Chapter V

A Synthesis and Analysis of Behavioral and Policy Issues in Electronic Marketing Communications

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Abstract

Marketers now use numerous electronic communication vehicles in which the collection and use of personal information can influence the development of relationships between firms and individual consumers. However, the level of acceptance of the collection and use of personal information varies among consumers, and many consumers are unaware of the details of this process. This chapter provides an interdisciplinary synthesis of recent research concerning emerging electronic marketing communications. An overview of relationship marketing is followed by an exploration of how different levels of marketing information acquisition and integration impact...
consumer perceptions and behaviors. Then a discussion of recent legal and policy issues related to online privacy is followed by implications of electronic marketing communications and online privacy concerns on perceptions and subsequent customer relationships.

Introduction

Within the span of only a few years, marketers have witnessed an explosion in the number of available electronic communication vehicles. These new media channels include the firm’s Web site, directed online advertisements placed on Web pages, commercially oriented e-mails, text messaging, and direct communication to mobile devices (i.e., smart phones and personal digital assistants [PDAs]). In each of these communication medium, the collection and use of personal information can influence the development of relationships between firms and individual consumers. Firms that seek to differentiate themselves from the competition and better target their messages must collect and use personal information.

However, a consumer’s level of acceptance of the collection and use of information falls along what has been called an intrusion continuum (Petty, 2003), with some individuals advocating a right to privacy and are strongly opposed to any information collection processes while others appreciate that personal information use is a prerequisite for improved service and value. Firms tend toward the latter perspective and consider consumer information as a resource to be used not only internally but also to be shared with third parties. Internal use allows integration of seemingly disparate customer information into meaningful user profiles, which are used to develop highly personalized communications. Businesses collect information with consumers knowingly providing the information (i.e., through filling out online forms) or unknowingly (i.e., online behavior tracking, use of store loyalty cards) providing information to businesses. Yet individuals are often unaware of how the information is to be used, how accurate the information is, and who will have access to the information.

In this chapter, we provide an interdisciplinary synthesis of recent research concerning emerging electronic marketing communications (i.e., Internet and mobile device enabled). First, we present an overview of relationship marketing, emphasizing how trust, a key antecedent of successful relationships, is influenced by marketing communications. Next, we explore how different levels of information acquisition and integration used in electronic marketing communications impact consumer perceptions and behaviors. Third, we provide a discussion of recent legal and policy issues related to online privacy. Last, we provide an analysis of the extant literature and suggest implications of electronic marketing communications.