CHAPTER 3
PERMISSION MARKETING - A REVIEW OF LITERATURE

INTRODUCTION

Seth Godin coined the term permission marketing in his book – “Permission Marketing: Turning Strangers into Friend and Friend into Customers” (1999). Permission Marketing and Seth Godin have become synonyms of each other. Seth Godin is Former Vice President, Direct Marketing, Yahoo!. Godin founded the first company in the world to put promotional campaigns through internet. He turned this company into the online permission marketing pioneer. Godin has been associated with Spinnaker Software, Seth Godin Productions, Squidoo, ChangeThis, Squidoo etc.

In his book on permission marketing, the author suggests the marketers to pass the advertisements messages to the customers in such a form that is happily acceptable by the customers. The author says permission marketing is useful for the companies of any size. It is useful for not only online but also offline markets. It is useful for not only consumer market but also business market. Permission marketing is the way to make advertising work effectively. The era of traditional marketing will be replaced by the era of permission marketing. Clutter will be the reason for the replacement of traditional advertising. Advertising in TV, magazine, newspapers, websites, billboards, inbox, events etc. disrupt the viewers or readers from their activities in order to get attention. Godin calls it ‘Interruption Marketing,’ with the increment of clutter, interruption gets increased through printing brand names and logo on apparel, enhancing commercial breaks on TV, and adding number of advertising pages in magazines. Increased advertising spending and noise in the advertisements support the increment of interruption marketing. In addition to clutter problem, now-a-days products are available with almost equally fine quality, durability and value. Customers have become less caring. Though, customers keep on getting flooded by

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marketing messages and communications. This includes by the way of junk e-mails, catalogs, unsolicited calls too. Permission marketing is an alternative to interruption marketing. In permission marketing, customers pay attention to the marketing communication as they have opted to be marketed and rewarded with payment or other benefits for going through marketing messages. Customers get ready for marketing messages. The messages do not interrupt the customers. Through permission marketing, marketers create and maintain long-tem, interactive relationship with the customers. There are three characteristics of powerful marketing communication. These are anticipated, personal, and relevant communications. Permission marketing provides the customers for a chance to be marketed willingly.

There are five steps to get permission from the customers. First, marketers can offer incentives to the customers as customer would not be ready to receive marketing communication for free. Second, marketers can take an advantage of customers’ attention by informing them about the company’s offerings. Third, marketers can encourage the customers constantly to continue with their permission. Fourth, marketers try to get additional customer permission. Fifth, marketers change the habits and behavior of the customers to generate higher profit. Permission marketing is a process which can be measured. It is an investment and an asset for the company which uses it. Permission marketing is nearer to new technologies such as Web compared to other marketing methods. Permission marketing is a solution to the failure of Interruption marketing.

Godin suggests five step cycle of getting new customers:

1. Strangers
2. Friends
3. Customers
4. Loyal customers
5. Former customers

Permission marketing begins with shifting focus from market share to share of customer. It necessitates letting off or saying ‘no’ to 70 % of the customers to optimize customer service and to avoid allowing such customers to spoil time and resources of the company. Though, marketers have to use interruption marketing a
little while grabbing the attention of the customers who volunteer for information exchange.

Instead of Reach, frequency helps the marketers well. There are some problems too in frequency related marketing on the other side such as frequency advertisements are costly, boring, and customers ignore or take them wrongly. Permission marketing helps to build frequency. Permission marketing helps rising frequency and frequency builds trust.

There are five major levels of permission described in this book:

1. Intravenous level
2. Points level
3. Personal Relationship levels
4. Brand trust level
5. Situation level

In addition to these five levels, Godin considers Spam as one more level.

There are four rules of permission marketing:

1. Permission is nontransferable
2. Permission is selfish
3. Permission is a process, not a moment
4. Permission can be cancelled at any time

There are some questions of which the Web marketers should try to find the answers such as what the marketers are trying to achieve something measurable? How much does it cost to attract and re-attract consumers to the website? There are some wrong beliefs about web marketing such as marketers take into account the number of clicks or hits on the website. That is not a true measure to judge success of a website. Marketers believe that great website content can help the people to visit and revisit the websites. Marketers, by mistake, focus more on marketing and selling through websites. Instead, they should give more emphasis on technology. Search engines are not so effective to generate websites traffic as believed by the companies. Further, Godin throws light on privacy on the internet. Some companies take care about the
type of information collected by the website? About how these website are using this information? To whom else does the website pass the information? What about the opt-out facility on the web? How the websites manage the customer database? This book by Godin offers case studies on permission marketing on the companies like Kosher, Dreyfus Mutual Fund, American Express, Bell Atlantic, Columbia Record Club, American Airlines, AOL, CyberGold, Value America, Amazon.com, Yoyodyne etc. Customers can end their permission in two ways: completely or partially. In partial break-up, customers specify particular date after which marketers should not send any marketing communication. In other words, at the time of giving permission, consumers specify time slot.

Sandeep Krishnamurthy (2001) analyzed the concept of permission marketing. He presented four models on: 1

1. Direct Relationship Maintenance
2. Permission Partnership
3. Ad Market
4. Permission Pool

The degree of intensity varies from the above models to models. Here, ‘permission intensity’ is defined as “…the degree to which a consumer empowers a marketer in the context of a communicative relationship.”

In Direct Relationship Maintenance model, as the name of the model indicates, the consumer directly gives permission to the marketers or the advertiser to send additional and latest information. It involves low level of permission intensity. Second model – Permission Partnership denotes partnership between the advertisers and a portal. The portals receive permission from the customers to send promotional messages from the advertisers. The portal companies also ask the advertisers simultaneously to send their offers to the portals.

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Thus, the portals become mediator between the customers and the marketers. This helps in increasing website visitors too. However, it involves low permission intensity. Third model is known as ‘Ad Marketers’. This model has high level of permission intensity. Here, consumers give information to agent websites called infomediaries. This information includes details about consumers’ choice, preferences, interest etc. infomediaries find out the matching advertising companies with the consumer preferences. Infomediaries reduce time and cost of both – consumers and advertises. Fourth model is ‘Permission Pool’. Large number of consumer sends their permission to large number of companies to receive promotional messages. The companies create pool of this information and send messages to the customers. When the consumers furnish much detailed information about their choice, the permission intensity is considered to be high. Similarly, low permission intensity indicates less consumer details. But the marketers may have collected detailed consumer information through other ways such as database marketing too. So, low permission intensity from the consumers’ side does not indicate less information with the marketers.

There are three characteristics of high permission intensity:

1. High information quantity
2. High information quality
3. Flexibility in using information

Marketers promise better services to the consumers and consumers become ready to provide high quantity of their details in return. Consumers think that if the quality of information provided is not good enough, then they will not receive relevant messages from the marketers. Therefore, to avoid trouble of junk messages, consumers provide precise information. With increasing permission intensity, consumers also give more freedom to the marketers to use provide information properly. Marketers use breadth versus depth strategy. When the marketers get low intensity with more number of consumers, it is breadth strategy. When the marketers get high intensity from less number of consumers, the marketers are using depth strategy. We can understand this with the help of following graphical model:
Krishnamurthy proposed Conceptual Framework describing the consumers’ experiences with permission marketing. The model was developed to generalize above four models. Consumers feel getting something valuable out of permission marketing participation with the marketers. If consumers find benefits from participation, they will be involved in permission marketing programs. The base of conceptual framework is the interests of the consumers in permission marketing programs. In the direct marketing, the marketers become the initiator of the communication while in case of permission marketing, customers initiate the communication by their willingness and tell marketers what they are interested to know about. When the interest is lost, the permission is lost. Author gave various propositions such as the relationship between level of consumer interests and participation, message relevance, cost, and monetary benefits with consumer interests and so on as given below:

1. Level of consumer participation in permission marketing programs is related with the level of consumer interest.
2. The cost of handling personal information results in low consumer interest.
3. The cost of processing messages results in low consumer interest.
4. Higher privacy cost results into lower consumer interest.
5. Higher category-message fit results into higher message relevance.
6. The relevance of the message is related with the attractiveness of the advertisers.
7. Perception of the monetary benefit is related with the incentive size.
8. Perception of the monetary benefit is related with the volume of messages.
9. Perception of the monetary benefit is related with the time to redemption.
10. Higher permission intensity results into higher information handling cost.
11. Higher message relevance results into lower information handling cost.
12. Better instructions result into lower information handling cost.
13. Higher cognitive load results into higher message processing cost.
14. Higher message handling cost is related with volume of messages.
15. Higher message relevance results into low impact of number of messages in message handling cost.
16. Better instructions result into lower message processing cost.
17. Privacy costs are related with internal assurance.
18. Privacy costs are related with external assurance.
19. Consumer interest in permission marketing is related with message relevance.
20. Consumer interest is related with monetary benefit.
21. Higher message relevance results into lower impact of monetary benefit on consumer interest.

Mukerjee Kaushik (2005) described tried and tested strategies using permission marketing such as seminars, newsletters, Kiosks, portals etc. Companies such as immigration consultants organize seminar and invite target audience. Those who are eager to buy immigration consulting services come to attend these. Customers permit websites to send newsletter because the customers have signed up to receive the newsletters as they are interested in these. Customers can use Kiosks when they need these. This is non-disturbing way of marketing. Using link instead of banners is more of using permission marketing. The author says using permission marketing will

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improve results not using customer mouse traps. Drèze Xavier, Assistant Professor of Marketing at the Wharton School of the University of Pennsylvania, finds that permission marketing helps increasing B2C (Business-to-Consumer) communication effectiveness. The internet has changed the way of doing business. Direct marketing through e-mails is a cheap but effective medium.

Internet marketing expert Susan Sweeney allotted a full chapter on permission marketing in her book – ‘101 Ways to Promote Your Website’ (2005). She considered permission marketing as an 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. She explains that permission marketing is a practice of getting the target market willingly involved in the process. The customers must be offered with something valuable to make them ready to be involved in this process. There are opportunities for permission marketing at the time of every visit made by the target customer, such as making website content attractive, having own specific pages, online seminars, bookmarking, new attractions, calendar reminder services, bulletin boards, conducting surveys and awards, offline promotion etc. The author has given examples of using permission marketing at the time of website visits by the visitors. It can be asking customers to join the mailing list of the company to get intimated about new offers, contests, events etc. Customers show their willingness to receive the information in which they feel interested. Permission marketing helps the marketers not only retaining existing customers but also attracting new ones. Susan described various uses of permission marketing for internet marketing success by combining it with internet marketing tools such as contests, newsletter, online surveys, games, reminders, special events etc. The author mentioned the changes in laws related to privacy on internet and spamming in the U.S. and Canada. Permission marketing is an aid to the campaigns run on internet marketing. Continuous increasing permission from the customers helps the marketers to target their customers more precisely, understanding and satisfying their needs and wants better. It is always more profitable than interruption marketing. It creates better

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company image among the customers and maintain relationship with the customers for longer time.

Don Peppers and Martha Rogers, in their book – “The One to One Future” (2001), suggested the marketers to change the way of treating the customers.\(^1\) Instead of increasing number of customers into the list of the customers of the company, they suggested to increase the list of the things offered to limited customers and thus increase the profit. They explained to focus more on existing customers and generate more sales. To generate more profits from the same customers, it requires longer relationship with the customers. Peppers and Rogers suggest giving importance on four factors while trying to make a sell to the customers. First, increase the ‘share of wallet’ by concentrating on satisfying needs of the customers. Second, cost of customer retention is not as high as the cost of acquiring new customers. So try to maintain long lasting customer relationship. Third, provide variety of products or services to the customers to increase share of wallet. Fourth, get feedback from the customers. More information from the customers helps the marketers to serve more offerings to the customers. One-to-one marketing helps the company to increase the profitability. It starts from the first sale made by the marketers. Peppers, Rogers, and Dorf give four steps for one-to-one marketing – Identifying Customers, Differentiating, Interacting, and Customizing.\(^2\) First two steps are analysis steps while last two are action steps. The company must identify and contact maximum number of customers and gather detailed information about them. The collected information must be checked and updated. Next, company must differentiate the customers. The customers can be differentiated on the basis of value and needs. While interacting with customers, cost and interaction effectiveness are vital in one-to-one marketing. Treating the customer differently is the key to customize. Customizing involves saving customers’ time and company’s money, personalizing direct mail, finding what customers want, etc. To check employees’ views on cultural and organizational analysis of the company as well as customers’ internal and external perception gap, the One-to-One Gap Tool is prepared. Employees and customers are supposed to choose the statements related to processes, technology, knowledge strategy,


partnerships, customer relationships, employee management, and competitive strategy of the company. Customers from business and consumer market exactly want what they want, when they want, where they want, and how they want.\(^1\) Mass marketing and mass production give the customers nothing but too many choices. Companies which aim to give these to the customers must use technology to provide customized goods and services and one-to-one marketing. Mass customization and one-to-one marketing tie producer and marketers in learning relationship. Managers need to understand the difference between variety and customization. There are four components to build learning relationships. These are information strategy, production/delivery strategy, organizational strategy, and assessment strategy. Beckett and Nayak (2008) argue that the exemplary work by Peppers and Rogers leads to *Collaborative Marketing*.\(^2\) Beckett and Nayak call the active collaborator customers as reflexive consumers. Neeraj Arora *et al* (2008) distinguished between two forms of one-to-one marketing.\(^3\) These are personalization and customization. Personalization is initiated by the firm while customization is initiated by the customer. The authors discussed challenges and knowledge gap in understanding choices for firm and customer. Hanson (2000) says, “Personalization is a special form of product differentiation – it transforms a standard product or service into a specialized solution for an individual.”\(^4\) Gilmore and Pine (1997) distinguish between two types of customization – customization of the marketing message content, and customization of marketing message targeting as in permission marketing.\(^5\)

Gulati and James (2005) identify four stages of customer focus for the companies which want to get close to their customers.\(^6\) Authors list the changes which are necessary for the organizations to move from one stage to the next. These stages are: communal coordination, serial coordination, symbiotic coordination, and integral coordination. First stage is about creating a centralized repository by recording each

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customer interaction and establishing coordination infrastructure. Second stage of serial coordination is about inferring from collected customer information. Here, tasks to be performed by organization units are managed and information is analyzed. The result is shared with all the function of the organization. In third stage of symbiotic coordination, future behavior of the customers is anticipated using past customer interactions. It involves tracking the list of customers who are likely to switch to a competitor, who are likely to buy new product or service, who have credit risk etc. Fourth stage is responding customers’ need in real time. Companies require coordinating at every stage.

S. F. Allen drew a line between permission marketer and direct marketer.\(^1\) Marketers have got to know the difference between these two and using direct marketing or permission marketing or both. 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. Though customers will be ready to buy the forced products once or twice for a short period of time, they may not prefer over long run. By using force, marketers will lose positive long term marketing results. The base of permission marketing is trust. Ultimately the trust gets converted into profit. Marketers must know how to use this profitable methodology of permission marketing. Allen said permission marketing is a fine blending of conventional branding and consumer behavior with modern internet marketing techniques. As described by Allen, three pillars of permission marketing are: First, cutting through clutter. Second, empowering customers with choice. Third, shifting power of decision making to marketers. While practicing permission marketing through email marketing, the connection among the marketers, the advertisers, and the customers is established. Customers eagerly pay attention to such marketers who use permission marketing messages. Moreover, the comparative revenue earned through permission marketing is higher than that of direct marketing over time. Permission marketing has stronger ability to rise among the clutter and get more attention. In a way, customers are handing over powers in the hands of the marketers to take some decisions up to

certain extent and the marketers cannot hold and continue this power if they fail to win the customers’ trust. Permission marketing is long-run strategic investment for the marketers. Ansari and Mela (2003) state that customized communications can mitigate information overload and help customer decisions. They developed statistical approach for information customization on internet and applied model to permission-based e-mail marketing. It is possible to increase click-through rates with the help of content-targeting approach.

Bessen, Jim (1993) describes that to create computerized customer information system is expensive and difficult. Marketing has become harder due to increasing market segments and the products. Manufacturers remain in fix as to what to produce. Buyers have to select among the number of products and the advertisers have to select among many segments and many products. New information system differs from traditional one on the basis of scale of the database, depth of information, and degree of information use. Companies such as The Great Atlantic & Pacific Tea Company (A&P), R. R. Donnelley & Sons, and Fingerhut have used this. Companies need broad customer information system as market demands targeted marketing communications. Consumers’ demographic and psychographic information should be used to understand what consumers want and for how much. In the industries like supermarkets, information overload creates information crisis for manufacturers and managers. Hagel and Rayport (1997) observe that customers take control of their information. Infomediary companies can work as custodians, agents, and brokers of consumer information. On behalf of the customers, they can market it to the companies. Companies must think which type of information they are collecting from the customers, when, and how they are going to use the information.

Lee Byung-Kwan and Lee Wei-Na investigated effect of information overload on the quality of consumer choice online by combining traditional and structural

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approaches.\textsuperscript{1} They measured customers’ satisfaction, and confidence. Consumers get too much information on number of products from different parties such as manufacturers, retailers, internet intermediaries etc. How well the product information is presented to the customers and how they process the information may decide survival and profitability of the companies. The authors found that effect of information overload on consumer choice can be well predicted by attributes like quantity and level distribution. Online information overload generates less satisfaction, less confident, and more confusion among the customers.

Grassfield Max (2000) developed the strategy for retailers, called Invitational marketing.\textsuperscript{2} It was developed on the nation that “Business goes where business is invited.” Invitational marketing is inviting customers to give opportunities to satisfy their needs. He said that this invitation must be made with personal, written note instead of through impersonal direct mails. He took advertising as one-way communication. Advertisers must communicate with the customers rather than counting them as the customer figure. Customers are part of the society of the marketers. Along with other reasons, one of the reasons behind losing customers is not treating them with value. He noted Reichheld and Sasser (1990) relate increasing profit with longer customer relationship. A unique thing about his company was that they knew their customers better than their competitors did. His company collected information from voluntary customers for around ten years. They collected details regarding customers’ buying patterns, personal data, sales record etc. They have their own concept of sending individual customers a personalized message with the salesperson’s signature. In 1992, they developed their own customer relation database software, which is copyrighted and registered as invitational marketing. They offered the incentives to the respondents of the messages sent to their customers to measure how much effective it was to send personal message. Customers always like to visit the place where the marketers know them by their name.

\textsuperscript{2} Grassfield Max, Invitational Marketing, \textit{Coloradobiz}, 1\textsuperscript{st} Mar 2000.
Deighton *et al* (1996) predict the future of *interactive marketing* and see a shift in marketing practices from broadcast marketing to interactive marketing.\(^1\) Factors such as direct marketing, database marketing, e-commerce, sales force management, WWW etc. are forcing to reshape the marketing discipline. Mass marketing is becoming more customized and more responsive to the customers. Authors explain interactive marketing with reference to conversation with an ability to address and remember individual’s response.

Jon Ingall, Managing Partner at Archibald Ingall Stretton, gives reasons for permission marketing being the biggest issue.\(^2\) The author refers to a pitch on mobile media in emerging markets such as China and India. Mobile phone will become an important medium for marketing communications in China and India as internet access though land line phones will become not so flexible. Mobile marketing communications are less expensive, having enormous reach and compact. Ingall suggests industry to be careful to use direct media.

Kumar *et al* developed a new way of predicting the customer behavior, taking base of Daniel McFadden’s work.\(^3\) The authors developed a multivariate formula i.e. *Likelihood Function*, which accurately compute purchase and timing probabilities with the help of software like MATLAB or Gauss. This helps the marketers to target certain customers with certain products only and save cost of communicating the ‘to-be-excluded’ customers to increase Return On Investment. It shows how to use the data to find out which customer wants what and when. System such as CRM should be used to predict which customer will buy what and when using past buying behavior of the customer. The authors look back at the traditional methods that companies use to predict the customers. Marketers estimate two probabilities - about a product and about purchase time. Communicating too much or too little, both make customers restrain from purchasing.


Carroll, Barnes, and Eusebio see tremendous growth for Mobile Marketing area of m-commerce in the next five years. They explored consumer's perceptions and attitudes towards mobile marketing via SMS through a sequential, mixed method investigation. They identified four factors viz. permission, content, Wireless Service Provider (WSP) control, and the delivery of the message. It was proved that all these factors have a significant impact on mobile marketing acceptance. A revised and empirically tested model of consumer acceptance in Mobile Marketing was developed. The findings suggest that marketers should be optimistic about choosing to set up mobile marketing, and should be careful about the factors determining mobile marketing consumer acceptance.

Karjaluoto at el. conducted an online survey and tested a theoretical framework investigating customers' intention to involve in permission-based mobile marketing communications with a firm in the hospitality sector and the effects of gender. They found that perceived usefulness, perceived ease of use, and perceived trust affect attitude toward advertising and intention to engage in permission based mobile communications with a firm. The study found that compared to men, women have a stronger relationship between mobile marketing communications with intentions to visit and actual visits. Hospitality operators should be able to use permission-based e-mail marketing for sales promotion communications. Getting customers’ permission to contact them for advertisements is in the benefit of the company. Authors conducted a study of Perth (Australia) based hotel’s permission marketing practice. The hotel developed following 2 X 2 matrix for testing relevance of e-mail subject line and personalization of promotional message:

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Result showed that the hotel received responses to the personalized e-mails in opt-out forms, not for visiting the website. Authors suggest that front-desk staff of the hotel needs to be trained for handing promotional messages. Moreover, other media such as mobile phones should be studied with reference to permission marketing campaigns.

David Reed says permission marketing has become just a matter of legal compliance by the companies rather than providing opt-in or opt-out options. The author refers to the research by the Office of Information Commissioner, stating that for consumers’ most important issues are education, crime, and personal information protection at last. More than 50 % customers of well-known brands have opted out. Companies do not have permission to contact them. Permission is seen as soft value. Companies fail in rewarding the employees who increases the permission level of the company. The author quotes Louise Ainsworth, Managing Partner, OgilvyOne. She says sales-driven culture of the companies with targets and products to sell is a part of a problem for not using information given by the customers. Involving customers and their view and comments is the next level.

1 Reed David, Permission Impossible?, Marketing Week, 20th July 2006, p 39.
Following reviews show how literature in integrated marketing communications components such as advertising, direct marketing, personal selling, electronic marketing, sales promotions etc. is related with the theory and practice of permission marketing:

### 3.1 Advertising

Kenny and Marshall (2000) note that new technologies will help the businesses to approach the customers whenever and wherever the customers are ready to make a purchase. Companies using banner advertisements and other internet marketing compared to offline media, have 1.5 to 2.5 times higher customer acquisition costs. The analysts forecast that Amazon.com retains each customer for as long as 12 years. The authors predict that in three to five years, internet will be accessible from anywhere. They call it Ubiquitous Internet. Marketers will be able to reach customers anytime, any day, anywhere. Marketers will have to change their strategies. Marketers will be required to focus on context rather than on content, use technology that will tell marketers when they are required, and they should be presented when and where the customers is ready to buy. Today, website is the prime tool for attracting the customers and developing customer profiles but in future, the websites will become a small part of wider digital marketing platform. Authors suggest new corporate agenda for companies such as becoming valued partners for the customers by anticipating and meeting real needs of the customers, using database marketing and direct marketing, quickly mastering upgraded technological skills, using contextual marketing etc.

Barnes Stuart J and Scornavacca Eusebio investigated the weighting of specific criteria in the consumer's decision to opt in to a mobile advertising campaign. Authors analyzed the decision hierarchy for 111 respondents. They tested significant differences between the global priorities of various groupings. Results of the study demonstrate significant difference between the decision-making criteria of groups by

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income, gender, average volume of advertising messages received and the influence of mobile advertising on their previous purchases.

3. 2. Direct Marketing

Technical definition of Direct Marketing: “Direct marketing is the planned implementation, recording, analysis and tracking of customers’ direct response behavior over time to derive future marketing strategies for developing long-term customer loyalty and ensuring continued business growth.”¹

Firms such as directmarketing (UK) offer postal and e-mail addresses of managers of all the departments of almost all type of industries of UK.² According Drèze Xavier Direct mail is the largest and e-mail is the second largest marketing vehicle. Rogers (1996) examined trends in mail advertising from a study of The U.S. household mail communications inspecting how consumers feel, perceive, and respond to the advertising mail received by them.³ Results show that households with higher income received more advertising mail. Compared to the mail addressed to occupant or residence, the mail addressed to household members fetched better and higher response. Receivers gave more response to the mail from non-profit organizations compared to the mail from business organizations. For successful campaigning through mail, testing and quality database are better alternatives. Advertisers should make mail more relevant to the mail recipients. Some advertisers have related radio advertisements and television commercials with mail campaigns. It is important for the consumers that they get less clutter, appropriate type and timing of mail, and ability to respond these in the way they want. Telemarketing and teleselling are part of direct marketing. Following is the difference between these two:

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² www.electricmarketing.co.uk
Table 5  Difference between Telemarketing and Teleselling

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<thead>
<tr>
<th></th>
<th>Telemarketing</th>
<th>Teleselling</th>
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<tbody>
<tr>
<td>Controlled message</td>
<td>Individual communication</td>
<td></td>
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<tr>
<td>Structured scripts</td>
<td>Operator’s own method</td>
<td></td>
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<tr>
<td>Variety of objectives</td>
<td>Objective to sell product/service</td>
<td></td>
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<tr>
<td>All results collected and analyzed</td>
<td>Measurement haphazard – only sales</td>
<td></td>
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<tr>
<td>All parameters testable</td>
<td>Impossible to test elements</td>
<td></td>
</tr>
<tr>
<td>Possible to plan and integrate with other media</td>
<td>Stand-alone</td>
<td></td>
</tr>
<tr>
<td>No commission paid</td>
<td>Commission paid</td>
<td></td>
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</tbody>
</table>

(Source: Stone, Davies, and Bond, *Direct Hit*, MacMillan India, 1998, p 176)

Taylor *et al* conducted a survey among Japanese and the U.S. university students to check the impact of Japanese communication and Japanese culture on attitudes toward direct marketing and its regulation. The results suggest that certain types of direct marketing messages are less effective in Japan than in the United States. Further, willingness by Japanese respondents to support regulation of direct marketing practices is greater. The authors discuss managerial implications of the findings for multinational marketers and advertisers. They suggest public policy implications for direct marketing in Japan.

**3. 3. Personal Selling**

Dhawan Radha (1999) relates permission marketing with personal selling by defining permission marketing as “…*when companies take prior permission from customers to make their sales speech.*” The author lists the companies which have adapted permission marketing concept. These are Hindustan Motors, Bose Audio System, Asian Paints, JK Tyres etc. Direct marketing is different from Permission marketing in a way that the former focuses on sales while the latter focuses on creating awareness.

**3.4 E-mail**

Bluestreak, a digital marketing technology provider firm conducted a survey on attitudes and levels of adoption towards RSS (Rich Site Summary/RDF Site

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Summary/Really Simple Syndication, SMS, Blogs, message boards, and podcasts among 1000 respondents in the UK and the US. The research showed that in the US, e-mail has 100% adoption while podcasts and RSS have 36% and 28% popularity respectively. Survey found that the respondents opened one out of every three permission-based e-mails. The Click-Through-Rate was 83%. The survey says that e-mail marketing has an uncertain future. SMS have second highest rate of adoption among the respondents. The adoption rate is 95% and 88% in the UK and the US respectively. Rowley (2002) summarized effective e-mail communication tips. E-mail communication should be relevant and targeted. Recipients are likely to dislike junk e-mails. Marketers can use customers’ past purchase record to filter list of the customers to whom communication is to be made regarding new offers and new products. Routine e-mails should be avoided. E-mails should be sent only when there is something new and important for customers. Customers must find contact details of a person in case customers want to respond. E-mail without response contact details should not be sent. Setting auto-response e-mail without compromising personalization is advisable. Convenient opt-out feature must be provided so that recipients can stop receiving further e-mails. Training is required for customer service agents to understand effect and legality of e-mail correspondence. Customers must expect a reasonable date and time by which the company would respond.

3.5 Sales Promotion

Changchien et al noted that Electronic Commerce and internet have changed the way of connecting and dealing with the customers by the companies. Space and time barriers are removed. Due to low entry barrier and severe competition, attracting and retaining new customers over internet has become challenging. In this research authors have proposed an on-line personalized sales promotion Decision Support System consisting marketing strategies, promotion patterns model, and personalized promotion products. Authors developed a prototype system to show how on-line personalized promotion Decision Support System works in electronic commerce.

1 "Email is Most Acceptable Channel for Permission-Based Marketing", NMA, 9th Nov, 2006, p 9.
Premiums are used for sales promotion in direct marketing. Speed of customer response is vital in sales promotion other promotional tools for sales promotion are free samples, joint promotions, coupons, cash refunds, loyalty programs, sweepstakes, free trials etc. As seen above in the case of Australian hotel industry, handing effective sales promotion campaign using permission marketing requires training the staff.
Chapter Bibliography

Books

Journals/Magazines


Websites