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'Do not call'

By Ivan Png and Kai-lung Hui
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THE call-centre industry has established the Contact Centre Association of Singapore (www.ccas.org.sg). The association quickly got off the ground to publish telemarketing guidelines for the financial industry.

The guidelines include the following:

- Telemarketing calls are limited to between 8am and 9pm on weekdays and Saturdays, and between 10am and 6pm on Sundays and public holidays.

- Telemarketers have to state their name, the organisation for which they are calling, and their purpose.

- Consumers can ask to be placed on a 'do not call' list, which would be effective for one year.

The new guidelines are a good start, but they leave many loopholes.

First, the guidelines are limited to the financial industry and, more particularly, to the 160 CCAS members. What about other industries, like hotels and restaurants? In every industry, even in finance, there will be bad apples. What about telemarketers that do not belong to the CCAS? What protection do consumers get from them?

Second, the 'do not call' list is not centralised but compiled by each telemarketer separately. So, one must suffer the inconvenience of an unwanted call to register with each and every 'do not call' list. For instance, this would mean registering with every insurance agency.

We should learn from US regulatory practice. Over there, telemarketing had become such a nuisance that the Federal Trade Commission established a national 'do not call' list in July 2003. Within the first five days, over 18 million numbers were registered. By August this year, more than 100 million numbers had been listed, amounting to almost 25 per cent of all phone numbers.

In Singapore, telemarketing does not just cause annoyance, but, when directed at mobile numbers, also imposes monetary costs. The cost is aggravated when the recipient is overseas.

Recently, one of us asked students about their experience with telemarketing. Most had received unsolicited commercial calls to their mobile numbers. One faculty member had also incurred roaming charges from telemarketing.

When we are overseas, we switch on our phones to receive urgent personal calls. If your child is hurt at school, you would like to know immediately. The call will come from a number that you might not recognise. So, it's no good for service providers to ask you to use Caller ID to screen incoming calls.

From the US experience, we can predict that telemarketing will intensify. Directories of mobile numbers may be published. Adding insult to injury, you will be called by machines rather than human beings.

The Infocomm Development Authority (IDA) is now soliciting comments on a Spam Control Act. As drafted, the Act excludes telemarketing. We do not understand the grounds for this exception. The problem with telemarketing is more serious than with e-mail or Short Message Service spam, as monetary cost is added to the annoyance factor. Further, it is more difficult to avoid.

We urge the IDA to revise the Act to include telemarketing. Some of the provisions will be similar to those for spam. Just as the proposed Act requires spam e-mail to be marked 'ADV', unsolicited telemarketing calls should be required to originate from an identifiable prefix, such as '666x-yyyy'.

But taking a cue from the US regulatory framework, the Act should establish a central 'do not call' list. This should be administered by a government agency with powers of enforcement. On all other dimensions, the Act should generally adopt the CCAS guidelines.

Finally, the US experience suggests that a 'do not call' list might well benefit the industry. A year after the federal list was established, the Direct Marketing Association reported that 'to solicit direct order sales, telephone marketing again produced the highest response rate (5.78 per cent). Telephone also led the pack in terms of overall efficiency for direct-order marketeers...Perhaps this was due to the institution of 'do not call' laws, leaving a smaller but more productive base to promote to.'

The writers are respectively assistant professor and Kwan Im Thong Hood Cho Temple professor at the Department of Information Systems, National University of Singapore. They are co-authors of a survey on the economics of privacy. Dr Png is also a Nominated MP.