



Permission marketing at the Digital age: Privacy concerns of Indian Consumers: A Study

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Abstract

The study examines the awareness level among consumers about permission marketing, how they perceive the advertisements through SMS and other digital media. With changing scenarios and increasing challenges, the need for informed marketing with the customer stands a high time prerogative. Permission marketing stands as a boon to the marketers' ordeal. Similar to sciences, marketing concepts, require a discipline. In the pathway to such informed marketing techniques, privacy is a critical path that attracts high levels of caution. Indian customers are different. Blending permission marketing with the regular marketing concepts and keeping critical privacy concerns away from the minds of the customers is an art in itself. The study envisages to look at few critical aspects. Firstly, the pattern of Permission Marketing implemented by the electronics niche is studied. Secondly, the privacy concerns projected by the consumers are attracted and analyzed. Thirdly, the reasons for such contradicting effects are analyzed. The study, at all its spheres upkeeps the Indian Buying attitude and throws light on the aforesaid critical concepts with the Indian customers and buyers behaviour in the mind

Keywords: Privacy, Permission Marketing, SMS Advertising

1. Introduction

Permission-based-marketing has become a sine qua non, in today's context. Its necessity has come to light owing to heightened customers' complaints on spamming advertisements and other bulk communication services offered. In the contemporary customer centric business era, the primary responsibility of the market is to discern whether the facts and information sent to the customers are beneficial, advantageous, welcomed and greeted by the customers. Most of the time, the information regarded as extremely important by the marketers, has an unwelcome note from the customers' end. The customers may be interested to know more about such information later or when there is a demonstrated need. So, understanding the customer's mindset is a philosophy to be mastered.

In 2017, the Apex Court of India pronounced a new precedence in Justice K.S.Puttasamy vs Union of India, stating that Right to Privacy is a fundamental right under Articles 14, 19 and 21, Constitution of India. Individuals, however, leave a visible trace of his private data while cruising in the digital world. Personal Data Protection Bill (PDPB) that is introduced in December 2019, based on the report of Justice Sri Krishna Committee, on personal data protection, intends to protect and safeguard individual's privacy rights by controlling the collection, security, storage, sale, and exploitation of these data.

With the New Media in phase of communication, consumers are no more reluctant on marketing information and they do ab initio, follow the company. While the expectation quadrant of the consumer has shifted from customer centric approach to the choice extended by the consumers exercising their consent to choose what they are marketed to.

The understanding that personalized messages in which customers are greeted with their names and focusing on requirements keep the business gain an edge. But there are certain limitations, while utilizing the customer's personal information. Flushing messages that hit the customer's private/personal interest

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through messages or social media might attribute to sheer intrusion into privacy. Permission Marketing is a panacea suggested by Seth Godin (Godin 1999), where the product advertisers involve the customers to select what information they use and how much.

1.1 Research objectives

- To know the awareness among consumers about Permission Marketing and its related concepts
- To understand the level at which the consumers perceive advertisements through SMS and permission
- How consumers are willing to give permission
- To explore the ambit of awareness of the legalities in this evolving area in India

2. Literature Review & Hypotheses

Permission marketing (Godin 1999) has put forth that marketers should obtain the permission of the customer's while sending messages about their market. Typically, permission marketing is of two types, such as, opt-in and opt-out marketing. Opt-in marketing infers company's obviously asking permission from customers, generally when a customer intends to create an online account. Opt-out marketing usually infers to corporations sending messages related to promotion of their products or services to customers without requesting their permission, including the initial message. The main attributes of permission marketing are "anticipated, personal, and relevant" (Godin 1999, p. 40). In comparison with spam, a permission-based message is anticipated, and customers trust its sender (we believe that customers won't join the firm's e-mail program within the first place if they are doing not trust the firm). Firms can personalize the marketing messages consistent with customers' specific interests, which customers can indicate at the time of their opt-in decision.

Privacy is defined as "the prerogative of an individual to filter their personal information held by other parties" (Chaffey, 2003, p. 146). Dickinger et al. (2005) opined: "The telephony gadget cannot identify the difference between spam and original communication instantaneously automatic." In a research conducted among an age group of 16 to 30 years in the US, it is demonstrated that 51 percent of respondents were "very highly satisfied" and 42 percent were "fairly satisfied. But, the volume of ads received and the attitude towards direct marketing are inversely related (Phelps et al., 2000). If the consumer is disturbed during his routine activities, the brand image is almost certainly affected (Hoyer and MacInnis, 2004).

The noteworthy violations of privacy, while acquiring relevant information are demographics and purchase-data disclosure without consumers' consent, click stream patterns and browsing history, and physical location and purchase context (for example, via GPS – the global positioning system). For this reason, the notion of control over the wireless service provider (WSP) is important (Barnes and Scornavacca, 2003). In the UK, under Privacy and Electronic Communication Regulations, permission is a prerequisite for SMS ads, as is opt-out and data protection from misuse and inaccuracy.

3. Research Methodology

3.1 Method

In order to address the key research objectives, this research used both qualitative and quantitative methods and combination of primary and secondary sources. The first stage of the research methodology addresses the literature synthesis of factors impacting on consumers' willingness to grant permission to receive advertisements through SMS and other sources. The second stage is an investigation of consumers' perceptions and awareness of Permission based marketing. The third stage is to explore the legalities existing with respect to Permission based marketing in India.

3.2 Stimuli Development

In order to nail the independent variables, conventional wisdom discussed in marketing commentaries is referred to. The study is a structured questionnaire and given through personal emails and digital mode.

3.3 Study participants and procedure

The data collection is administered through survey links sent to select customers. The primary data was obtained from the electronic showrooms in the locality. A list of recent customers was collected and they were grouped according to the value of their purchase. All the consumers were placed in order to identify low to high value of purchase. From the clusters created every fifth person was selected and the questionnaire was administered. Among 424 samples collected, 381 valid samples were selected for the study, based on the points that “all questions were answered”, there was no internal contradiction”, etc...

3.4 Independent variables

The demographic data and the fact check questions on the need for frequent changes in electronic gadgets from an electronics store and his need for such revisits stands are seen independent variables. The independent variables are determined at a conceptual level that no concerns specifically analyzed in this study changes the facts or responses of the facts that are proposed as independent variables

3.5 Dependent Variables

Dependent variables cover all the variables that are affected by the facts specified in the study like the feeling of privacy intrusion, the change in buying behaviour, perceptions and perspectives analyzed thereby, etc.,

Questionnaire

A questionnaire with 62 items, mostly a five-point Likert scale to rate the respondent’s attitudes, opinions, and behaviour (where 1 - strongly disagree, 3 - neutral, and 5 - strongly agree), is deployed. The questionnaire used various descriptive items and eight scenarios in a similar manner to Carroll et al. (2005). Descriptive items included demographics, uses of text messaging, attitudes toward SMS ads and sources of SMS ads, contract and opt-in requirements, personal information and privacy, and preferences for information received. This aspect is shown in the analysis of the eight scenarios below.

- Clicking “I agree” behaviour
- Awareness of Permission Granted
- Participation in the marketing agenda
- Frequency of being Spammed
- DND list
- Prevention of digital advertisements
- Awareness on privacy and its legalities
- Awareness on privacy being infringed

Data Analysis

The study is designed to use both primary and secondary data. Primary data is to be collected through questionnaire with 381 respondents. The questionnaire is to be distributed to a consumer base for electronic products. This survey is set to be conducted at popular hubs of digital/electronic products selling shops and limit with electronic gadgets like mobile phones, TV, Phone Accessories, Laptops, and their allied services. A simple random sample is planned to identify a minimum 381 sample respondents based on the population calculated.

A simple chi square test, correlation and ANOVA represents the results

Study Implications

The study navigates towards three zones of implications. Firstly with respect to Consumers, Secondly to Business Organisations and thirdly to Policy Makers. Speaking about the consumer, the study zooms in into the awareness levels of consumers on Permission Marketing and scans their minds to identify whether they are cognizant that what they have given is Permission or elucidates “I agree” behaviour. At this zone the study dives to identify whether consumers are aware that they are carriers and they act as a marketing vehicle by clicking “I Agree”. The study details into privacy concerns and awareness among the

consumers. Secondly, while focusing at the Business Organizations, the study focuses to suggest few guidelines on following ethical behaviour towards handling consumer data, without peeping into their privacy and without exploiting the data.

Thirdly, the study attaches a brief outline on the role of the policy makers and involves them to cater towards the right legalities to protect the interest of business organizations, without intruding the privacy concerns of the consumers in India.

4. Conclusion

Personal concerns and marketing concepts contradict at times. Solutions presented are often simple, yet sound. Permission marketing is one such a think tank solution. But the psychology of the Indian buyer has proven different. Clicking “I agree” behaviour, awareness of Permission Granted, Frequency of being Spammed and awareness of such frequency of being subjected to messages, Awareness on privacy and its legalities, Awareness on privacy being infringed are the prime pointers that make Indian customers unlike other customer. Solutions to such a complex buyer psychology shall be multifold. Permission marketing should happen in a different fashion here. Conditions and critical pointers like the frequency of giving advertisements shall be explicitly given while obtaining permission. Every message shall possess a way to opt out. The legal framework should get stronger and privacy awareness should be socialized. A de rigueur regulation shall apply as a panacea.

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