

26 July 2004

Dear Sirs,

The Direct Marketing Association of Singapore (DMAS) supports the multi-pronged anti-spam framework proposed by the Infocomm Development Authority of Singapore (IDA) as it stands.

We strongly believe, based on evidence from other regions around the world, that there is no silver bullet or instant cure for the problem of unsolicited commercial email since no single angle of attack has been proven effective anywhere. In addition, we believe that the ideal combination of factors is to link education and technology solutions with regulation as proposed since together they provide awareness and knowledge of the issue amongst both the consumer and business communities, an effective and efficient means of control by the consumer and an incentive for businesses to comply.

We applaud the educational activities to which IDA, CASE, SiTF and SBF have committed and will actively participate in this effort through the development of educational content directed to the business community and the provision of seminar venues and speakers to deliver it.

With respect to regulation, we believe it is essential for industry self-regulation and a legislative framework to function in partnership to address this complex issue. As such, effective 1 June 2004, DMAS added Email Marketing Guidelines to our Code of Practice (with which all our members must comply) to specifically address the unique issues arising from the abuse of the commercial email. In addition, we will launch a consumer communications preference program before the end of 2004 so that consumers can register their preferences if they choose not to receive unsolicited communications through a particular channel (eg email, phone, post).

Finally, DMAS fully supports the proposed anti-spam legislation as it currently stands. We fully support IDA's position in favor of an opt-out standard together with the requirement of a valid, clear, functional unsubscribe option for the following reasons:

- It is better for consumers ... to be exposed to new ideas and opportunities *once* and then have the option to say 'no more.' The spam problem is not the result of legitimate marketers telling consumers about their products or services the first time.
- It is better for businesses ... to be able to advertise through a low-cost, convenient channel that reaches a specific segment of consumers. In addition, businesses that understand the dynamics of 'consent' know that it is actually a continuum with 'never contact me ever' at one end and 'I want to know everything always' at the other. Matching marketing communications to the level of consent given is a key element in building long-term, loyal, profitable customer relationships, which, after all, is what business is all about.
- It is better for Singapore ... to be able to compete in the global e-marketplace without constraints that limit its businesses' opportunities.

There is, however, one clarification to be made on the opt-out debate currently underway. There is a difference between an 'opt-out' standard for communications and 'negative option' marketing of products and services. With an opt-out communication standard, the marketer is allowed to contact the consumer one time without his or her consent so long as the communication includes the facility for the consumer to opt-out of future communications. The marketer is not automatically allowed to charge the consumer for goods or services.

Negative option marketing is a globally-recognized, legitimate marketing technique that involves a contract with the consumer in which advance consent is given for future purchases. This is a far more complex and sensitive issue than opting in or out of receiving communications, however, similar principles apply. First, the marketer must be clear in the contract that the customer will incur future costs. Second, the customer must sign the contract and give consent to be charged for future purchases. Third, the marketer must act in accordance with the level of consent given by the customer. DMAS will gladly draw on its international resources and participate in an effort to define guidelines for negative option marketing, but for now, let us understand this is a distinct and separate matter from Singapore's anti-spam framework.

In full support of IDA's proposed anti-spam framework, yours sincerely,

Lisa Watson
Chairman
Direct Marketing Association of Singapore