

MEDIA RELEASE

BULKSMS.COM

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How self-regulation benefits the mobile messaging industry

South Africa is one of only a few countries with a self-regulating body for the mobile messaging industry. It has ensured that the local industry has developed as an example of how a self-regulatory approach can address technology innovation, increased competition, and remain committed to ensuring consumer rights are upheld.

Since its launch in August 2004, the Wireless Application Service Provider Association (WASPA) has made significant strides in matching its regulations and policy to rapid technological advances in the mobile messaging sector. The WASPA "Code of Conduct" regulates the activities of all wireless application service providers, or WASPs, in South Africa and governs how consumer complaints about inappropriate messaging services, SMS spam, SMS scams, or misleading SMS advertising are handled.

"The advantage of such an industry body is that it is flexible and acts quickly as new technology evolves. It allows industry players the necessary freedom to grow their businesses but at the same time ensures consumer and business confidence by acting against damaging practices within the industry," said Dr Pieter Streicher, managing director of BulkSMS.com, a South African based company providing mobile messaging services to the global market.

On the other hand, as Dr Streicher notes, the limitation of any self-regulatory body is that it can only regulate itself, in this case its WASP members. In South Africa there are still many mobile messaging services that might not involve any WASPs at all. "Ideally consumers should be able to get a resolution for all mobile messaging complaints from one body."

In the UK, [PhonePayPlus](#) reports to Ofcom, a government body, and has procedures against service provider infringements of their "Code of Practice." In the USA, the [Mobile Marketing Association](#) has established recommended guidelines for mobile marketing in their "Code of Conduct" as well as "Consumer Best Practices Standards." The Mobile Marketing Association's policies, however, are largely unenforced.

"As a mobile messaging company who is a member of WASPA, BulkSMS.com relies on a well regulated market where consumers and businesses have confidence in using mobile messaging services. Without this, the government could impose inappropriate regulatory measures that could limit innovation in the industry. WASPA allows us to demonstrate to government that the South African mobile messaging industry can act on, and resolve, consumer complaints," said Dr Streicher.

Consumer awareness on the increase

WASPA has well-established administrative procedures for handling consumer complaints, which have increased more than threefold from late 2006 to November 2007. Since 2005, the fines payable for breaches of the WASPA "Code of Conduct" totalled R1.6 million - R560,000 of which were issued in January 2008.

"These statistics are an indication that, firstly, consumers are becoming more aware of their rights in relation to mobile messaging services; and secondly, consumers are gaining confidence in the ability of WASPA to resolve their complaints," said Dr Streicher.

Dr Streicher went on to say that the number of complaints should also be seen as part of the trend in increased consumer and business spend on SMS messaging over the last year; a clear indication of growing confidence in the mobile messaging industry as a whole.

Examples of some complaints handled by WASPA

The WASPA “Code of Conduct”, supported by its “Advertising Rules”, provides detailed guidelines to the industry players as to how they may or may not approach the consumer. Breaches of these regulations are deemed a serious offence by WASPA and an adjudication process handles all formal complaints against service providers, and their clients. Finalised adjudicator reports are published on the [WASPA website](#).

“It is important to create more awareness of the types of SMS complaints administered by WASPA. It demonstrates to consumers that WASPA has the teeth to enforce penalties against infringements to WASPA regulations,” said Dr Streicher.

Complaints relating to SMS spam, where a consumer had no prior relationship with the sender of the SMS message, are regularly lodged with WASPA. In terms of the WASPA “Code of Conduct” a company needs to be in a recent and direct commercial relationship with a consumer. Furthermore, there must be evidence that the company obtained the consumer’s cellphone number with the consumer’s permission.

In one complaint, a business acquired a cellphone list from several security companies and sent out SMS messages. The complainant saw this as spam as they had no commercial relationship with the sender. The complaint was upheld by WASPA and a fine of R7,500 was imposed on the WASPA member through whom the business had sent the message.

In another instance, WASPA imposed a fine of R10,000 where adult content messages were sent to a cellphone number that had been allocated to a new owner. In this case, the complainant received unwanted messages to the cellphone number that had been used by someone else at an earlier date, and where this number had not been unsubscribed from the database. It is not an uncommon occurrence for network operators to recycle inactive numbers to a new customer; this happens if there is no activity on a SIM card for a three to six month period.

Complaints such as this have resulted in the adding of a new clause to the WASPA “Code of Conduct.” The new clause 8.1.4 regulates adult services to protect children from inadvertently receiving adult content:

Marketing messages (including commercial communications) may no longer be sent to a customer of an adult service if that customer has not made use of the service during the preceding three months. This is to prevent the accidental marketing of such services to children as a result of a recycled telephone number.

Opting-out via SMS

“One thing the consumer needs to know is that, even if they opted in to receive messages to their cellphone number, they should *always* be able to opt-out from a list by replying ‘Stop’ via SMS. This mechanism increases consumer confidence in the mobile messaging industry. Yet, if a consumer continues to receive unwanted messages thereafter they should lodge a complaint with WASPA,” said Dr Streicher.

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About BulkSMS.com

BulkSMS.com, a division of Celerity Systems (Pty) Ltd, has been in operation since 2000 and is headquartered in Cape Town, South Africa. BulkSMS is a leading wireless application service provider offering bulk SMS messaging solutions to large and small businesses, public benefit organisations, and individuals. BulkSMS.com has a global market presence, including Europe, South Africa, the United Kingdom, and the United States of America. To further an organisation's SMS communication needs, BulkSMS offers two-way bulk SMS messaging, premium rate solutions and supports mobile marketing campaigns. BulkSMS flagship messaging solution is the BulkSMS Text Messenger, a desktop application. BulkSMS is a member of the Wireless Application Service Provider Association (WASPA).

For more information on BulkSMS's commercial messaging services visit www.bulksms.co.za and for details on BulkSMS's messaging service offering discounted bulk SMS message prices for public benefit organisations (such as schools, NGOs and faith-based organisations) visit <http://community.bulksms.com>. For direct enquiries email info@bulksms.com or contact BulkSMS telephonically on +27-21-552 6321.