Incentives & Freebies as a Moderator for Opt-In E-Mail Acceptability

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ABSTRACT

The inexpensive and extremely popular nature of e-mails with a large number of people using it on a daily basis has resulted in indiscriminate exploitation of the medium by spam senders. In order to control the menace of spam mails, governments of many countries have come up with strong preventive laws. This makes opt-in e-mail marketing a focus area as overcoming legal hurdles is necessary in running any e-mail marketing campaign successfully. Marketing e-mails can be seen as an interactive tool to get relevant external information. But consumers weigh costs and benefits arising out of adopting any particular method of information search. Positive perception towards cost-benefit arising out of marketing e-mails can result in permission opts-in from consumers. Extending the idea of cost-benefit perception, the study uses various incentive conditions to find the moderating impact on the relationship between willingness to receive commercial e-mails from mobile handset marketers and consumer involvement conditions for the same. The planned hypotheses were tested by conducting a questionnaire among 105 post-graduate students studying in two colleges. The results indicate limited ability of incentive conditions to function as a moderator between involvement and willingness. The paper contributes towards the advancement of research in this area and provides useful insights for campaign planners as well.

Keywords: Consumer Involvement, Incentives, Moderator, Opt-In E-Mail Marketing, Permission Marketing

INTRODUCTION

E-mail, as a communication format, has emerged as one of the most popular electronic messaging services in the recent decade. According to one study done by Nielsen, on an average 45% of the total time spent online is consumed for checking, sending, and receiving e-mails (Admire Moyo, 2012). The study investigates young college going consumers and interestingly, it was found that most of them were daily users of e-mail services.

The IT infrastructure that provides fast Internet services is growing. Gradually, the cost of using Internet is coming down. Increase in easy access and low cost of Internet contributed towards wider adoption of e-mail messaging services. Consumers have developed required
behavioral skills to use e-mails aptly. E-mail marketing volumes are moving up due to its low cost and high ROI. According to a report “US Email Marketing Volume Forecast, 2008 To 2013” (Katz et al., 2008) from Forrester Research, Inc., it is expected that in US number of marketing e-mails would reach to 838 billion by 2013.

Mobile handset sales figure in India has achieved new records. The record growth rate in mobile phone services happened due to declining price of handsets as well as call rates. More and more young people are hooked to smart handsets. Mobile Handsets are becoming a prominent fad among young college going people and they feel enthusiastic to buy newer handsets with better features. Driven by strong uptake of smartphones, mobile phone shipments to India grew by 10 per cent to 183.4 million units in 2011 against 166.5 million units in 2010, says a study done by CyberMedia Research (2012).

Newer mobile handset models carry unique technical features. A customer needs to understand those features in order to make wise purchase decisions. As stated in The Economic Times (PTI, 2012), “in 2011, the India smartphones market witnessed the launch of 150 models by over 30 vendors.” Media has created mobile handset experts who provide guidance to the public on television channels and newspapers regarding features and suitability of mobile phone models. The successful continuation of expert guidance based programs on television and editorials in newspapers demonstrate the usefulness of external information search for mobile handset consumers.

Smart mobile handset models provide Internet enabled features and experiences and thus e-mail format becomes a useful method of reaching to the potential repeat customers for promotional purposes. Proper use of latest smart mobile handsets requires basic Internet skills. Needless to mention that a person with basic Internet skills tend to have e-mail addresses. It makes e-mail a possible format for sending promotional messages.

Recognizing that e-mails are accessible on smart handsets and cost of owning and using them are coming down, the paper attempts to investigate the possibility of using e-mails as the media for marketing campaigns of mobile phone handsets. The main objective of the study is to investigate if incentives and freebies have a moderating impact on relationship between consumers’ willingness to receive commercial messages from the mobile handset marketers and consumer involvement conditions.

BACKGROUND & PURPOSE OF THE STUDY

With increase of popularity of e-mails and due to its inexpensive nature many marketers had used it in exploitative way. It resulted in the problem of huge amount of spam mails causing clogging of Internet, frustration among users and financial and other type of losses for the IT infrastructure providers. Further irresponsible users of e-mail damaged the interest of responsible direct marketers as well.

With increased regulation and technical capabilities it has become possible to thwart spam mails to a great extent. E-mail service providers have provided the users with the option of designating a particular mail source as spam source; they also have established technological systems to filter mails of suspected spammers and alongside they provisioned the system of junk mail box to filter suspected spam mails.

Governments in different countries (including U.S., UK, etc.) have come with laws to prevent spam senders. Laws state that receivers’ permission is mandatory for sending commercial messages.

During December 2003, in UK opt-in was made essential for e-mail marketing, under the Privacy and Electronic Communications (EC Directive) Regulations 2003. US made similar enactments under Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM Act of 2003). Many countries have similar enactments to prevent unsolicited commercial e-mails. As governments of various countries have made laws to prevent unsolicited commercial e-mails, the concept of getting permission in the context of
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