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Whistle-blowers of Customer Privacy

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Abstract

The study examines the issues of SMS/Email marketing campaign and personal selling and the way they violate customer privacy. Several legal measures have been taken to mitigate them still they persist and continue to irritate customers in one way or the other. Gaps that need to be fulfilled in order to mitigate the issues are obtained. Opinions regarding ways to overcome those gaps are obtained from people of different walks of life, who definitely have been subjected to those issues. Suggestions based on the opinions are put forward in the study.

Key words: Spam, unsubscribe, CPRF, melatonin, malicious, QR code, NDC

1. Introduction

In this world of cut-throat competition, in order to attain a competitive edge, every marketer aspires to increase the customer base by taking several marketing strategies and adapting several channels to launch their marketing campaigns. Amongst them SMS/Email marketing and Personal selling are the best in terms of Return on Investment (RoI). Marketers intend to engage the customer to their products and services; however, they end up doing them in a way that is unsuitable to the customer. This in turn affects customer privacy and give them a negative perception towards such campaign and the company.

2. Aim

To reduce customer privacy issues due to unsolicited marketing methods namely SMS/Email marketing and personal selling.

3. Objective

- To study customer privacy issues as a result of Email/SMS Marketing and personal selling.
- To study the existing mitigation measures of these issues and identify the gaps.
- To suggest methods to overcome these gaps in mitigation of the above stated issues.

4. Literature Review

4.1 Issues of Email Marketing

- **Spamming the Email Inbox:** Companies push Emails to the customers thinking that they will get interested in them. Instead, rigorous updates ultimately exasperate the customer and they mark such emails as “spam” (Baer, 2019). It affects his smooth functioning of life schedule. There is no law to protect such practices as it forms part of duty of the company.

4.2 Issues of SMS Marketing

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- **Spamming of SMS Inbox:** Companies' marketers send SMS's without prior permission of the customer. On top of that they send frequent messages which floods the inbox and slows down the processor (Amin et al., 2011). It deprives the customer from doing important work. The CPRF provided by TRAI allows customers to block commercial communication messages (Trai, 2018). SMSs from various sources, makes it difficult for the customer.
- **Flash messages:** Flash messages are impromptu messages sent by companies which forces the user to read it while disturbing his ongoing activities. There are no established methods to mitigate it.

4.3 Issues common to Email and SMS Marketing

- **Sending Emails or Messages at the Wrong Time:** Companies send Emails/SMSs during personal hours of the customer which is equivalent to encroaching upon his personal hours (Amin et al., 2011). It disgusts him and often leads him to abandon his phone; leading to miss out essential messages from family, friends or office. There are no existing laws/acts to prevent it.
- **No "Opt-Out" Option:** Emails/SMSs are sent to customers without having any "opt-out" or "unsubscribe" option. This forces the customers to receive the message without caring for his wish. Thus the campaign turns out to be a matter of disgust. Senders of such SMS/Email can be blocked but number of sources of them is a concern
- **Health Issues:** SMSs/Emails are sent throughout the day and people are already exposed to mobiles/laptops a lot for their work. Exposure to blue light emitted from these devices, reduces the release of melatonin which results in improper waking/sleeping. It results in sickness like overweight, diabetes, malignant growth and coronary illness (Djalovic, 2019). The marketing campaign in turn deprives the customer of living a healthy life.
- **Improper Call to Action:** Marketers redirect customers with hyperlinks present in their SMSs/Emails. They extract personal data of customers which are later used for different purposes. The Consumer Protection Act (2019) punishes activities like "false advertising" and "false guarantee" (egazette.nic.in, 2019). Due to unawareness, customers often don't complain about these activities which is the prime reason for continuation of these issues.

4.4 Personal Selling

4.4.1 Direct Selling

- **Arrival at Improper Hours:** Sometimes the sales representatives knock the doors of customers when they are busy. The customer has to entertain the representative in spite of his will. Though it may not exactly be a breach of customer privacy but it irritates/infuriates the customer. It leads customers to hold a bad notion about the company. There are no laws to prevent it as it falls within the representatives' right to sell.
- **Illegal Acquisition of Customer's Personal Details:** The sales representatives often acquire the credit/debit card details, personal data and sell these to other sources without the knowledge of the customer. It comes under the Data Protection Bill (2018) under the head "Illegal usage of credit card data". The activity is punishable by law (meity.gov.in, 2018). Companies use those data for malicious activities, to push messages or call. The data are acquired without consumers' consent. The Personal Data Protection Bill (2019) prevents it (LSBillTexts, 2019) but it is often bypassed since the selling of such data remains unknown to the customer, until they get entangled in some wrong repercussions.
- **Forced Selling:** Sometimes sales representatives select the wrong customer group and pitch to them products not fit for them. Customers refuse and the sales representatives continue with their selling effort, often to meet his target. Both are within their rights. In the end it becomes a source of irritation to the consumer. It cannot be mitigated by law.
- **Fooling of Customer:** Sometimes sales persons provide wrong product descriptions, usages, show inflated sales data to convince the customers or sell tampered items by taking advantage of their unawareness. These activities are equivalent to cheating of customers and are against ethical practices. The Consumer Protection Act (2019) penalizes such acts (egazette.nic.in, 2019). However, the practices persist since customers do not involve in the procedures that involve complaining about "unfair trade practices" and await results.

4.4.2 Indirect Sales

- **Call-centre Marketing:** Companies pick up customer phone numbers, often acquired illegally and forces them to buy products or take part in exchange offers. This in turn wastes time and energy of the customer. As these calls are part of the promotional campaigns of the companies, they are not covered under the existing laws. However, many customers use Truecaller app etc. and can block such unsolicited calls but volume of sources is a concern.

4.4.3 Research Gap

Even after having government laws and acts, practices like sending Emails/SMSs with “improper call to action” for “illegal acquisition of data” persist. Sending Emails/SMS with no “opt-out” or “unsubscribe” option continues. Sales representatives continue the practice of “fooling” of customers.

5. Research Methodology

The paper is conducted through positivism research philosophy. Factual knowledge obtained through observation (opinions) is trusted and used for work. The role of the researcher is limited to data collection, interpretation and providing suggestions based on that. Descriptive research design is considered for the paper. Understanding details and having a comprehensive idea about each concept is involved.

6. Data Collection Procedure and Participants of the Research

Primary data collection is done by taking opinion of 15 people, who belong from different walks of life. 3 open ended questions took opinions regarding different mitigating measures that are possible against the adverse effects of unsolicited SMS/Email marketing campaign and personal selling. 5 participants are selected and each is given a same question amongst the 3 to answer. Hence each question draws responses that have a good mix of the walks.

7. Recommendations

7.1 Recommendations for “improper call to action” and “illegal data acquisition”

- **Spread Awareness to Customers:** Companies that do not involve in practices like “improper call to action” should make customers aware of such practices taken by other companies possibly their competitors. The medium of the act can be advertisements, posters and any other methods. Spreading awareness about laws/acts should also be done.
- **2-way Verification Process by the Government:** The Data Protection Bill (2018) should make it mandatory that a third party source like any company website can only extract data from the user after undergoing a 2-way verification process designed by the Government of India. The user data entered in an online form should not be accessible by the source unless prior permission is given by the National Data Centre (NDC) (ndc.org, 2019) after checking the authenticity of the organisation.
- **Make Better Use of the Marketing Efforts and Expenses:** Marketers should follow a “give and take policy” with the customers. Marketers should take out time and take proper survey of the customer and in return give them benefits like free talk-time/discounts to engage them and then try to make maximum use of the engagement by emails/SMSs.
- **Analyse Data:** Marketers should take note of durations a customer spends looking into a particular product/service of the company on its website or ecommerce platform. They should keep a threshold duration. If the mean of several instances of duration a customer visits a particular product crosses the threshold then they should target the customer with buying request, if he has not bought it by then.
- **Knowing Customer’s Willingness should be Made Mandatory:** In order to curb data theft Government should make it mandatory that links, that redirect the customer to acquire data from him/her, should contain destination of the seller website. A statutory warning should be provided to them before the details are put in order to ensure that the customers’ willingness to share data and he/she knows what exact use will his/her data be put into.
- **Ensure Clever Play by the Customer:** Customers should avoid giving his/her phone number/email id linked to the bank account in any online forms like survey forms.

7.2 Recommendations for having no “unsubscribe” or “opt-out option” in Email or SMS

- **Take Prior Consent from the Customer:** Take prior consent from the customer before involving him in a SMS/Email marketing campaign. Make him fully aware of the volume, type and timing of the SMSs/Emails. This would help the brand reputation of the company
- **Analyse Data:** Companies should harness analytics and know the preference of the customer. They should strictly stick to Emails/SMSs pertaining to those products, services or type of updates as the customers prefer.
- **Give Checkboxes to Know Customer Choices:** A promotional message should be sent provided with check boxes having options like product promotion, expansion, offers, service promotion and others. This would narrow down the customer preference of Emails/SMSs. If the customer wishes to receive none then he/she should click on the “unsubscribe” button or “none” button
- **Report SMS/Email Frauds in the Open Forum:** Repeated promotional Emails/SMSs with no “unsubscribe” option are usually done by chit funds or fly-by-night business who tend to gain quick money and then go away. Customers should report such practices in open forums so that people become aware and refrain from entertaining such SMSs/Emails.

7.3 Recommendations for “fooling” of customers by companies’ sales representatives

- **Provide QR Codes or Holograms with Products:** The products that sales representatives bring for selling should be equipped with Quick Response (QR) codes. It facilitates the customer to scan it with the help of their mobile camera and point to the company website where the details of the products are written. In case of any discrepancy the product should not be bought. Company should upload the details of their products and their usage on the website as well as on YouTube to ensure transparency. Products like organic food should have holograms. Ways to identify counterfeit products should be clearly mentioned
- **Companies should be Stricter with the Process:** If a company wants to sustain in the market it should be stricter with the policies that their sales representatives follow. They should be imposed with fines or rusticated of their services if found doing illicit practices.
- **Product Advisor and Seller should be Different:** In case of financial products like insurances the advisory part should be done by some expert who have the designated certificate and authority. The selling should be done by other personality who is dedicated to sales and not involved in the advisory.
- **Hold Town-hall Meetings:** Big conglomerates should gather all members of their distribution channel and hold town-hall meetings twice or thrice in one month. They should be imbibed with the sense of fairness in selling. In case unfair practices are followed, customers should be encouraged to inform it via the customer care helpline number.
- **Do not Encourage First Day Selling:** Whenever a new product comes in the market the customer should be given adequate time to know the product. The sales representative should go to sell after a few days.

8. Conclusion

Unsolicited marketing campaigns like SMS/Email marketing and personal selling pose different issues to customers in regard to customer privacy. They affect the reputations of the companies as well. There have been several measures taken by the government to curb them. However those did not prove to be adequate. Hence there needs to be measures taken by the companies as well as the government to ensure that those do not happen. Launching a marketing campaign standing in the shoes of the customer is the most essential thing. Besides it, harnessing data to drive marketing campaigns and remaining transparent to the customers goes a long way in customer satisfaction, retention and sustainability of the company.

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