

Member-get-member may get you trouble

WHEN WORD OF MOUTH MOVES ONLINE, NEW RULES APPLY, WRITES ADMA'S MELINA ROHAN.

Traditional word of mouth, like a simple chat around the BBQ, remains a powerful channel for marketers. But as the digital revolution continues to change the communications landscape, online platforms are the new vehicle for consumers to let their friends and family know about products or services they think will interest them.

These platforms are mainstream and widely used, particularly member-get-member schemes, where customers are asked to provide the contact details of friends who may be interested in a company's products or services. Consumers find out about products and services from trusted sources, whilst businesses benefit from finding consumers



consistent with Spam legislation. Here is a list of do's and don'ts to help make sure you do not end up as the next company mentioned in an ACMA press release.

There is really only one way to conduct member-get-member schemes in accordance with the Spam Act 2003 and the Privacy Act 1988.

Don't...

- Include any promotional material or marketing material that is unrelated to what the individual is sending to the recipient
- Get the individual to send you their friend's email addresses and then send an email directly from the organisation to the friends—a friend providing an email address does not give you consent to email that person
- Collect the friend's details, unless the friend sends your organisation a message or inquiry directly
- Put the recipient on your email list and send them future promotions—you don't have consent

Stay on the right side of the spam act

Organisations that build technology platforms to facilitate member-get-member schemes should have the safeguards outlined above incorporated in their design.

As is always the case with electronic commercial messages, the other components of the Spam Act also need to be followed.

These include always making sure your organisation is identified and that the identifying information is accurate for at least 30 days; having a simple and operational opt-out mechanism that, if used, will result in an individual not receiving any future electronic messages within five days and only sending messages to individuals where you have consent.

With regular ACMA announcements about companies who have been given a formal warning, infringement notice or been taken to court, your organisation cannot afford to get this wrong. ADMA runs courses for marketers on how to comply with the Spam Act, the Privacy Act, the Do Not Call Register Act and other legislation relevant to direct marketing including member-get-member schemes.

For further information go to the ADMA website <www.adma.com.au>

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predisposed to be interested in their products and services.

However, these schemes are not without their pitfalls for the unwary marketer.

The Australian Communications and Media Authority (ACMA) announced late last year that it had issued a formal warning against Topbuy for breaches of the Spam Act 2003 relating to their member-get-member email marketing.

Marketers need to be aware that there is really only one way to conduct member-get-member schemes in accordance with the Spam Act 2003 and the Privacy Act 1988. They need to meet all the requirements if they want to avoid regulatory scrutiny and fines.

All the necessary steps are described in the eMarketing Code of Practice. The Australian Direct Marketing Association (ADMA), along with other industry and consumer groups, developed the Code of Practice in 2005 to provide certainty and guidance to marketers about how to conduct e-marketing through member-get-member schemes in a way that was

Do...

- Make sure that there is a clear recommendation to the individual to only send the message if the individual has a relationship with the recipient (friend) and the individual believes that the recipient would consent to receiving the message
- Make sure it is very clear in the message that the email came from the individual and not from the company whose product is being promoted
- Make sure that the individual sending the message can see the content of the message, or preferably a full view of what is going to be sent, before hitting the send button
- Make sure the recipient can easily reply to the individual sending the message
- Make sure the message includes information about how the friend can unsubscribe from receiving further information from the individual