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TITLE: Reclaiming your time from telemarketers

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Everybody has a story to tell about telemarketing. Sales calls at dinner time, often from overseas and sometimes using a recorded message, are infuriating. Many people resent the invasion of personal space, the use of personal details without permission, the waste of precious time, and the sheer absurdity and futility of telemarketing.

Telemarketing is one form of 'direct marketing', along with junk mail, spam and face-to-face marketing. Direct marketing differs from 'traditional' advertising in making a much stronger claim on our attention. We can switch off the television or the radio if we find an advertisement too annoying, but it is virtually impossible to avoid intrusive marketing altogether.

According to traditional economic theory, the more information consumers have the better off they will be. Advertising and marketing are regarded simply as information, providing transparent signals about the nature, quality and price of goods and services. But this fails to take into account the potential for marketing to impose considerable costs on consumers—including wasted time and energy, difficulty evaluating the claims of suppliers, choice overload and psychological costs like frustration, irritation and disenchantment.

Large corporations regularly employ direct marketing techniques and defend their actions on economic grounds. For example, Optus recently told the Australian Law Reform Commission that direct marketing 'serves an important economic function and is a vital component of Australian business'. The Australian Direct Marketing Association 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 doing so would place Australian businesses at a 'distinct commercial disadvantage' internationally.

In reality, of course, direct marketing does little to assist individuals to 'fulfill their needs and wants', and plays absolutely no role in securing Australia's international standing. For most people, it is simply an unwanted intrusion into their lives and some go to great lengths to avoid it. It is also a waste of valuable time, whether at home, at work or in public.

The direct marketing industry in Australia is big business, spending around \$12 billion per year – or more than one per cent of GDP. According to the Commercial Economic Advisory Service of Australia, in 2005 695,430 people worked in direct marketing, including 229,000 in telemarketing, 184,000 in catalogues and 217,000 as ‘stuffers’ (that is, envelope stuffers). If these figures are correct, there are more people working in direct marketing than there are school teachers, nurses and doctors combined.

Telemarketing is the target of a great deal of public criticism. More than one billion telemarketing calls are made in Australia each year, and telemarketing was identified as the most annoying ‘event or situation’ in a recent study by the Australian Psychological Society.

Responding to community concerns, in May 2007 the Australian Government established a Do Not Call (DNC) Register to enable members of the community to opt out of unsolicited phone calls. However, under the new system some organisations (including charities, political parties and companies with ‘inferred consent’) can continue to make such calls.

In fact, Australia’s regulation of telemarketing is more relaxed than India’s, where exceptions to its do not call regulations apply only to messages ‘relating to charities, national campaigns or natural calamities transmitted on the directions of the Government’, and messages ‘in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality’.

A distinctive feature of telemarketing in the United States is the use of prisoners to conduct telemarketing work. One telemarketing manager said he hired prisoners because ‘I need people who are there every day’, although the real reason seems to be that prison labour is cheap. Telemarketing earns inmates less than \$2 a day.

Some people go to great lengths to avoid being ‘marketed’. They buy answering machines or caller ID devices, disconnect their phone altogether, display ‘No Junk Mail’ signs, send junk mail back to its source, and cross the road when a marketer is in their path. Millions of people have joined the DNC Register, and many take every opportunity to ‘unsubscribe’ from mailing or emailing lists.

Still, community frustration persists about all forms of direct marketing. Residential letterboxes continue to receive massive amounts of junk mail, even where a ‘no junk mail’ sign is displayed, and real estate agents are identified as common culprits. In addition, the increasing use of face-to-face marketing techniques in public spaces, shopping centres and other busy areas is changing the way that we perceive and interact with other people outside of home and work.

To explore community attitudes to telemarketing and to measure the impact of the DNC Register since its introduction, the Australia Institute conducted an online survey of 1,000 Australians. The findings show that Australians on average receive 8.5 unsolicited telemarketing calls per month, and the average telemarketing call lasts for 1.45 minutes.

Based on these figures, we estimate that the value of time wasted on unsolicited telemarketing calls across Australia is \$1.58 billion per year. Two in three survey respondents said that telemarketing should be prohibited in Australia.

People whose number is on the DNC Register said they received fewer calls on average than those not on the Register (7 calls per month compared to 10 calls). In other words, the Register appears to have reduced telemarketing call volumes by around 30 per cent.

This would be an indication of success if it were a 'Call Me Less' Register, but as a 'Do Not Call' Register it signals the partial failure of existing measures to mitigate the impact of intrusive marketing, which rely almost exclusively on an 'opt-out' approach.

Currently, members of the public have to take deliberate action if they wish to avoid direct marketing, but our research indicates that an 'opt-in' system would be more effective in reducing the social costs of direct marketing. Such a system would assume that most people do not wish to receive direct marketing, and would prohibit unsolicited telemarketing calls to anyone has not indicated their desire to receive such calls.

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