

Is your direct marketing provider accredited?

One of the biggest threats to the direct marketing industry is the apparent ease with which companies gain access to digital databases. While digital communication may appear to be one of the benefits of the information age, the use of unverified - or worse, illegal - databases carry enormous potential risk for brands that circumvent existing and pending legislation.



It's not uncommon for the more risky advertisers to make use of any means to reach an audience, even if it means buying a database of users that has been gained by illegal or underhanded means. The advertiser's risk in choosing this route is significant, and will only become more so as legislation and systems designed to halt this type of behaviour come into effect.

Pending direct marketing legislation

The one piece of legislation that is expected to have the most potent effect is the Protection of Personal Information (PoPI) Bill that should be enacted by the end of this year and come into full effect within 12 months thereafter.

The pressure on brands, agencies and database providers will climb as this comes into effect, particularly when used in conjunction with existing laws such as the 2002 Electronic Communications and Transactions Act, and the Consumer Protection Act, which came into effect last year. The latter legislation can attract fines of up to 10% of annual revenue, as well as criminal repercussions.

According to Alastair Tempest, chief operating officer of the Direct Marketing Association ([DMA](#)), while about 85% of all list providers are members of the Association - and are therefore bound by its Codes of Practice - there are still many companies sailing too close to the wind.

"Getting providers compliant with these codes, and particularly the legal framework, is imperative if direct marketing is to be taken seriously as a targeted, cost-effective means of launching campaigns," he says.

He adds that the recent increase in the pace at which the PoPI Bill is moving through the Parliamentary structures is encouraging, and needed. "It's a law with lots of teeth, but it's also very complicated - in fact it's one of the longest pieces of

legislation that has been put through Parliament - but it will go along way to streamlining and bringing other privacy-related laws in line with the provisions in PoPI."

The motivation for the legislation also has wider economic implications as South Africa is currently considered a reputation and legal risk for international organisations eyeing the country as a potential destination for hosting call centre and cloud-computing services. Tempest says PoPI will bring the country into line with international best practice as it relates to the protection and handling of personal information.

Protecting your brand

As part of its preparations for the impending legislation, the Direct Marketing Association (DMA) has established the Centre of Excellence accreditation, which addresses the various direct marketing channels and aims to recognise list providers that have shown to be compliant with the strictest standards.

Centre of Excellence accreditation is subject to providers achieving a minimum 85% compliance level, which is verified by an independent audit of all databases and users. The most crucial element of this accreditation is that the audit is based on the stricter requirements contained in PoPI. Only 13 members of the DMA have met the required levels of compliance, all of who can be viewed [here](#) on the organisation's website. Brands are encouraged to only make use of direct marketing providers who hold the Centre of Excellence accreditation.

Apart from the legal ramifications, which are subject to circumvention through out-of-court settlements, the reputation risk is far greater if a brand is shown to be using illegal databases through a supplier who does not hold the Centre of Excellence accreditation. It also equates to advertisers being penny-wise but pound-foolish as the return on their campaign spend will almost certainly be below par given the shotgun approach. You can't trump a targeted campaign directed at users who have indicated a preference for marketing that adds value.

The list of accredited direct marketing companies may still be quite small, but all database providers are going to have to set this as the minimum benchmark if the industry is to be taken seriously, locally and abroad. We are long past the point where brands and agencies can skirt these important standards in the hope of making a quick buck. The industry is mature enough that all providers should be able to stand tall and proud of the veracity of the personal information in which they trade.

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