

researchacma
Evidence
that informs

Small and medium-sized businesses: marketing messages and unsubscribe rules

Research report

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Executive summary

The Australian Communications and Media Authority (ACMA) commissioned this research to provide insight into how small and medium-sized enterprises (SMEs) conduct their e-marketing activities, and their understanding and compliance with unsubscribe rules.

The research found that 2 in 5 (42%) SMEs have conducted e-marketing to Australian consumers. Email is the most common method – 84% of SME e-marketers sent emails, 40% sent SMS, and 44% sent direct or instant messages. Emails were the most likely form of e-marketing to be sent at least weekly (34%).

There is a lack of understanding by SME e-marketers about the rules they must follow to allow customers to unsubscribe/opt-out when sending direct marketing communications. Half (51%) of SME e-marketers were unaware or unsure of the rules presented in the survey, and 2 in 5 (40%) did not always follow the rules. The research looked at SME e-marketers based on their awareness of the rules and compliance with the rules. We explored 4 groups to quantify SME e-marketers that were either aware or not aware and those that were following the rules or not, and found that:

- 37% of SME e-marketers were **unaware** of the rules and **not following** them
- 23% were **aware** of rules but **not following** them
- 14% were **unaware** of rules but their processes were **following** them
- 26% were **aware** of rules and **following** them.

The lack of understanding about the rules and when they apply was compounded by confusion about what constitutes e-marketing. Over a quarter (28%) of SMEs believe that the rules are in place for larger companies but not smaller businesses. Barriers are also common reasons for non-compliance – a third (36%) reported that they do not have the resources to stay on top of the rules and a similar number (37%) agreed that there are so many rules and unsubscribe processes are not their priority. SME e-marketers that are both unaware of the rules and not following them are more likely to cite these barriers.

Half (50%) of SME e-marketers had accessed or received information about the rules in the previous 2 years. Just under a third (30%) accessed or received information from the ACMA. When they had accessed or received information from the ACMA, 89% found it useful (29% very useful and 60% somewhat useful).

The ACMA will use the research findings to raise awareness about compliance in the SME sector, including by directly engaging with SMEs, refining the information we provide, and providing targeted information to peak bodies representing key sectors where SMEs operate.

About the research

The ACMA is responsible for regulating communications and media services in Australia, which contributes to maximising economic and social benefits. We are responsible for promoting compliance with and enforcing the [Spam Act 2003](#). This includes regulating individuals and organisations sending, or causing to be sent, certain communications; and building consumer and industry understanding of risks, rights and responsibilities.

We commissioned Bastion Insights to conduct research with small and medium-sized enterprises¹ (SMEs), with a focus on the unsubscribe/opt-out rules in the *Spam Act*.

The research included quantitative surveys and qualitative in-depth interviews with a broad range of SMEs that advertise goods or services to Australian consumers via email, SMS, and/or direct / instant messages on social media or a messaging app. Business-to-business marketing was not in scope for this research.

researchacma

Our research program underpins our work and decisions as an evidence-informed regulator. It contributes to our strategic policy development, regulatory reviews and investigations, and provides a regulatory framework that anticipates change in dynamic communications and media markets.

This research was conducted as part of the 2023–24 research program – *Business awareness of unsubscribe rules*. Find out more about the [ACMA research program](#).

Objectives

The research was conducted to provide insights from SMEs that conduct e-marketing, including:

- types of marketing messages sent
- current unsubscribe/opt-out practices
- awareness of, and compliance with, the unsubscribe/opt-out rules, including barriers to compliance
- current information sources and preferences for future information.

The results will assist the ACMA to raise awareness about compliance requirements for SMEs and contribute to building consumer trust in the use of communications content and services in Australia.

Methodology

The target population for the quantitative survey was SMEs (0–199 employees, which includes sole-traders) that advertise goods or services to Australian consumers via email, SMS, and/or direct/instant messages on social media or a messaging app. They are referred to in this report as ‘SME e-marketers’.

Interviews were conducted by CanvasU between 30 November 2023 and 19 January 2024. A total of n=2,593 screening interviews were conducted with businesses that satisfied the

¹ Our definition of an SME aligned with [Australian Bureau of Statistics definition](#), and included businesses with 0 to 199 employees, and included sole-traders.

definition of an in-scope SME for this research². Further screening resulted in a final sample of n=1,101 completed interviews among the target population of SME e-marketers, including n=471 conducted by telephone and n=630 conducted online.

A cross-section of SMEs by industry, business size and location were included.³ The data was post-weighted to align the final sample of businesses to Australian Bureau of Statistics (ABS) business counts. The analysis takes into account the weight effect and margins of error of the weighted survey data.

Following the quantitative fieldwork, 19 in-depth interviews were conducted with selected SME e-marketers (nearly all recruited from respondents that agreed to be recontacted after completing the quantitative survey by telephone, one recruited externally to cover a range of objectives). Three of the interviews were with SME e-marketers from culturally or linguistically diverse (CALD) backgrounds. The in-depth interviews were conducted between 12 February and 5 March 2024, via Microsoft Teams or telephone.

Informed consent was obtained by all participants and the research complied with all research industry standards, the *Privacy Act* and the Telemarketing and Research Calls Industry Standard.

General notes for reading this report

- The research often asked about ‘the past 2 years’—this is the period before the data collection, from approximately December 2021 to January 2024.
- In this research, ‘direct marketing’ is defined as messages sent directly to customers or potential customers via email, SMS or direct or instant messaging (social media messages sent to customers directly from Facebook Messenger, Instagram Direct Messenger, or using messaging apps such as WhatsApp or WeChat etc) that contained any content or links to the business website or social media promoting goods or services. It did not include posting or advertising on social media or other similar platforms. We used a more commonly understood alternative to the legislative reference in the Spam Act of a ‘commercial electronic message’ and we asked directly about all the ways these commercial electronic messages could be sent.
- The research report refers to ‘e-marketers’ as SMEs that have sent any form of direct marketing in the relevant time period.
- Unless otherwise stated, all percentages are weighted estimates.
- Base sizes are shown below each chart or table and are the unweighted number of respondents. Care needs to be taken when interpreting the results, so that the data is read in the correct context.
- All percentages have been rounded to the nearest whole number. As a result, there may be discrepancies between sums of the component items in a table or chart and the total.
- Some questions invited a multiple response, so total responses may sum to more than 100%.
- Some questions have been filtered depending on the respondent’s previous response (for example, a question asked only of those that had sent direct marketing messages via email in the previous 2 years and they had provided a way to unsubscribe).

² Excluded from our definition of ‘in-scope SMEs’ for this research: businesses that did not provide goods or services, did not have customers in Australia, were a not-for-profit organisation, government agency or department, had 200 or more employees, were in the Agriculture, forestry and fishing, Mining, or Public administration and safety industries.

³ Quotas were set to obtain a minimum number of SMEs by industry category (based on ANZSIC 2016 categories and definitions) and business size to allow analysis by key groups. Location was monitored during fieldwork to ensure a good representation was included.

- All results shown have been tested for statistical significance at the 95% confidence level.

Further information about the research can be requested by emailing research.analysis@acma.gov.au.



Understanding e-marketers

Incidence of e-marketing

Two in 5 (42%) of all SMEs in-scope for the study reported they had at some point conducted e-marketing to Australian consumers. The incidence rate of e-marketers did not vary greatly by business size; SMEs with no paid employees had the highest incidence rate, with almost half (46%) conducting e-marketing, compared to 38% for those with 1–199 employees.

The incidence of e-marketing was highest for SMEs operating in the Education and training (59%) and the Rental, hiring and Real estate services (58%) categories. SMEs in the Construction and utilities category were the least likely to be e-marketers (25%).

Table 1: Proportion of SME e-marketers in each category (%)

Category		Incidence rate*
Total SME e-marketers		42%
Size 	0 paid employees	46%
	1–4	36%
	5–19	42%
	20–199	40%
Industry 	Education and training	59% ▲
	Rental, hiring and real estate services	58% ▲
	Retail trade	48%
	Hospitality, arts and recreation services	48%
	Manufacturing, transport and wholesale trade	45%
	Financial and professional/technical services	42%
	Admin, support and other services	42%
	Health care and social assistance	42%
	Construction and utilities	25% ▼

Base: Total in-scope SMEs (n=2,593).

Note 1: *Incidence rate calculation: number of SME e-marketers/total number of in-scope SMEs – Excluded from our definition of 'in-scope SMEs' for this research: SMEs that did not provide goods or services; did not have customers in Australia; were a not-for-profit organisation, government agency or department; had 200 or more employees; were in the Agriculture, forestry and fishing, Mining, or Public administration and safety industries.

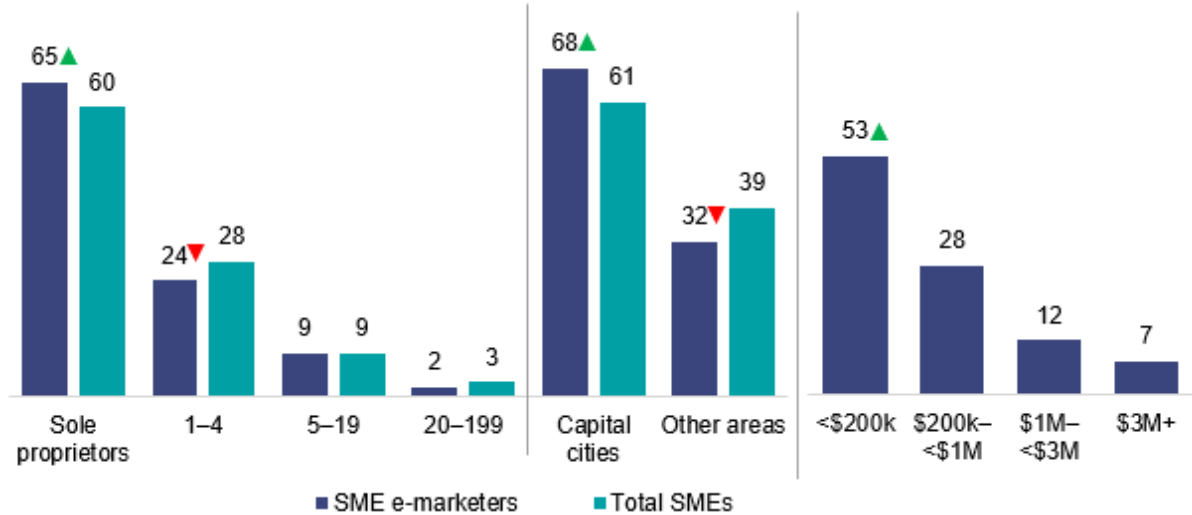
Note 2: ▲ ▼ = significantly higher or lower than the average at the 95% confidence level than in-scope SMEs.

Profile of e-marketers

The profile of SME e-marketers is similar to the profile of total SMEs in terms of size, location and turnover, with some small differences.

SME e-marketers were slightly more likely than average SMEs to be sole proprietors with no employees, slightly less likely to have 1–4 employees, and more likely to be based in capital cities than in other areas. More than half of all SME e-marketers that reported their turnover had an annual turnover of less than \$200K.

Figure 1: Profile of e-marketers by number of employees, location and annual turnover (%)

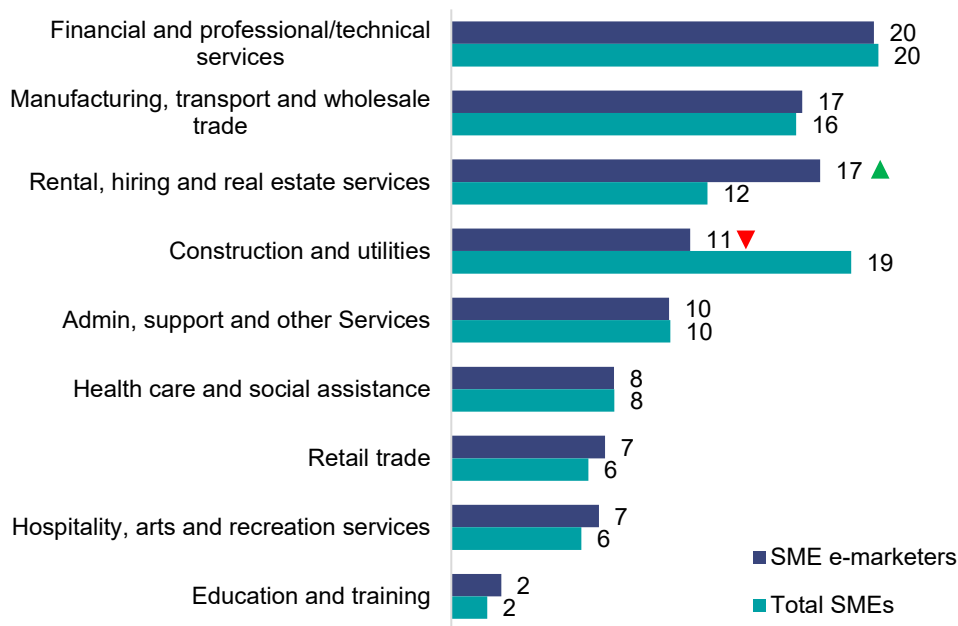


Base: SME e-marketers (n=1,101); Total SMEs (n=2,593).
 Q4. In total, including yourself, how many employees work at your company? Include all employees in Australia and overseas. Include all people who are full-time, part-time and casuals. Would it be ...?
 Q30. What is your business's approximate turnover in Australia for the last financial year ending 30th June 2023?
 Note 1: ▲▼ = SME e-marketers are significantly higher or lower than total SMEs at the 95% confidence level.
 Note 2: Don't know and refused have been excluded from analysis of SME turnover.

When looking at the profile of all SME e-marketers, they were most likely to be in the Financial and professional/Technical services (20%), Manufacturing, transport and wholesale trade (17%), or Rental, hiring and real estate services (17%) – noting that they were also 3 of the largest groups of SMEs overall.

Compared to total SMEs, e-marketers were more likely to be in Rental, hiring and real estate services (17%, compared to 12% of total SMEs) and less likely to be in Construction and utilities (11%, compared to 19% of total SMEs).

Figure 2: SME e-marketers compared to total SMEs, by industry (%)



Base: SME e-marketers (n=1,101); Total SMEs (n=2,593).

Q7b. From which activity does your business earn its main income? What are the main goods or services you provide?

Note: ▲ ▼ = SME e-marketers are significantly more or less likely than total SMEs at the 95% confidence level.

A more detailed profile of SME e-marketers can be found at [Table A1](#) in the Appendix.

SMEs' understanding of direct marketing

The research uses the term 'direct marketing'.⁴ Direct marketing is defined as messages sent directly to customers or potential customers that advertise or promote goods or services via email, SMS or direct or instant messaging (a message sent to customers directly on social media, such as from Facebook Messenger or Instagram Direct Messenger, or using messaging apps like WhatsApp or WeChat). It does not include posting or advertising on social media or other similar platforms.

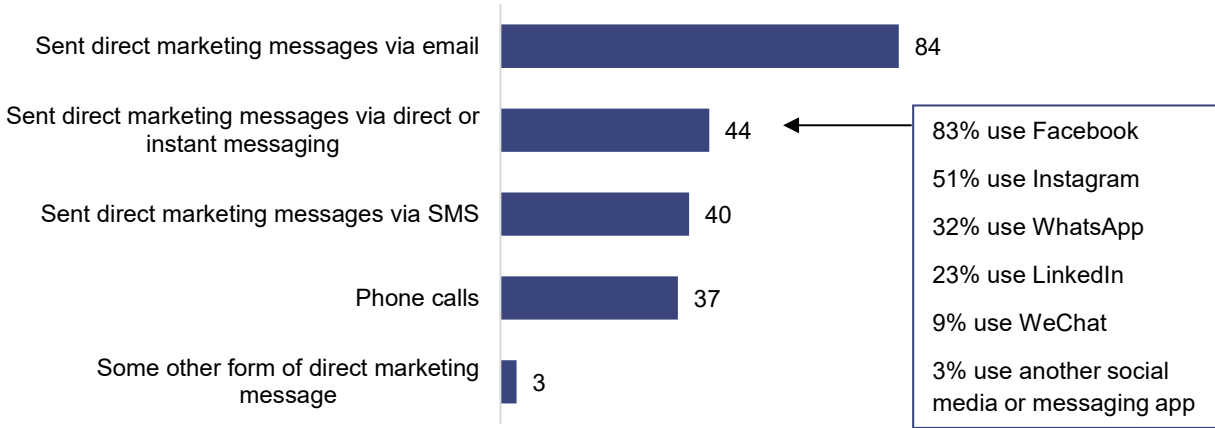
One of the findings identified through the follow-up interviews with a selection of SMEs was that the concept of 'direct marketing' is not well understood. It was evident that several SME e-marketers misunderstood what constituted a direct marketing message, particularly when sending SMS and direct/instant messaging. As such, the research results may not accurately reflect the actual rate that SME e-marketers send SMS and direct/instant messages.

E-marketing behaviours

Emails were the most common way for SMEs to send direct marketing messages to Australian consumers – 84% of SME e-marketers had done so. Around 2 in 5 (44%) SME e-marketers sent direct marketing messages via direct/instant messaging, with a similar proportion sending them via SMS (40%). Over one-third (37%) used phone calls for directly marketing to consumers.

⁴ The term 'direct marketing' was used in the survey to simplify the definition used in the Spam Act of a *commercial electronic messaging* – see [General notes for reading this report](#) for more information.

Figure 3: Types of direct marketing (ever) conducted (%)



Base: SME e-marketers (n=1,101).

Q9. Which of the following ways has your business ever conducted direct marketing to customers or potential customers in Australia? Please just include contacting consumers directly rather than general advertising of your business.

Q12. Which social media website/s or app/s do you use to send out these direct or instant messages?

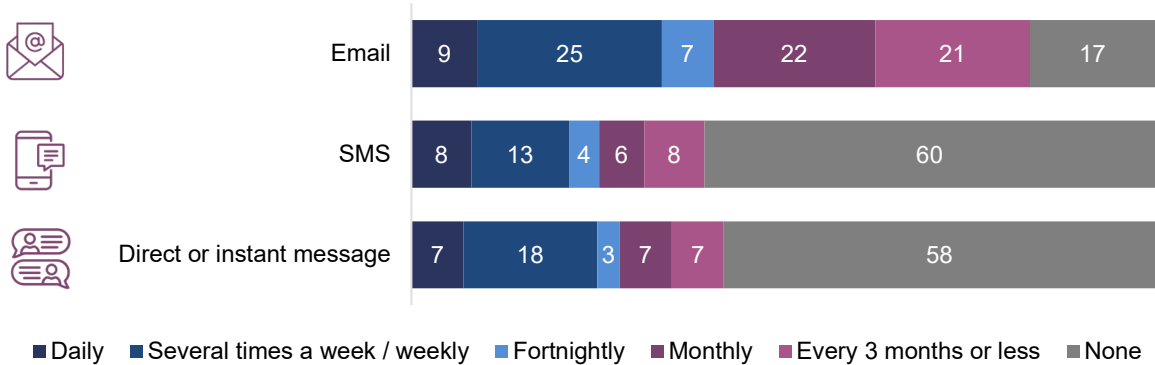
Note: Data includes multiple responses.

Frequency of e-marketing activities

In the previous 2 years, SME e-marketers were most likely to have sent direct marketing messages via email (83%) – and overall, one-third (34%) of SMEs did so at least weekly.

Sending direct marketing via SMS or direct/instant messages was less common (less than half of SMEs).

Figure 4: Frequency of sending direct marketing messages in the previous 2 years (%)



Base: SME e-marketers (n=1,101).

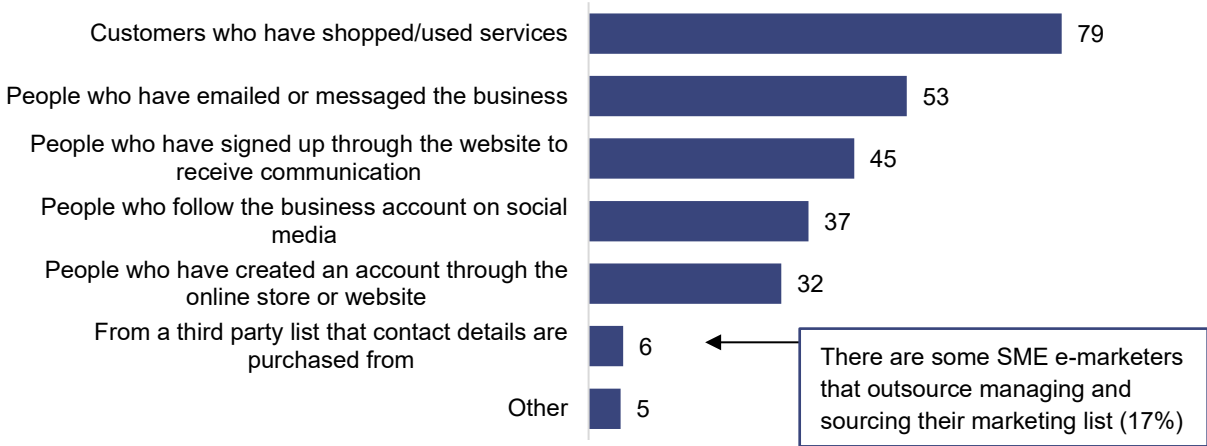
Q11A/B/C. Over the past 2 years, on average how often did your business send out [emails/ via SMS/ via direct or instant message on social media] to consumers that contained direct marketing or promotional information? This includes any [emails/ SMSs/ messages] that contained any links to your website or social media promoting your goods or services.

Note: Numbers shown may not add to 100% due to rounding.

Source of e-marketing list

SME e-marketers typically target their direct marketing to customers who have engaged with their business (shopped or used services) (79%). Only a small group reported that their business sourced contacts by purchasing a third-party list (6%). There may also be an additional proportion of SMEs that outsourced the purchasing of a list as part of the outsourcing of some or all of the direct marketing process – this is covered in the next section of this report.

Figure 5: Source of marketing lists (%)



Base: SME e-marketers (n=1,101).

Q13A. How did you source the list of consumers that you sent direct marketing material to?

Note: Data includes multiple responses.

Qualitative findings – Using third-party lists

A property manager used third-party lists because he didn't have access to potential customers and thought it would be time consuming to source them himself. He would tell the third-party provider what he wanted and the postcodes he wanted. He was not aware of how the list was sourced but felt sure all those on the list had consented because he was aware that it was important.

I have no idea where they sourced the list from. Maybe they cross-matched data bases. We got them from a real estate marketing company. There was a choice of provider, and we chose based on quality and price.

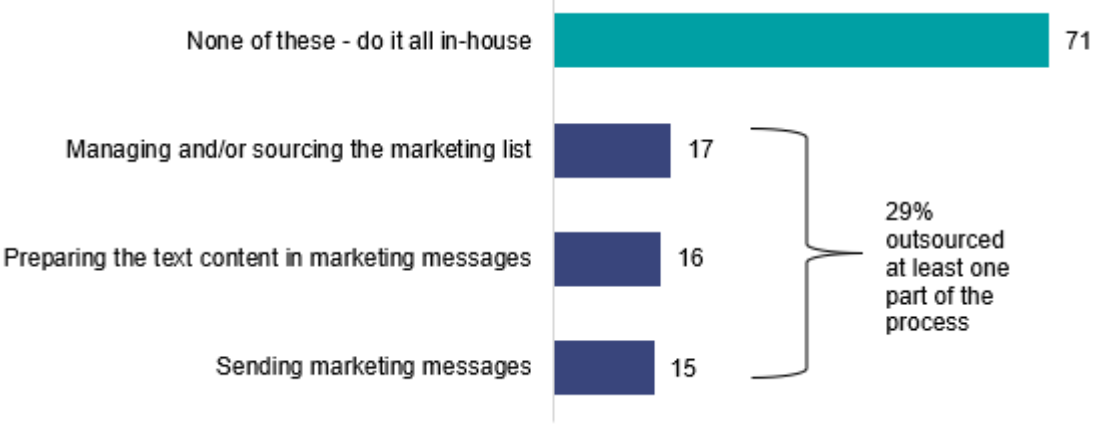
SME with 1–4 employees; Rental, hiring and real estate services industry.

Outsourcing of marketing functions

Seven in 10 (71%) SME e-marketers handled their direct marketing functions in-house.

Almost one-third (29%) of SME e-marketers outsourced at least one part of their direct marketing processes – 17% outsourced the management and/or sourcing of their marketing list, 16% outsourced preparation of text content for marketing messages and 15% outsourced sending of the marketing messages.

Figure 6: Outsourcing direct marketing functions (%)



Base: SME e-marketers (n=1,101).
Q13B. Do you outsource any of the following marketing functions?
Note: Data includes multiple responses.

Those that outsource at least one of these functions are more likely to be:

- larger SME e-marketers with 20 or more employees (50%, compared to 28% of those with under 20 employees)
- SME e-marketers with a larger revenue (37% with a revenue of \$200,000 or more, compared to 25% of those with less than \$200,000).

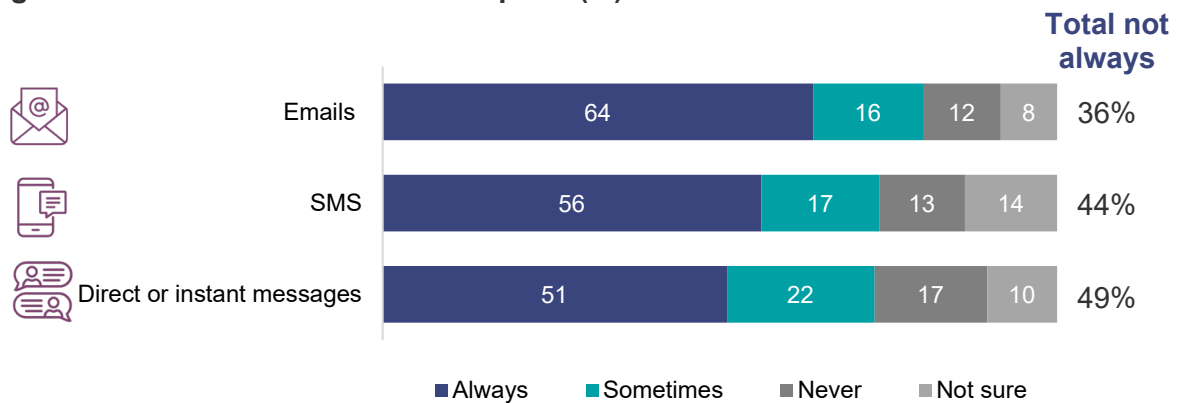
Unsubscribe behaviours

Provision of unsubscribe and actioning requests

A large number of SME e-marketers did not *always* provide a way for consumers to unsubscribe from direct marketing messages (36% of those sending emails, 44% sending SMSs, 49% sending direct or instant messages).

E-marketing messages sent via email were most likely to always include a way for consumers to unsubscribe from future messages (64% for email, 56% for SMS, 51% for direct or instant messages). Around 1 in 10 were unsure if they did or did not (8–14%), suggesting that there is a gap in understanding of SME e-marketers' obligations around providing ways for customers to unsubscribe, as well as lack of understanding of their own practices.

Figure 7: Provision of unsubscribe option (%)



Base: SMEs that e-market via that channel (email n=942, SMS n=475, DMs/IMs n=483).

Q17A/B/C. Do your direct marketing [emails/ SMS/ direct or instant messages] sent to consumers include a way for them to unsubscribe from receiving future [emails/ SMS/ direct or instant messages] from your business?

Qualitative findings – Unsubscribe for various types of direct marketing

SME e-marketers in the qualitative research were more likely to consider an unsubscribe option necessary for direct marketing sent via email, compared with SMS or direct/instant messaging. They were also more aware of how they might include it in an email compared with the other channels.

SMS never crossed my mind. I have no idea how I'd do it? How much would it cost me?

SME with 5–19 employees; Hospitality, arts and recreation services industry.

Time taken to action unsubscribe requests

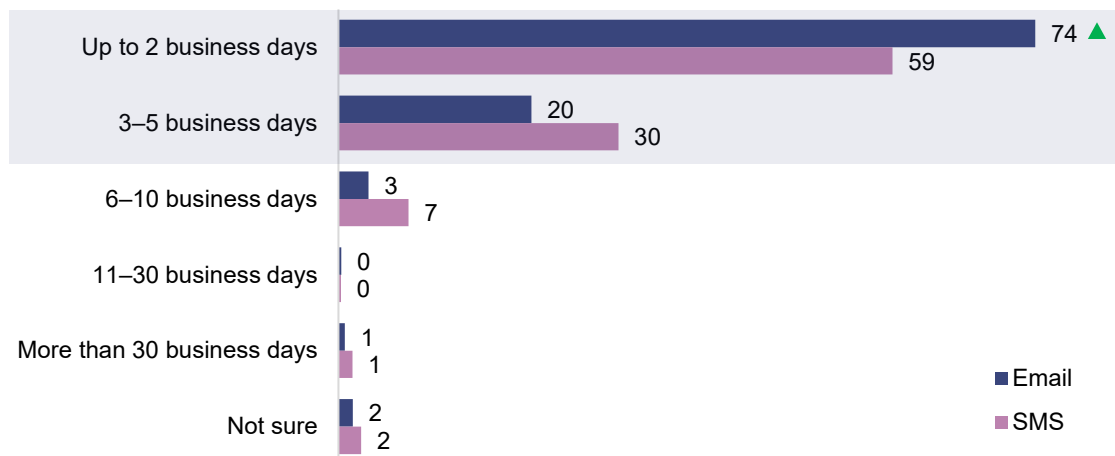
Of SME e-marketers that had sent direct marketing messages via email in the previous 2 years, a majority automatically processed unsubscribe/opt-out requests (81%). However, only two-thirds (65%) were actioned automatically for direct marketing messages sent via SMS.

SME e-marketers that had sent direct marketing messages via SMS in the previous 2 years were more likely to manually action a request to unsubscribe/opt-out in their system (42%, compared to 36% for email).

For email unsubscribe requests that were not actioned automatically, most of those SMEs (94%) reported they typically actioned the requests within 5 business days (which is the legal requirement). Only a small proportion (4%) reported that manual email unsubscribes took more than 5 business days.

Unsubscribe requests from SMSs that are not actioned automatically, tend to be slower to action than emails. Most (88%) reported that they do remove those customers from their lists within the required 5 business days. Of those using a manual process, a total of 9% reported taking more than 5 business days to unsubscribe customers from SMSs.

Figure 8: Time taken to action unsubscribe requests (when not actioned automatically) (%)



Base: SME e-marketers that have sent direct marketing messages in the last 2 years and don't automatically action unsubscribe request via email (n=315) and via SMS (n=189).

Q18C/CC. How long does it typically take for the customer to be removed from the list they were on (for the times it's not automatic)?

Note 1: ▲ ▼ = Email is significantly higher or lower than SMS at the 95% confidence level.

Note 2: Numbers shown may not add up to totals shown or 100% due to rounding.

Note 3: Grey box indicates responses that comply with the rules.



Qualitative findings – Manual unsubscribe requests

Some businesses get so few unsubscribe requests, they consider the small volume does not warrant setting up a new process for automation, and find it is a very easy process to remove them manually.

I take them out manually straight away, well within a couple of days. It has to be done manually; we don't have that many, in a year it may be 5? We only send out to about 200 and not many at all unsubscribe so the scale is not big enough for automatic.

SME with 5–19 employees; Other services industry.

They just email reply (to be unsubscribed) and say 'remove me from your mailing list'...usually it gets done on the day that we received it because it's fairly quick. It takes me less than a minute. I just have to copy the email address and put it in a database. (A request to be removed) is only about once a month.

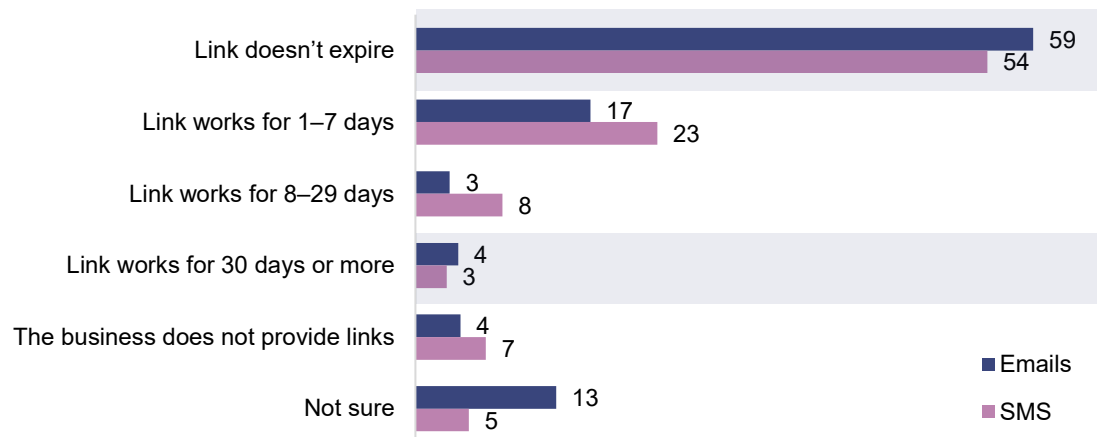
SME with 20–199 employees; Health care and social assistance industry; e-marketer from a CALD background.

Expiry of unsubscribe links

Over half of SMEs provide unsubscribe links for email or SMS marketing that do not expire (for email 59%, SMS 54%). A further 4% for email and 3% for SMS comply with the rules by maintaining a working link for at least 30 days before it expires.

When sending SMS messages, SMEs were more likely to provide a link that expires within 1–29 days (31% for SMS, compared to 20% for email) despite the rule requiring links to be active for 30 days or more.

Figure 9: Expiry for unsubscribe links (%)



Base: SME e-marketers that have sent direct marketing messages via email in the last 2 years and provide a way to unsubscribe (n=782); SMS (n=380).

Q18D/DD. And when providing an unsubscribe link, does the link expire, and if so, how long does the link work for? For emails ...

Note 1: Numbers shown may not add up to 100% due to rounding.

Note 2: Grey box indicates responses that comply with the rules.

Overall, of SME e-marketers that offered an unsubscribe option, most actioned unsubscribes within 5 days (a majority did so automatically) and made sure that links did not expire within 30 days (with the majority not expiring at all). However, opt-outs for SMS direct marketing were more likely to be actioned manually and slower than they were for emails.

The rules: awareness, compliance and barriers

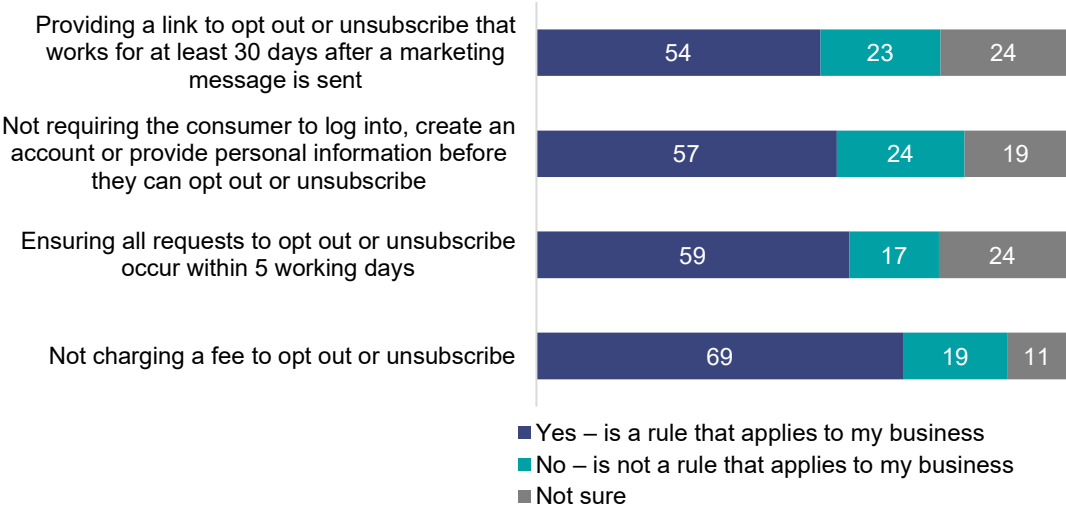
Awareness of unsubscribe rules

There is a lack of understanding among SME e-marketers about what the rules are when it comes to unsubscribing/opting out. The research asked about simple versions of the key unsubscribe rules, which included:

- actioning unsubscribe/opt-out requests within 5 working days
- providing a link to unsubscribe/opt-out that works for at least 30 days after a marketing message is sent
- not requiring the consumer to log into, create an account or provide personal information before they can unsubscribe/opt-out
- not charging a fee to unsubscribe/opt-out.

Across each of the 4 individual rules, over half of SME e-marketers (54–69%) were aware it was a rule that applies to their business. However, many believe that it is not a rule that applies to their business (17–24%) or are simply unsure (11–24%).

Figure 10: Awareness of unsubscribe/opt-out rules (%)



Base: SME e-marketers (n=1,101).

Q19. Which of the following rules under the Spam Act are requirements for your business?: [the simple version of the rules were provided, as per the wording in Figure 10].

Note: Figures may not add to 100% due to rounding.

Only 1 in 3 (35%) SME e-marketers were correctly aware that each of the 4 individual rules presented in the survey are rules that apply to their business.



Qualitative findings – Understanding of the rules

Some SME e-marketers that were fully compliant were undertaking these behaviours because they considered that it made good business sense and was best practice, rather than knowingly complying with the unsubscribe rules.

It's simply best practice and what I'd expect to receive. I run a tight ship and want to make sure things get done properly. We're operating on what is best practice – not what is legislation.

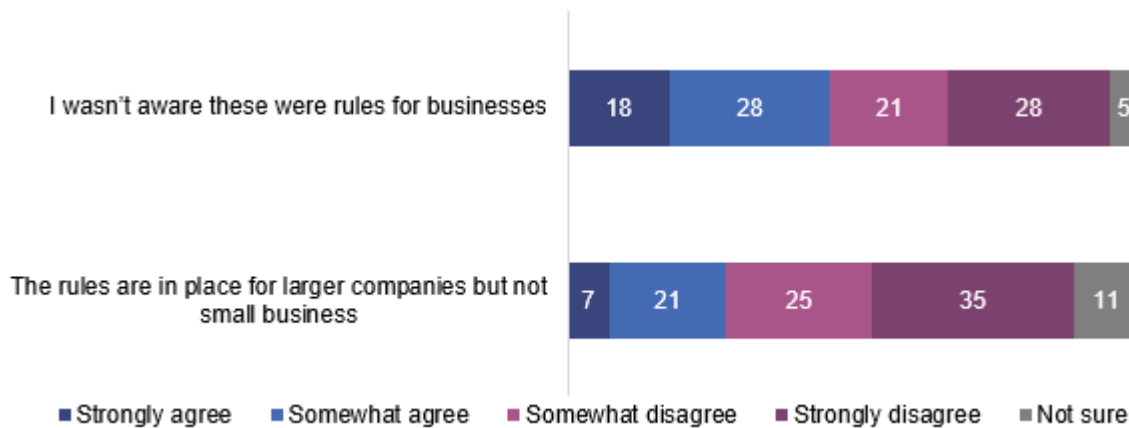
SME with 1–4 employees; Rental, hiring and real estate industry.

I didn't know [actioning unsubscribe requests within 5 working days] was a rule, we just do it as soon as we can – in the day we just have to sort through our emails and make sure every email is done by the end of the day.

SME with 20–199 employees; Health care and social assistance industry; marketer from a CALD background.

The research showed that for many SME e-marketers, implementation of the rules is affected by a lack of understanding as well as other barriers. Just under half (46%) of SME e-marketers were not aware that the 4 unsubscribe/opt-out rules (presented at Figure 10) applied to all businesses. This increases to 51% when including both those that were not aware and those that were unsure. Over a quarter (28%) mistakenly believe that these rules are in place for larger companies but not small business.

Figure 11: Awareness of unsubscribe/opt-out rules generally (%)



Base: SME e-marketers (n=1,101).

Q20. In relation to the opt-out or unsubscribe rules that we just went through, to what extent do you agree or disagree with the following statements?

Note: Numbers shown may not add to 100% due to rounding.

SME e-marketers that agreed (strongly or somewhat) that they were not aware that these rules applied to all businesses were more likely from a CALD background (23% agree, compared to 13% that disagree). SMEs in the Financial and professional/technical services industry were more likely to disagree and knew that these were rules (27% disagreed, compared to 14% agreed).

SME e-marketers that (incorrectly) agreed (either strongly or somewhat) that these rules are in place for larger companies but not small business, were more likely to be:

- self-employed sole-proprietors (72%, compared to 60% that disagreed)
- SMEs that send direct marketing via direct/instant messages (54%, compared to 38% that disagreed)
- from a CALD background (28%, compared to 15% that disagreed).

SMEs that were correct in identifying that these rules apply to small business as well as larger companies, were more likely to include those that:

- had their own website (56%, compared to 74% that disagreed)
- sent direct marketing via email (80%, compared to 88% that disagreed)
- were in the Financial and professional/technical services industry (12%, compared to 25% that disagreed).



Qualitative findings – Confusion over when the rules apply

Many SME e-marketers (mistakenly) didn't think the rules applied to their business, or the types of messages they sent. The following reasons were provided in the qualitative follow-up that highlight key areas of confusion:

- They did not consider the content they sent to be direct marketing, especially if they believed the customers were already engaged with the business and wanted to receive the information. For example:

- A childcare centre sending messages to families about vacancies and open days.

FACT: Messages that advertise or promote daycare vacancies and open days are considered promoting goods or services under the Spam Act so unsubscribe requirements would therefore generally apply.

- A concrete company sending pricing guides and information about their services.

FACT: Messages advertising pricing and services are considered promoting goods or services under the Spam Act so unsubscribe requirements would therefore generally apply.

- They considered that previous customers would be happy to receive a one-off discount voucher:

If a patient hasn't seen us for a certain amount of time and it's their birthday, they get a \$50 voucher towards a massage (via email). Some people have unsubscribed to promotions (in their inbox) when we send out the birthday email and some email (inboxes) recognise it as a promotion, so they won't receive it. But that's why we double back them with an SMS saying 'hey, check your email inbox'. So that's the only promotion they'll ever receive, which I don't think they'll be too mad about receiving.

SME with 20–199 employees; Health care and social assistance industry; e-marketer from a CALD background.

FACT: With limited exceptions, all commercial messages need to comply with the Spam Act and unsubscribe requirements, including 'one-off' promotions. Whether you think a customer would be happy to receive the message is irrelevant.



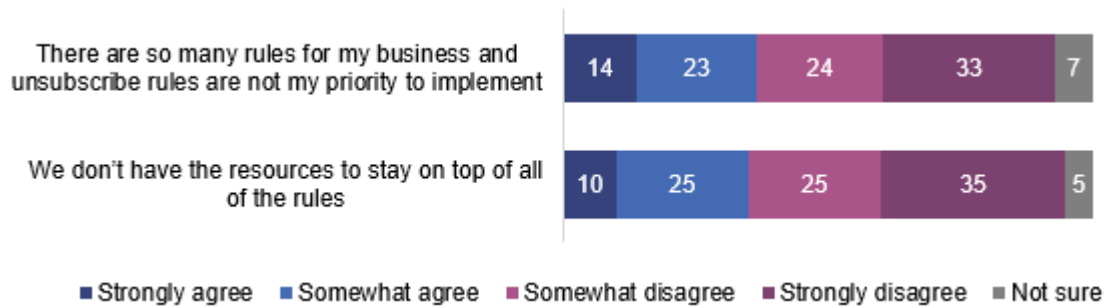
Qualitative findings – Confusion over when the rules apply

- Only a small number of messages are sent, as opposed to doing ‘email blasts’.
It’s only a small number of messages so it doesn’t really seem necessary. It’s not 10,000 people all at once, it’s only 2–3 at a time.
SME with 5–19 employees; Hospitality, arts and recreation services industry.
FACT: The Spam Act applies to the type of messages and not the number, so even if only one electronic message that promotes or advertises goods or services is sent, it still needs to comply with the unsubscribe rules.
- The business is a small business with limited resources (time and money) and they believed the rules only applied to larger businesses that are likely to be sending larger volumes of messages.
We don’t have the resources. It’s the time, after hours, just another thing to add to the job.
SME with 5–19 employees; Other services industry.
It’s different for businesses my size, the amount of time and money that can be devoted is limited. Big businesses have teams for that sort of thing. My staff are here to sell shoes.
SME with 5–19 employees; Retail trade industry.
It’s for the larger businesses, they bombard you all the time. It’s probably still a rule for the small businesses but more directed to the larger ones because small businesses don’t bombard 50,000 people.
SME with 5–19 employees; Other services industry.
FACT: The Spam Act applies to businesses of all sizes, not just large businesses, regardless of the number of messages that are sent.
- They believed they were not asking the consumers to subscribe to anything. The ‘unsubscribe’ terminology suggested for some SME e-marketers that the rules applied to subscriptions (and not necessarily all direct marketing messages).
FACT: The Spam Act unsubscribe rules do not just apply to messages that are specifically asking a customer to ‘subscribe’ (sign up for communications from their business). They also generally apply to any messages that a business sends that are promoting goods or services.
- The rules were more for businesses trading online, such as Amazon or eBay.
FACT: Unsubscribe rules under the Spam Act generally apply to all types of businesses that send direct marketing messages via SMS, email or instant or direct messaging, whether the business itself is trading online or not.

Barriers to complying with unsubscribe rules

Many SMEs reported that the rules and regulations ‘can be difficult to stay on top of’ and ‘are not my priority’ – with 37% agreeing that there are so many rules for their business, and unsubscribe rules are not their priority to implement, and 36% agreeing that they don’t have the resources to stay on top of all of the rules.

Figure 12: Barriers to complying with unsubscribe/opt-out rules (%)



Base: SME e-marketers (n=1,101).

Q20. In relation to the opt-out or unsubscribe rules that we just went through, to what extent do you agree or disagree with the following statements?

Note: Numbers shown may not add to 100% due to rounding.

SME e-marketers that agreed that there are so many rules for their business, and unsubscribe rules were not their priority to implement, were more likely to:

- be sole owners of the business (82%, compared to 74% for those that disagreed)
- have an annual turnover of \$200,000 or more (49%, compared to 37% for those that disagreed).



Qualitative findings – Barriers to compliance

In addition to the key misunderstanding that the rules did not apply, the qualitative research highlighted other barriers to compliance, including:

- SMEs that had never experienced any issues or complaints over the years; very few (if any) customers had contacted them to request to be removed from their list – if it's not causing an issue, it is not a priority.
*It's small scale, we're a small business so it's not a priority.
SME with 5–19 employees; Other services industry.*
- SMEs that believe complying with the rules and managing the unsubscribes requires a level of technical sophistication they don't have.
*We don't have the computer program to do that.
SME with 1–4 employees; Retail trade industry.*
- SMEs that consider direct marketing to be only a small component of the marketing mix and therefore it is not a priority.
*No, they don't apply to my business; I am not a marketing business. Marketing doesn't bring in clients, it's by word of mouth.
SME with 5–19 employees; Hospitality, arts and recreation services industry.*
- SMEs that rely on software or a CRM system to manage e-marketing.
*I assume our CRM will be compliant.
SME with 1–4 employees; Rental, hiring and real estate industry.*
- SME e-marketers that have concerns about the cost and effort involved in complying with the unsubscribe rules.

SME e-marketers' awareness and compliance

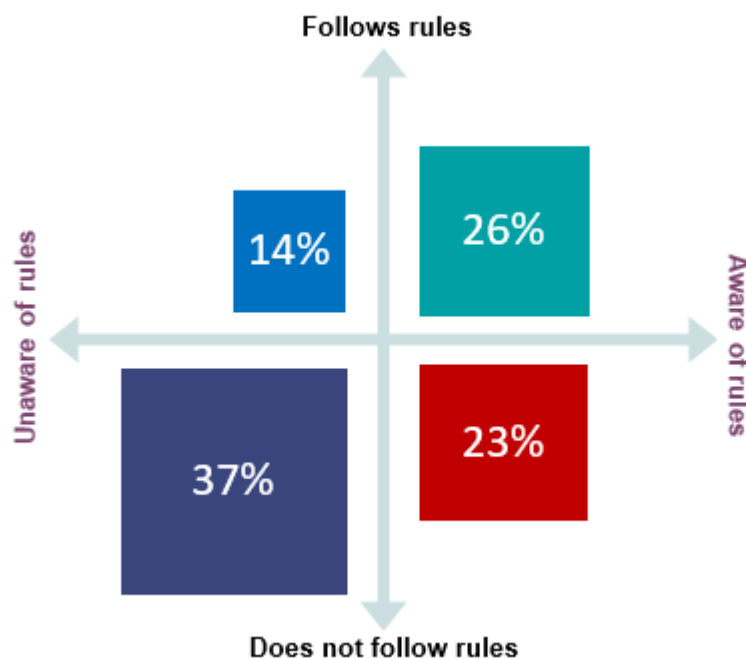
Half of all SME e-marketers were unaware or unsure of the rules⁵ (51%) and 2 in 5 (40%) did not always follow the rules.⁶

The research explored 4 groups that we defined according to their awareness of the rules and compliance with the rules. These 4 groupings are a useful lens to understand the types of SMEs that are in these key groups, their differences and their barriers. However, it is important to note that there was a large amount of crossover between the groups, with the larger industries and most common types of SMEs and e-marketing processes common across multiple groups.

The 4 groups and their proportions among all SME e-marketers were:

- **Unaware** of the rules and **not following** them – 37%
- **Aware** of the rules but **not following** them – 23%
- **Unaware** of the rules but their processes were **following** them – 14%
- **Aware** of the rules and **following** them – 26%.

Figure 13: SME e-marketer groups based on self-reported awareness of, and compliance with, the rules



Base: SME e-marketers (n=1,101).

Notes on definitions used: **Aware of rules:** Q20A answered somewhat agree or strongly agree that 'I wasn't aware these were rules for businesses'. **Unaware of rules:** Q20A answered somewhat disagree or strongly disagree or not sure or don't know/can't say that 'I wasn't aware these were rules for businesses'.

Follows rules: Q17A/B/C Do your direct marketing [EMAIL/SMS/DM] sent to consumers include a way for them to unsubscribe from receiving future emails/ SMS/ direct or instant messages from your business?

⁵ Those *unaware of the rules* stated that they strongly or somewhat agree that 'I wasn't aware these were rules for businesses' or those that were not sure/don't know.

⁶ Those that *do not follow the rules* indicated they do not always provide a way for customers to unsubscribe/opt-out of direct marketing they send, take longer than 5 business days to remove them from the marketing list, or the business provides a link that works for less than 30 days.

SME e-marketers that were not aware and not following the rules were more likely than other SME e-marketers to:

- speak another language at home (25%, compared to 14% of all other SME e-marketers)
- send SMS marketing messages more frequently (33% sent them daily or several times a week, compared to 21%)
- send email marketing messages more frequently (46% sent them daily or several times a week, compared to 30%)
- strongly agree they don't have the resources to stay on top of the rules (17%, compared to 6%)
- strongly agree that there are too many rules to keep on top of (24%, compared to 8%)
- (incorrectly) agree that the rules are in place for large businesses and not small business (45% strongly or somewhat agreed, compared to 18%).

For the SME e-marketers that were aware of, but did not follow the rules, there were similar barriers to compliance. While aware of the rules, they see them more as best practice and not something that is legally required for their business, or they were not fully aware that they apply to them or to the particular marketing channel they use.

SME e-marketers that were following the rules, whether they were aware or not, believed it made good business sense, seemed obvious/logical and wanted to do the right thing by customers/clients. Those aware and following the rules were more likely than other SME e-marketers to:

- be based in a capital city (76%, compared to 65% of all other SME e-marketers)
- be in the Financial and professional/technical services industry (29%, compared to 17%)
- do all their marketing functions in-house (86%, compared to 66%), suggesting that they may have had more visibility of all their marketing activities.

Those aware and following the rules were less likely than other SME e-marketers to:

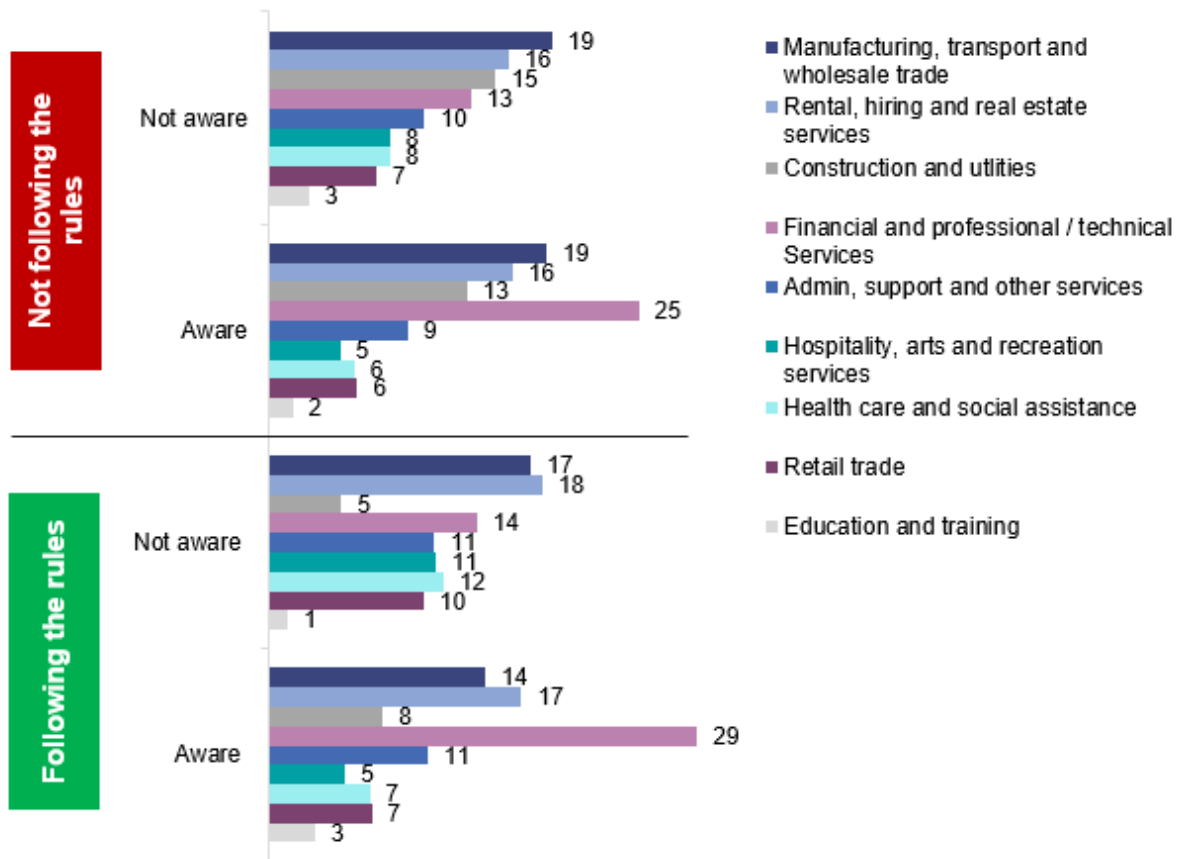
- be sole owners of the business (72%, compared to 79%)
- speak a language other than English (12%, compared to 20%).

Awareness and compliance groups by industry

Some industries were more prevalent than others across each of the above groups – partly due to their higher rates of e-marketing overall. The industries most likely to *not* follow the rules also had large proportions of SMEs that *did* follow the rules.

Financial and professional/technical services had higher rates of awareness and were split between those following the rules and those that are not.

Figure 14: Industry breakdown by groups (%)



Base: Unaware and does not follow the rules (n=422); Aware and does not follow the rules (n=246); Unaware but follows the rules (n= 141); Aware and follows the rules (n=292).

Notes on definitions used: Aware of rules: Q20A answered somewhat agree or strongly agree that 'I wasn't aware these were rules for businesses'. Unaware of rules: Q20A answered somewhat disagree or strongly disagree or not sure or don't know/can't say that 'I wasn't aware these were rules for businesses'.

Follows rules: Q17A/B/C Do your direct marketing [EMAIL/SMS/DM] sent to consumers include a way for them to unsubscribe from receiving future emails/ SMS/ direct or instant messages from your business?

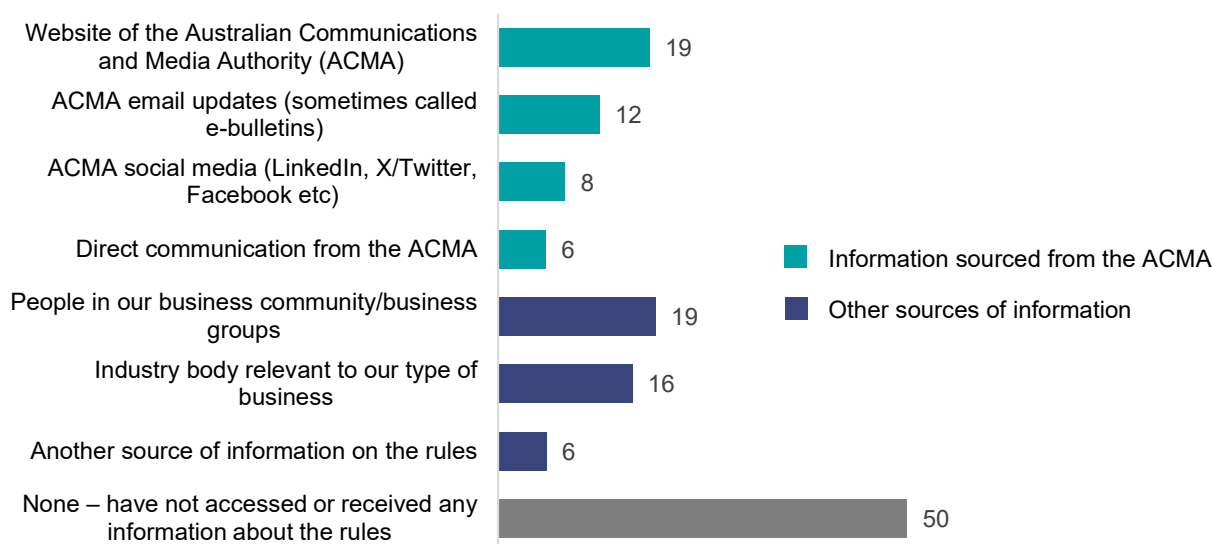
Information sources

Information sources accessed or received

Half (50%) of SME e-marketers had not accessed or received any information about unsubscribe rules in the previous 2 years. Just under a third (30%) of SME e-marketers had accessed or received at least 1 of the 4 sources of information from the ACMA that were listed in the survey, with the ACMA website (19%) being the most common of the ACMA sources.

Other sources of information had been accessed at similar rates – 19% had accessed or received information from people in their business community/business groups, and 16% had received it from an industry body relevant to their business type.

Figure 15: Sources of information about unsubscribe/opt-out rules that were accessed or received (%)



Base: SME e-marketers (n=1,101).

Q23. In the past 2 years, from which of the following sources of information, if any, have you accessed or received information about opt-out or unsubscribe rules?

Note 1: Data includes multiple responses.

Note 2: Other information sources may also use some ACMA information, and the sources were presented as per the text in the response and not additionally classified as ACMA or other sources, which has been added for analysis.

The SME e-marketers that were more likely to have not accessed or received any information about the rules include:

- smaller SME e-marketers with 0–19 employees (51%, compared to 29% of SMEs with 20–199 employees)
- SMEs based in a non-capital city (59%, compared to 46% of those based in a capital city)
- those that sent direct marketing messages infrequently (less than monthly by email, SMS or direct/ instant messages), or sent smaller volumes at a time.

Industries that were most likely to not have accessed or received information about the rules include:

- Hospitality, arts and recreation services (66%)
- Administration, support and other services (64%)
- Rental, hiring and real estate services (62%).

SME e-marketers in the Rental, hiring and real estate services sector were less likely to have accessed or received information from an ACMA source (6% accessed at least one type of information from the ACMA in the last 2 years, compared to 35% of SMEs in all other industries).

Reasons for seeking information about unsubscribe/opt-out rules

Almost half (49%) of SME e-marketers that had accessed/received information about unsubscribe rules indicated that they seek out information as a regular part of their business practices and a third (31%) were prompted by information from business associations or their industry.

Two in 10 (18%) sought information following media reports about fines given to other businesses for unsubscribe breaches, and 1 in 10 (10%) were prompted to seek information by customer complaints to their business about unsubscribing issues.

Figure 16: Reasons for seeking information on unsubscribe rules (%)



Base: SME e-marketers that have accessed/ received information on opt-out or unsubscribe rules (n=598).

Q28. What were the main factors that prompted you to seek out information on unsubscribe rules?

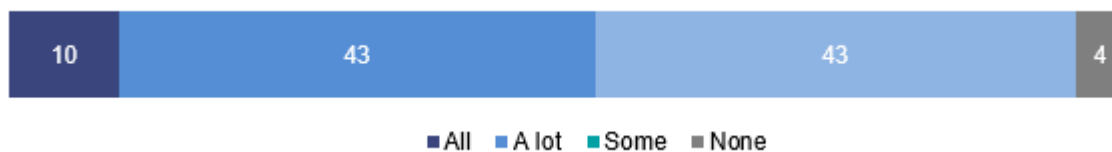
Note: Data includes multiple responses.

Engagement with and usefulness of information sourced from the ACMA

For those that did access or receive information from the ACMA in the previous 2 years, nearly all read it to some extent:

- 10% read all the information
- 43% read a lot
- 43% read some
- 4% read none.

Figure 17: Extent to which the information from the ACMA was read (%)



Base: SME e-marketers that have accessed/ received information from ACMA (n=405).

Q25. To what extent did you read any of the information from the ACMA?

Of those that had read at least some of the information sourced from the ACMA, most (89%) found it to be useful – including 29% who found it very useful. Six in 10 (60%) said it was somewhat useful. One in 10 (11%) considered the information accessed or received from an ACMA source was not useful.

Figure 18: Usefulness of the information sourced from the ACMA (%)



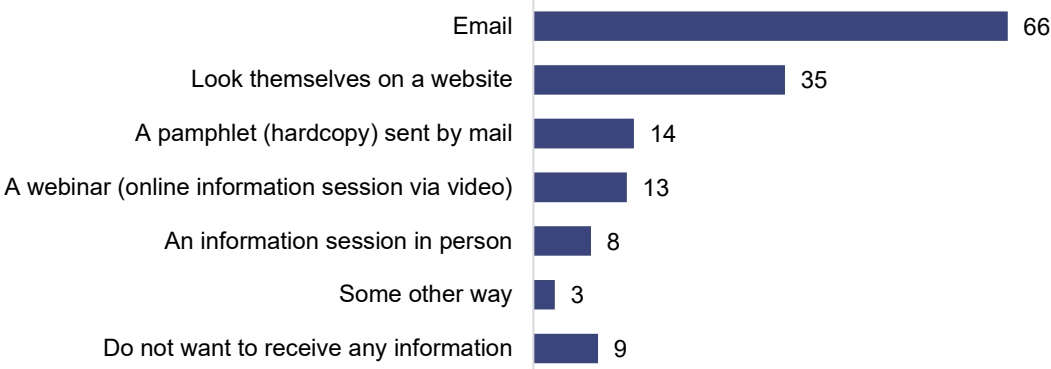
Base: SME e-marketers that have accessed/ received information from ACMA and read it (n=392).

Q26. How useful or not useful was the information that you accessed or received from the ACMA?

Preferred information sources

The clearly preferred channel to receive information about unsubscribe/opt-out rules for businesses in the future is email (66%). That was followed by searching for information themselves on a website (35%). One in 5 (19%) would prefer an information session (online webinar 13%, in-person 8%).

Figure 19: Preferred channel for receiving information (SMEs that e-market) (%)



Base: SME e-marketers (n=1,101).





Q29. How would you prefer to receive information about unsubscribe rules or any future changes that may affect your business?

Note: Data includes multiple responses.

Appendix: Profiles of in-scope SMEs

Table A1 compares the proportions of total SMEs found among each group with those that are e-marketers, and shows the groups that are more, or less, likely to conduct e-marketing (arrows indicate statistically significant differences between the groups).

Table A1: Profile of total in-scope SMEs compared to SME e-marketers

Categories		Total sample of all in-scope SMEs (met key definitions) ⁷	Final sample of SMEs that conduct e-marketing
		n= 2,593	1,101
Size 	0 paid employees	60%	65%
	1–4	27%	24%
	5–19	9%	9%
	20–199	3%	2%
Turnover 	Less than \$200,000	n/a	45%
	\$200,000 to less than \$1 million		24%
	\$1 million to less than \$3 million		10%
	\$3 million or more		6%
	Refused/Not sure		15%
Industry 	Financial and professional/technical services	20%	20%
	Manufacturing, transport and wholesale trade	16%	17%
	Rental, hiring and real estate services	12%	17% ▲
	Construction and utilities	19%	11% ▼
	Administration, support and other services	10%	10%
	Health care and social assistance	8%	8%
	Retail trade	6%	7%
	Hospitality, arts and recreation services	6%	7%
	Education and training	2%	2%
Location 	NSW (inc. ACT)	36%	40%
	Vic	24%	23%
	Qld	20%	21%
	WA	10%	8%
	SA	7%	6%
	Tas	2%	2%
	NT	0%	1%
	Capital city	61%	68% ▲
Non-capital city	39%	32% ▼	
CALD	Yes	n/a	18%
	No		82%

Note: ▲ ▼ = Arrows indicate statistically significant differences at the 95% confidence level. Green arrows indicate a higher rate of SME e-marketers in that group than would be expected among total in-scope SMEs. Red arrows indicate a lower rate of SME e-marketers than expected among total in-scope SMEs.

⁷ Excluded from our definition of 'in-scope SMEs' for this research: SMEs that did not provide goods or services; did not have customers in Australia; were a not-for-profit organisation, government agency or department; had 200 or more employees; were in the Agriculture, forestry and fishing; Mining, or Public administration and safety industries.