

Consumers Perceptions towards Permission-based e mail marketing

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ABSTRACT

Companies are adopting micromarketing and saying adieu to obsolete mass Marketing. The final level of individuals in micromarketing represents 'segments of one', 'customized marketing' or 'one-to-one marketing'. Permission marketing is important aspect of internet marketing. It gives the internet marketers a better response from the customers and there is no risk of breaking customers' privacy. Permission marketing helps the internet marketers in maintaining the company's credibility in the eyes of their customers. It is a practice of getting the target market willingly involved in the process. Permission marketers focus on developing customer relationship and respecting the customers. The present research attempts to study customers' preference of using marketing communications tools with permission based e mail marketing applied and to investigate the relationship between customers' attitude and their intention to engage in permission based e mail marketing communications. The population chosen in this research is a set of customers receiving marketing communications such as recorded calls, live calls, spam/junk emails, and catalogs/brochures and those who does not receive any kind of marketing communication, such as illiterate population are not included in this study.

INTRODUCTION

The concept of Permission-based-marketing is a novel one but its roots are in the well-established and widely used marketing practices such as Database marketing, Telemarketing, Direct mail, and Customer Relationship Management (Fauconnier, 2012). These practices are implemented by most of the marketers to earn maximum revenue from the customers but these have troubled the customers. Instead of helping customers, the marketers knowingly or unknowingly disturb the smooth relationship established with the customers. Marketers have forgotten or possibly ignored the customers' convenience and they have only targeted to reach maximum number of customers and have provide the customers with the most possible large quantity of information about their company, its products or services or the concepts. The need of permission-based-marketing has arisen on account of increasing customers' complaints about troubling customers with the advertisements and other communications which are not required or wanted by the customers.

In today's customer centric business era, the prime duty of the markets is to see whether the information sent to the customers are useful only or welcomed by the customers too. Many a time the same information perceived very useful and receptive by the marketers, is not wanted and customers do not want these at that time. The customers may be interested to know more about that information later. But marketers are always in hurry to sell the products or services and that is also to as many customers as they can. To save time and money of the organization, marketers send a common message or advertisement to many customers at a time. Today's smarter customers can easily judge that the organization has not taken care to send an advertisement to each customer separately as there is no personal salutation or name mentioned in the advertisement, particularly in the communications sent via email or direct mail. Permission-based-marketing suggests the solution of all these problems created by the marketers and faced by the customers. By knowing customers' preference through internet, marketers can offer better services to the customers (De Bruyn & Lilien, 2008). It helps the marketers in increasing their revenue too. Many internet marketing communication strategies such as e-mail opt-in are based on permission marketing. American Airlines, Amazon.com, and AllAdvantage.com are some examples of this.

Permission Marketing is kind of marketing based on the premise of taking customer consent to receive information from a company (Godin 1999). It is all about taking prior permission, agreement or consent by the marketers from the prospects or customers, before sending any marketing information to them from the company. **Godin (1999)** in his study found that permission marketing is the way to make advertising work effectively. Permission marketing is also known as unwanted marketing or invitational marketing or Solicited marketing or Opt-in marketing. It is widely used in Electronic marketing and Customer Relationship Management.

REVIEW OF LITERATURE

Many studies identified that entertainment value and information value, credibility are important drivers of the attitude towards permission based email marketing (**Haghirian and Inoue 2007**). Studies also found that customers involved for permission based email marketing are more positive in case of discount coupons, rebates, cash backs (**Wais and Clemons 2008**). **Karjaluo et al., (2008)** conducted an online survey and tested a theoretical model investigating customers' perception to involve in permission-based marketing communications with a company in the hospitality industry. The study revealed that perceived usefulness, perceived ease of use, and perceived trust influences perception to participate in permission based communications.

Stuart and Eusebio (2008) investigated the preference of consumers for mobile advertising campaign. Results of the study found that there is significant association between the decision-making criteria of groups and demographic variables namely, income, gender. **Kaushik (2005)** found that permission marketing such as seminars, newsletters, Kiosks, portals etc play important role in increasing profits in immigration consulting services. Customers permit websites to send newsletter because the customers have signed up to receive the newsletters as they are interested in these. **Carroll et al. (2005)** investigated consumer's perceptions towards mobile marketing and identified four factors viz. Wireless Service Provider (WSP) control, permission, content, and the deliverance of the message which have a significant impact on mobile marketing acceptance. The authors suggested that marketers should be careful about these factors while determining mobile marketing consumer acceptance.

Ansari and Mela (2003) developed a statistical approach for information customization on internet and applied the developed model to permission-based e-mail marketing and attempted to establish the factors effect click through rates on internet. They used various strategies and found the factors effecting the customers the most. They proposed that it is possible to increase click-through rates with the help of content-targeting approach. **Allen (2002)** drew a line between permission marketer and direct marketer. Allen said that permission marketers put their resources into developing revered relationship with the customers. Forcefully dumping the products in front of the customers, in spite of the customers' dislike will end into broken relationship with the customers. Allen is of the view that permission marketing is a fine blending of conventional branding and consumer behavior with modern internet marketing techniques.

Krishnamurthy (2001) proposed four models for permission marketing, namely, Direct Relationship Maintenance; Permission Partnership; Ad Market and Permission Pool. **Peppers and Rogers (2001)** suggested that marketers should change the way of treating the customers. Instead of increasing number of customers into the list of the customers of the company, they recommended to increase listing of the products/services offered to limited customers and thus increase profits. They explained to focus more on existing customers and generate more sales. Further, they suggested four strategies to sell to the customers, namely, increasing the 'share of wallet' by paying attention on satisfying needs of the customers; retaining customers by maintaining long lasting customer relationship; providing variety of products or services; getting feedback from the customers.

OBJECTIVES AND HYPOTHESIS

Research Objectives

1. To study the awareness of permission based email marketing communications among customers.
2. To measure customers' preference of using marketing communications tools with permission marketing applied.
3. To study the relationship between customers' attitude and their intention to engage in permission based marketing communications.

RESEARCH METHODOLOGY

Descriptive research is used in conducting this research. Primary data was gathered by filling self administered questionnaire. The questionnaire was separated into two parts. The first part consist questions related to awareness, perceived ease of use, usefulness, trust, attitude and purchase intention. Second part consists of questions of demographic variables. Multistage random sampling was used for data collection. Sample size consisted of 100

respondents. The frame has been restricted to only Chandigarh. Kruskal-Wallis test was used to test the hypothesis and analyse the results.

Profile of Sample for final study:

A total of 120 questionnaires were sent out. After editing all returned questionnaires, about 100 questionnaires were found utilizable for analysis. The sample consists of more males (53%) than females (47%). Majority of the respondents (78%) are in 15-39 years of age category. About (57%) of the sample earned a salary between Rs.50,0001 – Rs10,00,000 per annum. Almost all respondents have achieved at least university degree/Bachelor degree. About 51% of the respondents are students. As a whole, the sample is skewed towards the more educated segment of the population.

Major Findings and Discussion

The awareness about the permission marketing among the respondents was surveyed and it was found that 61% of the respondents were aware of the permission marketing used by the companies. Table 1 shows the preference of respondents for permission marketing. Around 70% of the respondents get disturbed by unwanted junk emails and want to stop them. But only 55% of the respondents want these junk emails to be banned. Responses also show that approximately 10% of the respondents find these emails useful and interesting. The study asked the respondents to rank permission based marketing tools, namely, recorded calls, junk mails, live calls and unwanted emails according to the disturbance level by the respondents. The study found that recorded calls scored highest on disturbance level, followed by junk mails and unwanted e mails. Respondents are less disturbed by live calls in comparison to the other three. Results indicated that 76% of the respondents wanted the formation of special agencies by the government whereas only 29% expects government to impose fine on marketers. Also 7% of the respondents are those, who want both formation of special agencies as well as fine penalty for the marketers. No respondent had suggested any other expectation from the government in action against unwanted marketing communication.

Particulars	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Get disturbed by unwanted junk emails.	8%	9%	11%	44%	28%
Want to stop these unwanted junk emails.	2%	10%	17%	38%	33%
Find these unwanted junk emails interesting.	32%	46%	14%	5%	3%
Find these unwanted junk emails useful.	36%	34%	19%	9%	2%
Think these unwanted junk emails should be banned.	1%	4%	40%	32%	23%

Attitude towards Permission-Based email Marketing

To investigate the Relationship between overall attitude towards Permission-Based e mail Marketing (dependent variable) and Independent variables (Perceived usefulness, Perceived ease of use and Perceived trust) step wise regression technique was used. In terms of relationship between three constructs i.e. Perceived usefulness, Perceived ease of use and Perceived trust and overall attitude towards Permission-Based e mail Marketing, the adjusted R² = 0.113 and is established to be statistically significant. The Table 3 also indicates that the multiple regression model embodies a good model fit with the data (F=10.52, p<0.05). All the three constructs ,namely, Perceived usefulness, (β=0.192, p<0.05), Perceived ease of use (β=0.260, p<0.05) and Perceived trust (β=0.252, p<0.05) are significant predictor of overall attitude towards permission based e mail marketing As indicated in Table 3 the values of VIF are far below the cut-off value of 10.

In addition, it can be seen that the tolerance values is nearer to one which suggests that there is no proof of multicollinearity problem in the regression model as proposed. As shown in table 3 constructs i.e. perceived ease of use, perceived usefulness and perceived trust were found to be statistically significant. Also perceived trust had the greatest effect and influence on overall followed by perceived ease of use and usefulness. The regression equation comes out to be Purchase intentions =0.777 + .265 Perceived ease of use + .223 Perceived usefulness + .403 Perceived trust. Perceived ease of use, perceived usefulness and perceived trust shows direct relationship with overall attitude towards Permission-Based e mail Marketing. With one unit increase in Perceived ease of use there would be 0.265unit

increase in overall attitude. Similarly, with one unit increase in perceived usefulness and perceived trust, there would be 0.223 and 0.403 unit increase in overall attitude towards Permission-Based e mail Marketing respectively.

Independent Variable		Standardized Regression Coefficients	T-value	Significance Probability	TV	VIF
Constant		0.777(0.707)			1.099	0.274
Perceived Ease of use		0.260	2.650	0.009		
Perceived Usefulness		0.192	2.006	0.048		
Perceived Trust		0.252	2.574	0.012		
Multiple R	0.374					
R ²	0.140					
Adjusted R ²	0.113					
Durbin- Watson Test	1.929					
F	10.52			.000		
Sample Size	100					

Across demographic variables

In order to explore whether the perceptions of the respondents regarding permission based e mail marketing were identical across demographic variables, Kruskal Wallis test was performed. The test was employed to determine any significant differences in responses, when different groups are involved in the survey. Further, this non-parametric test need not require any assumptions about the shape of the population distributions. The results are presented in Table 2. Kruskal-Wallis Test was conducted to examine the differences on overall attitude across demographic variables. No significant differences were found among the demographic variables(i.e) age, gender ,income ,education ,occupation and perceived ease of use. Similarly, no significant differences were found among the demographic variables, namely, gender ,income, education ,occupation and perceived usefulness. However, significant differences were found among the variable of age and perceived trust. The results also revealed that there is significant differences among the demographic variables(i.e) age, gender ,occupation and perceived overall attitude towards Permission-based e mail marketing.

Dimension	Age		Gender		Income		Education		Occupation	
	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.
Perceived Ease of use	5.32	0.15	2.04	0.15	5.70	0.13	2.66	0.45	4.05	0.67
Perceived Usefulness	2.57	0.46	0.98	0.32	4.59	0.20	0.01	0.99	9.98	0.13
Perceived Trust	9.72	0.02	2.46	0.12	5.42	0.14	1.15	0.77	7.93	0.24
Overall Attitude	8.91	0.03	5.93	0.01	10.3	0.01	3.78	0.29	14.6	0.02

Recommendations limitation of the study and directions for future research

Permission marketing should be used to maintain customer relations. For example, the owners of the small restaurant can collect data regarding occupation, interests, and hobbies of the restaurant's customers. Understanding customers' background/profile, restaurant owners can present small gifts (such as book or DVD on music) which might become useful and in the interests of the customers. Telemarketers must be allowed to send Calls and SMS only if customers register their phone numbers with banks, finance companies, telecom companies and other marketing companies. Non Discourse Undertaking must be taken by the government from banks, finance companies, telecom companies etc. regarding keeping customers' phone number, postal address, and e-mail addresses confidential. Special agencies be formed for handling complaints regarding interruption marketing.

Due to limitation of time the coverage of this study has been restricted to few selected respondents. If the time provided would have been more than the study could have been extended to wider area to make it more comprehensive.

Consumer behavior, in today's world is very dynamic. Thus there is every possibility that over a period of time the findings may change or they might not be applicable any more.

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