

Permission Marketing as a Tool of Ethical Marketing

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ABSTRACT

Competitive environment witness a drastic change in disseminating marketing information to their customers. Permission marketing is all about giving permission to furnish anticipated, personalized and significant promotional messages to customer. This helps to improve target precision by marketer and also reduce muddle and search costs for the consumers. Vexation of interruption marketing leads the way to permission marketing. In permission marketing consumers authorize a marketer to deliver them promotional messages in their interested area. For that customer has to fill out the list of questions intimating their area of interest. Permission marketing holds the promise of intensify targeting. This paper intends to identify how far customers are disturbed by interruption marketing and whether this has prompted them in taking actions against it. The study also analyses the perception of customers towards permission marketing and whether it has led to purchase decision. The study is based on primary data and makes use of varied statistical tools to arrive at the conclusion. Area of study covers customers of State Bank of India Mutual Fund.

Key words- Interruption Marketing, Permission Marketing, Customer Perception, Purchase Decision

1. INTRODUCTION

Permission marketing has been introduced to overcome the drawbacks of interruption marketing. The weaknesses of interruption marketing are transformed into strengths of permission marketing. The consumers much disturbed due to interruption marketing would prefer permission marketing practices. From the organizations' point of view this marketing strategy helps to build up their corporate image and enhance their profitability. Permission-based e-mail marketing is more effective in improving customer satisfaction and creating brand loyalty (Gupta and Rana 2017). Response oriented promotional channels are more preferred by the customers rather than mass media (Shukla 2010). There are many specific drivers on consumer allowing permission to confirm customized messages. Drivers related to benefit and cost influence consumers' preference to allow permission. (M Krafft et al., 2017). Consumers' willingness to participate in permission-based marketing influences four antecedent factors they are personal trust, institutional trust, perceived control and experience (Chanaka Jayawardhena et al., 2009). Perceived usefulness, perceived ease of use and perceived trust affects behavior of customers in selecting promotional messages (Karjaluoto et al., 2008). The company can allocate the marketing budget specifically on interested target audience and save the unnecessary expenses incurred from mass advertising. With limited budget the company can reach to the customers and maintain the profit margin. Permission marketing can be used as an important tool in maintaining relationships with customers (Eric T.Brey et al., 2007). Effect of demographic variables and other significant factors

on permission marketing customer perception, preferences and awareness (Chaitanya Vyas 2011) .

Often marketers are in a hurry to sell the products or services and that 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 understand the fact that the organization has not taken care to send an advertisement to each customer individually as there is no personal salutation or name mentioned in the advertisement, particularly in the communications sent via email and SMS. Permission based marketing suggests the solution of all these problems created by the marketers and faced by the customers. Knowing customers' preference through internet facilitates marketers to offer better services to the customers. It helps the marketers in increasing their revenue too. Many internet marketing communication strategies like e-mail opt-in are based on permission marketing.

In today's customer centric business era, the prime responsibility of the markets is to ensure that the information sent to the customers are useful and welcomed by the customers too. Many a time the same information perceived very useful and receptive by the marketers, is not wanted or customers do not want these at that time. The customers may be interested to know more about that information later. In permission marketing practices information sent to the customers is more educational and less promotional. Permission marketing programs build stronger and longer customer relationship. This study identifies level of inconvenience caused to customers and their perception towards permission marketing.

2. STATEMENT OF THE PROBLEM

Traditional methods of marketing often revolve around the idea of interruption. Customers have the right to reject promotional messages from marketers and thus protect themselves from time consuming, annoying and insignificant information. 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 them and their subsequent actions against it. Customers can opt relevant information, in which they are allured and extract out the information, which are irrelevant. So it is inevitable to study the level of inconvenience caused by interruption marketing and the perception of customers towards permission marketing. Hence, present study focuses how far customers are disturbed by interruption marketing and whether this has prompted them in taking actions against it. The study also analyses the perception of customers towards permission marketing and whether it has led to purchase decision. This research focuses on the present and future developments of permission marketing and whether this new marketing technique has led to an increase in purchase decision.

3. OBJECTIVES OF THE STUDY

- To identify whether interruption marketing leads to necessary actions.
- To analyse perception of customers towards permission marketing.
- To identify whether permission marketing leads to purchase decisions.

4. RESEARCH METHODOLOGY

SAMPLING DESIGN

This study provides an insight about the interruption marketing inconvenience and the actions taken against it and also analyses the perception of customers towards permission marketing. Universe of the study constitute customers of SBI mutual of State Bank of India operating in Kerala. Thrissur district has been selected for the present study. 150 respondents were selected for study. Non probability based purposive sampling method were used to reduce time and cost constrain.

5. DATA COLLECTION

The present study is based on both primary and secondary data. The secondary data for the present study is collected from various research journals. Primary data were collected through a well-structured questionnaire and personal interviews.

STATISTICAL TOOLS

Various statistical tools have been used to do the analysis. Tools used for analysis include Kruskal Wallis H test and compared means. Compared means are used to find demographic wise perception of respondents and Kruskal Wallis test to identify significant relationship between interruption marketing and inconvenience level as well as between permission marketing and benefit level. The study has used Statistical Package for Social Science (SPSS) to analyse the variables. Demographic profile of respondents explained using percentage analysis. Predefined closed end statements were asked to the customers. Statements were measured on five-point likert scale where 5 denotes strongly agree and 1 denotes strongly disagree.

6. DATA ANALYSIS AND INTERPRETATION

This work analyses the perception of customers' towards permission marketing. A percentage analysis has been carried on the demographic variables. Tools such Compared means are used to find demographic wise perception and Kruskal Wallis test to identify significant relationship between interruption marketing and inconvenience level as well as between permission marketing and benefit level.

DEMOGRAPHIC PROFILE OF RESPONDENTS

DEMOGRAPHIC FACTOR	FREQUENCY	PERCENTAGE
AGE		
Below 25	7	4.67
25-40	71	47.33
40-55	48	32
55 above	24	16
TOTAL	150	100
GENDER		
Male	93	62
Female	57	38
TOTAL	150	100
EDUCATIONAL QUALIFICATION		
Professional degree	6	4
PG	44	29.33

UG	79	52.67
Diploma	16	10.67
HSE	5	3.33
TOTAL	150	100
OCCUPATION		
Professional	22	14.67
Govt Employee	21	14
Private Employee	28	18.67
Self Employed	20	13.33
Student	40	26.67
Housewife	11	7.33
Retired	8	5.33
TOTAL	150	100
MONTHLY INCOME		
Below 10000	43	28.67
10000-20000	5	3.33
20000-30000	36	24
30000 and above	66	44
TOTAL	150	100

(Source: Primary data)

TABLE NO 1

Majority of the respondents were of the age category 25-40 constituting about 47.33% of the total respondents. Respondents of the age category below 25 were the least and constitute about 4.67%. Male respondents were 68% while female respondents were 47%. Categorisation based on educational qualification includes 4% of respondents possessing a professional degree, 29.33% with a post graduate qualification. The respondents with a graduate degree were the highest in number with a percentage of 52.67%. Students form a larger proportion out of the total respondents with 26.67%. Those respondents in the retired category were the lowest constituting 5.33%. Professionals, government employees, private employees and self-employed respondents have approximately equal percentages. Majority of the respondents from whom data have been collected earns a monthly income above 30000 constituting 44% of the total respondents. Respondents earning a monthly income of 10000-20000 are the least and constitute only 3.33%.

LEVEL OF INCONVENIENCE CAUSED BY INTERRUPTION MARKETING

INCONVENIENCE	LEVEL OF INCONVENIENCE	NO.	PERCENTAGE
Untimely marketing calls	Less inconvenient	54	36
	Moderately inconvenient	64	42.67
	Highly inconvenient	32	21.33
	TOTAL	150	100
Unwanted Information	Less inconvenient	47	31.33
	Moderately inconvenient	67	44.67
	Highly inconvenient	36	24
	TOTAL	150	100
Reducing device storage space	Less inconvenient	45	30
	Moderately inconvenient	58	38.67

Time Consuming	Highly inconvenient	47	31.33
	TOTAL	150	100
	Less inconvenient	55	36.67
	Moderately inconvenient	58	38.67
	Highly inconvenient	37	24.67
Privacy Issues	TOTAL	150	100
	Less inconvenient	54	36
	Moderately inconvenient	56	37.33
	Highly inconvenient	40	26.67
	TOTAL	150	100

(Source: Primary data)

TABLE NO 2

The levels of inconvenience have been categorized into three; highly inconvenient, moderately inconvenient and less inconvenient. The table reveals that larger proportion of the respondents feel disturbed by untimely marketing calls, unwanted information not required by them, device storage space consumption, time wasted to sort and filter unwanted messages and other privacy issues. Customers at large get troubled by interruption marketing.

PERCENTAGE ANALYSIS ON THE ACTIONS TAKEN AGAINST INTERRUPTION MARKETING

ACTIONS TAKEN AGAINST INTERRUPTION MARKETING	FREQUENCY	TOTAL	PERCENTAGE
Unsubscribed marketing messages	89	150	59.33
Asked marketers to stop sending marketing messages	51	150	34
Registered in 'Do Not Call Registry'	96	150	64
Registered complaints in toll free number	26	150	17.33
Calls blocked	45	150	30

(Source: Primary data)

TABLE NO 3

Majority of the respondents have opted for unsubscribing the marketing message which constitutes 59.33%. Out of the total 150 respondents 34% have asked the officials to stop sending marketing messages. 64% have registered their contact details in 'Do Not Call Registry'. 17.33% respondents have registered complaints in toll free number and 30% blocked marketing calls.

TEST STATISTICS OF LEVEL OF INCONVENIENCE AND INTERRUPTION MARKETING

ACTIONS TAKEN	CHI-SQUARE	DF	ASYMP.SIG
Unsubscribed marketing messages	128.148	2	0.000
Asked marketers to stop sending marketing messages	14.096	2	0.000
Registered in 'Do Not Call Registry'	120.276	2	0.000
Registered complaints in toll free number	10.507	2	0.004
Calls blocked	23.200	2	0.001

(Source: Primary data)

TABLE NO 4

H₀: There is no significant relationship between inconvenience level and actions taken against interruption marketing.

In the above table p value is less than 0.05 and we reject the null hypothesis. There is significant relationship between inconvenience level and actions taken against interruption marketing. Inconvenience level has been measured using variables such as annoyance, information overload, storage consumption, privacy issues, time and energy spent.

**COMPARED MEAN OF CUSTOMER PERCEPTION TOWARDS PERMISSION
MARKETING BASED ON AGE**

AGE		AFFINITY	UTILITY	INTERESTING	TRUST	RELIABILITY
Below 25	Mean	3.00	2.86	3.57	2.57	2.86
	Std. Deviation	1.000	1.069	1.134	1.397	1.464
25-40	Mean	3.66	3.72	3.77	3.72	3.72
	Std. Deviation	1.146	1.098	1.221	1.173	1.173
40-55	Mean	3.65	3.58	3.79	3.63	3.73
	Std. Deviation	1.120	1.182	1.220	1.315	1.284
55 and Above	Mean	3.58	3.67	3.67	3.58	3.54
	Std. Deviation	1.176	1.129	1.341	1.213	1.021
Total	Mean	3.61	3.63	3.75	3.61	3.65
	No.	150	150	150	150	150
	Std. Deviation	1.134	1.132	1.226	1.247	1.204

(Source: Primary data)

TABLE NO 5

The above table shows the compared mean of customers' perception towards permission marketing on the basis of age. A mean greater than 3 shows positive attitude towards permission marketing. A mean less than 3 implies negative perception. Respondents in the age category 25-40 have the highest score for affinity and utility with a mean of 3.66 and 3.72. Interesting has the highest mean score of 3.75 among the factors measuring perception. The age category 40-55 have the highest mean score of 3.79 for interesting. Trust has a mean score of 3.61 and age category 25-40 have the highest mean score of 3.72. Reliability having a mean score of 3.65 and respondents in the age category of 40-55 considers permission marketing messages as highly reliable scoring a mean of 3.73. All respondents irrespective of age categories perceive that permission marketing is interesting and beneficial to them. In case of affinity, utility and interesting standard deviation is the least for the respondents in the age category below 20 years. This implies that on an average they have congruently agreed affinity, utility and interesting as the reasons behind opting permission marketing.

**COMPARED MEAN OF CUSTOMER PERCEPTION TOWARDS PERMISSION
MARKETING BASED ON GENDER**

(Source: Primary data)

GENDER		AFFINITY	UTILITY	INTERESTING	TRUST	RELIABILITY
Male	Mean	3.69	3.70	3.79	3.74	3.77
	Std. Deviation	1.154	1.141	1.229	1.230	1.190
Female	Mean	3.53	3.54	3.71	3.47	3.51
	Std. Deviation	1.113	1.125	1.229	1.259	1.213
Total	Mean	3.61	3.63	3.75	3.61	3.65
	No.	150	150	150	150	150
	Std. Deviation	1.134	1.132	1.226	1.247	1.204

TABLE NO 6

The above table shows the compared mean of customers' perception towards permission marketing on the basis of gender. The mean scores of males are higher than that of the females, though there is no much variation between the scores obtained by them. Both categories perceive permission marketing to be interesting and consider permission marketing to be beneficial on the whole.

COMPARED MEAN OF CUSTOMER PERCEPTION TOWARDS PERMISSION MARKETING BASED ON EDUCATION

EDUCATION		AFFINITY	UTILITY	INTERESTING	TRUST	RELIABILITY
Professional Degree	Mean	3.33	3.33	3.33	3.50	3.50
	Std. Deviation	1.033	1.506	1.506	1.643	1.643
PG	Mean	3.68	3.70	3.91	3.68	3.70
	Std. Deviation	1.073	1.153	1.158	1.290	1.212
UG	Mean	3.67	3.68	3.76	3.65	3.70
	Std. Deviation	1.174	1.104	1.232	1.251	1.181
Diploma	Mean	3.25	3.25	3.38	3.13	3.31
	Std. Deviation	1.238	1.183	1.310	1.025	1.250
HSE	Mean	3.60	3.60	4.00	4.20	3.80
	Std. Deviation	.894	.894	1.225	.837	1.095
Total	Mean	3.61	3.63	3.75	3.61	3.65
	No.	150	150	150	150	150
	Std. Deviation	1.134	1.132	1.226	1.247	1.204

(Source: Primary data)

TABLE NO 7

The above table shows the compared mean of customers' perception towards permission marketing on the basis of education. Respondents possessing various education qualifications find permission marketing more interesting in general. Professional degree holders have the highest mean scores for affinity and utility. Those with HSE qualification have highest mean scores for interesting, trust and reliability.

COMPARED MEAN OF CUSTOMER PERCEPTION BASED TOWARDS PERMISSION MARKETING ON OCCUPATION

OCCUPATION		AFFINITY	UTILITY	INTERESTING	TRUST	RELIABILITY
Professional	Mean	3.82	3.68	3.77	3.55	3.59
	Std. Deviation	1.296	1.427	1.270	1.438	1.368
Govt Employee	Mean	3.48	3.52	3.71	3.57	3.62
	Std. Deviation	1.030	1.078	1.231	1.248	1.161
Private	Mean	3.68	3.68	3.93	3.93	3.96

Employee	Std. Deviation	.905	.905	1.016	1.274	1.232
Self	Mean	3.65	3.65	3.85	3.65	3.70
Employed	Std. Deviation	1.182	1.182	1.348	1.182	1.081
Student	Mean	3.53	3.68	3.72	3.47	3.55
	Std. Deviation	1.240	1.185	1.261	1.240	1.260
Housewife	Mean	3.73	3.64	3.82	3.55	3.73
	Std. Deviation	1.104	1.027	1.168	1.128	1.104
Retired	Mean	3.38	3.25	3.00	3.50	3.13
	Std. Deviation	1.302	1.165	1.512	1.195	.991
Total	Mean	3.61	3.63	3.75	3.61	3.65
	Std. Deviation	1.134	1.132	1.226	1.247	1.204

(Source: Primary data)

TABLE NO 8

The above table shows the compared mean of customers' perception towards permission marketing on the basis of occupation. Professionals have the highest mean score for affinity. Private employees, professionals and self-employed equally share high mean scores for utility. Private employees have the highest mean scores for interesting, trust and reliability. While professionals consider affinity to be the striking factor for preferring permission marketing with a mean of 3.82, housewives, students, self-employed and government employees find permission marketing interesting with mean scores 3.82, 3.72, 3.85 and 3.71 respectively. Retired individuals consider trust as the prime reason for choosing permission marketing with a mean score of 3.50. In general individuals engaged in various occupations perceive that permission marketing is advantageous.

COMPARED MEAN OF CUSTOMER PERCEPTION BASED TOWARDS PERMISSION MARKETING ON MONTHLY INCOME

MONTHLY INCOME		AFFINITY	UTILITY	INTERESTING	TRUST	RELIABILITY
Below 10000	Mean	3.53	3.67	3.70	3.49	3.58
	Std. Deviation	1.202	1.149	1.264	1.203	1.239
10000-20000	Mean	3.00	2.60	3.00	2.60	2.80
	Std. Deviation	1.414	1.342	1.000	1.342	1.304
20000-30000	Mean	3.44	3.47	3.36	3.42	3.25
	Std. Deviation	1.206	1.158	1.334	1.204	1.156
30000 and above	Mean	3.80	3.76	4.06	3.88	3.98
	Std. Deviation	1.011	1.068	1.080	1.247	1.116
Total	Mean	3.61	3.63	3.75	3.61	3.65
	No	150	150	150	150	150
	Std. Deviation	1.134	1.132	1.226	1.247	1.204

(Source: Primary data)

TABLE NO 9

The above table shows the compared mean of customers' perception towards permission marketing on the basis of monthly income. Respondents earning an income of more than 30000 have the highest mean for affinity, utility, interesting, trust and reliability.

LEVEL OF BENEFITS RECEIVED FROM PERMISSION MARKETING

BENEFITS	BENEFIT LEVEL	NO.	PERCENTAGE
Relevance	Less beneficial	45	30
	Moderately beneficial	69	46
	Highly beneficial	36	24
	Total	150	100
Monetary benefits	Less beneficial	53	35.33
	Moderately beneficial	49	32.67
	Highly beneficial	48	32
	Total	150	100
Choose the marketer	Less beneficial	52	34.67
	Moderately beneficial	53	35.33
	Highly beneficial	45	30
	Total	150	100
Customization	Less beneficial	54	36
	Moderately beneficial	47	31.33
	Highly beneficial	49	32.67
	Total	150	100
Decision making	Less beneficial	56	37.33
	Moderately beneficial	50	33.33
	Highly beneficial	44	29.33
	Total	150	100

(Source: Primary data)

TABLE NO 10

The levels of benefit have been categorized into three; highly beneficial, moderately beneficial and less beneficial. Customers find permission marketing providing them with more relevant and much useful messages, monetary benefits including special discounts and offers to subscribers, customized information and assistance for making right purchase decisions.

TEST STATISTICS OF LEVEL OF BENEFITS RECEIVED FROM PERMISSION MARKETING

BENEFITS	CHI-SQUARE	DF	ASYMP.SIG
Relevance	102.714	2	0.000
Monetary incentives	100.539	2	0.000
Choose the marketer	99.345	2	0.000
Customization	98.295	2	0.000
Decision making	98.107	2	0.000

TABLE NO 11

H_0 : There is no significant relationship between level of benefit from permission marketing and purchase decision making.

In the above table p value is less than 0.05 and we reject the null hypothesis. There is a significant relationship between level of benefit from permission marketing and benefit level. The levels of benefits have been measured using variables such as subscription facility, convenience, privacy, time saving and improved customer relationship. Thus we can conclude that benefit of permission marketing leads to purchase decision.

7. FINDINGS

- There is a significant relationship between inconvenience level and actions taken against interruption marketing. Respondents feel disturbed by untimely marketing calls, unwanted information not required by them, device storage space consumption, time wasted to sort and filter unwanted messages and other privacy issues. Majority of the customers get troubled by interruption marketing which has prompted them to take actions against it.
- Large proportion of the respondent had opted for unsubscribing the marketing message which constitutes 59.33%. Out of the total 150 respondents 34% have asked the bank officials to stop sending marketing messages. 64% have registered their contact details in 'Do Not Call Registry'. 17.33% of respondents have registered complaints in toll free number and 30% blocked marketing calls.
- The demographical variables show that all categories of individuals irrespective of their age, gender, education, occupation or income perceive permission marketing in a positive way.
- The total mean scores of customer perception attributes such as affinity and utility are 3.61 and 3.63 respectively while that of interesting, trust and reliability are 3.75, 3.61 and 3.65 respectively.
- There is a significant relationship between level of benefit from permission marketing and purchase decision making. Customers find permission marketing providing them with more relevant and much useful messages, monetary benefits including special discounts and offers to subscribers, customized information and assistance for making right purchase decisions.

8. SUGGESTIONS

- Marketers shall ensure that they would continue to send messages only in case of prior consent received from customers.
- Government may ask marketing companies to aggressively and regularly inform Do Not Call Registry features to the customers.
- After sending Do Not Call request, customers are required to wait for 31 days to get unlisted from receiving unwanted calls and SMS. This time period shall be reduced.
- Permission marketing shall be used to maintain better customer relations.
- The grievance redressal cell of the bank may redress customer grievances at the earliest.

9. CONCLUSION

Conventional marketing technique has turned out to Interruption marketing. 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. Majority of the respondents have taken actions against the disturbances caused by interruption marketing. Permission marketing has evolved as a new technique of ethical marketing. The study shows that the parameters such as affinity, utility, interesting, trust and reliability used to measure perception were high enough to acknowledge that permission marketing is truly effective. Individuals categorized on the basis of various demographic variables agree to the fact that they perceive permission marketing to be quite beneficial to them. Most of them prefer permission marketing because it is inclined to what customers actually expect from the marketers. Permission marketing has also helped in making better purchasing decisions. Customers receive relevant information through permission marketing which helps them in making purchase decision. Customers can choose the marketer on the basis of the information provided by them. Customized marketing messages help in enhancing customer relationships and this ensures increased customer loyalty. On the whole permission marketing helps in making the right purchase decision and there has been a considerable increase in the purchases made by customers.

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