

DIRECT MARKETING INDUSTRY UNVEILS EUROPEAN SELF-REGULATION INITIATIVE

Leaders of France's, Germany's, the Netherlands and the United Kingdom's Direct Marketing industry associations are signing a convention in Paris on March 22 which will co-ordinate their national Mailing Preference Services (PL&B August '90 p.1). The objective of the agreement is to enable consumers to have their names and addresses removed from prospect mailing lists used for direct marketing from one of these countries to another, reducing the amount of personally addressed marketing letters they receive at home. The founders are inviting other countries' direct marketing industries to join them.

The Rationale of Europe's Mailing Preference Services

When this self-regulation initiative was announced on April 30th 1990, the intention was to show that the industry was taking self-regulation seriously in advance of the publication of the European Community draft directive on data protection. Now that the draft directive has been published, it has a provision (Article 14.6) that gives data subjects the right, on request and free of charge, to have data erased relating to them held in files used for market research or advertising purposes. The industry hopes that the new co-ordinated approach will be recognized as implementing this provision. Such standards could be incorporated into a European Direct Marketing Codes of Practice on Data Protection, as envisaged by the draft directive's Article 20, which could be supplemented by national codes, if necessary.

The founders hope that the co-ordinated Mailing Preference Service can remain self-regulatory, rather than being brought within the European Community's legal framework. If the latter occurs, then at least the industry will have helped shape its own regulatory framework, a more comfortable situation than having regulations imposed on it by the Commission of the European Communities.

The existing national Mailing Preference Schemes

European Community member states which currently have MPS schemes are:

France (Stop Publicité)

Germany (Robinson List)

Netherlands (Antwoordnummer 666)

United Kingdom (Mailing Preference Service)

The managers of these schemes have met and are establishing a basis for minimum standards for MPS schemes across Europe. The direct marketing associations in both Italy and Ireland are currently considering establishing schemes.

MPS schemes enable consumers to have their names and addresses removed from prospect mailing lists in order to reduce to a minimum the amount of personally addressed postal advertising sent to their own homes. A computer tape of those not wanting to be mailed is sent at regular intervals to all direct mailers, list brokers etc. who then ensure that their own lists are regularly "cleaned."

MPS schemes to date have run on an entirely national basis, operating within national boundaries. However, there is now a growing trend for mailings to be carried out from one country into another. Generally, these mailings are not subject to MPS cleaning. This will eventually undermine consumer confidence in national schemes. As cross-border mailings increase, so will the comparative effectiveness of national MPS schemes diminish.

How would it work?

The Mailing Preference Service (MPS) managers consider that a single European mail objectors' database would be unmanageable at present, due to the number of names and addresses involved. However, as computer memory drops in price and software becomes more powerful, this situation could change.

The MPS's preference is for all lists to be cleaned against national MPS consumer files. This would be the responsibility of list owners. Lists held by list owners or mailers would need to be cleaned against the MPS file of the target country. International databases held by owners or mailers would need to have all elements cleaned against national MPS files. It is therefore clear that facilities would have to be made available for the exchange of MPS files between countries.

All participating countries will use a standard contract to ensure adequate safeguards are established and maintained. The elements which would be included in such a standard contract are:

1. Appropriate Data Protection Registration within own country
2. Compliance with appropriate indigenous Codes of Practice.
3. Use of file only for purpose for which it is intended - specifically not to be used for mailing purposes.
4. Use of file only until next update is available.
5. Security against unauthorised use or disclosure.

Making files available across borders needs a standard format

The following standard format, developed by the European Direct Marketing Association's List Forum, would be helpful:

1. A computerised consumer file, available in at least one agreed format, probably the European Standard Layout for Data Interchange and Printing (EURODIP)

2. Matching details of address/surname/initial
3. Frequency of update
4. The age of the MPS data - regular purging, five year limit etc.
5. Percentage of consumer lists covered by the MPS
6. Cost to consumer (minimal, even free)
7. Reference to publicity to consumers and trade for maximum coverage.

Arrangements would need to be made for:-

- a) exchange of MPS files between MPS administrations
- b) organisations in other countries would need to be provided with national MPS files

The primary cost of providing appropriate files should fall on listowners and mailers who are the main beneficiaries of MPS use.

An MPS Code of Practice

Standards relating to MPS could be incorporated into a European Code of Practice on Data Protection for direct mailers using MPS schemes. This part of the code is likely to include the following points:

1. Mailers must ensure that they do not mail to objectors in target countries
2. List owners/managers must ensure that lists are cleaned against indigenous MPS files before release to other countries
3. List Brokers must ensure that all elements of lists broked by them are cleaned against the appropriate national MPS file
4. Computer bureaux must ensure national elements of all lists processed by them are cleaned against the appropriate national MPS file
5. List and database holders in countries outside this MPS group must ensure that they clean their data against the appropriate MPS file on a regular basis
6. Frequency of cleaning
7. Timescale between MPS cleaning and mailing
8. Countries without MPS schemes to respect MPS principles when mailing to countries with MPS schemes
9. Enforcement/penalties/appeals procedure

Timetable

A timetable has been drawn up to implement these proposals:

- March 1991 - A Convention to be signed enabling MPS files to be exchanged
- October 1991 - A Code of Practice to be agreed for inclusion in a European Direct Marketing Data Protection Code
- December 1992 - The establishment of MPS schemes in appropriate EC countries
- January 1993 - Code of Practice to be implemented

The MPS group plans to involve the USA in the above arrangements "at an early date."

The MPS group is still developing these concepts and would welcome comments and suggestions. Contact Kay Beckett, the Coordinator of the Committee of European MPS Managers, for the paper (in English, French or German) on which this report is based at:

Mailing Preference Service, 1, Leeward House, Plantation Wharf, London, SW11 3TY, United Kingdom.

Telephone: 071-738 1627 (International + (44) 71 738 1627).

Fax: 071-978 4918 (International + (44) 71 978 4918).

Kay Beckett will present these proposals to the Data Protection Authorities Forum in Leiden, the Netherlands in late April, at a meeting organized by Privacy Laws & Business.