



The Direct Marketing Association Report on Actions of the DMA's Ethics Committees

January - June 2005

29 cases heard by the Ethics Committees:

11 – general advertising, including off and online promotions & practices

10 – telemarketing practices

8 – collection, use and maintenance of marketing data

The Teleservices Ethics Committee referred two companies, Premier Benefits and Fusion Telekom, to federal and state law enforcement agencies: The companies, neither of which is a DMA member, did not cooperate with Committee requests to resolve the complaints at hand. Premier Benefits allegedly did not honor consumer requests not to call again and misrepresented a “free” offer. Fusion Telekom allegedly did not disclose the source of marketing information upon the consumer’s request.

Primary Case Issues of Concern Based on Current Case Load:

- 1. A promotion’s overall impression should not disguise facts consumers need to make intelligent purchasing decisions:**
 - “Free” offers should not obligate consumers to order merchandise or services in the future, unless such offers have conspicuous disclosures explaining that fact. Conspicuous disclosures are defined as being easy to find, read, understand and act upon.
 - Marketing solicitations should not appear to be “invoices” for already-ordered merchandise or services.
 - Online marketers should not post essential or material terms of an offer several clicks away from the home page’s prominent ad.
- 2. Marketers (that fall under the Federal Trade Commission’s rules) should not use pre-recorded sales messages because the FTC considers them to be illegal, “abandoned calls.”**
- 3. Marketers should not call consumers’ cell phones for sales calls without their explicit permission. This is an illegal practice.**

4. **Direct marketers should disclose the source from which they obtained information about consumers upon a consumer’s request. This is a DMA guideline.**
5. **Marketers should take consumers off their marketing lists (both their own customer lists and lists used for prospecting) upon request of a consumer. Further, company representatives should not erroneously tell consumers the source of their lists is the DMA and that DMA can suppress their names from their own lists.**
6. **Marketing information should not be used in online reference or look-up services:**
 - Online reference services should only include publicly-available information, not information relating to consumers’ marketing transactions or preferences.

In addition to the 29 in-depth case reviews, DMA ethics and consumer affairs staff handled 1,274 complaints and inquiries from consumers who needed assistance with reducing their overall volume of unwanted mail, telephone calls and e-mail; having their names removed from lists of specific marketers; or with marketing transactions.

- The DMA’s Guidelines for Ethical Business Practice can be found at www.the-dma.org/guidelines/ethicalguidelines.shtml.
- Information about DMA’s Ethics Committees is available at www.the-dma.org/guidelines/ethicalbusinesscommittee.shtml.
- To file a complaint with the Ethics Committees, write to ethics@the-dma.org, use the online form at www.the-dma.org/guidelines/EthicsComplaintForm.pdf.