. So far, ADMA has declined to engage with them in any meaningful way.

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