
In the Realm of Permission Marketing

Vikas Nath and Nimit Gupta***

Abstract

Business dynamics are changing around the globe having a substantial impact on each of the functional areas of management where all of the business activities are customer focused and driven by them. Traditional business practices are not providing desired yields as they have become outdated or common to every organization. Marketing of products and services are also witnessing a huge change. The markets as well as marketing practices and strategies are changing at a global pace, making the job of marketers more challenging and are practicing different strategies to attract and to retain customers. The main focus of marketing is to have such customers which are ready to listen, react and buy the products or services. This change has revolutionized the business world over by a new horizon in the form of permission marketing. This article provides the guidelines for permission marketing, its concept and realities. The article highlights the relevance of permission marketing in today's scenario having major focus on its working and conceptual framework.

Introduction

In the world of business and marketing change is inevitable and the world is entering in an era that's going to modify the way almost everything that is marketed to almost everybody. Marketing styles, approaches and concepts are too changing and coining of new and innovative ways to market the products and services is taking place. To gain and sustain the attention of the customers, organisations are not only relying on traditional strategies, but are practising on modern ways to attract the customer. Permission marketing is the bizzare which is used by managers to attract the prospects. Permission marketing is, marketing centered around obtaining customer's consent, to receive information from a company. It is a customer centric approach to build an ongoing relation in depth with customers, therefore permission marketing is also termed as customer-centric marketing, which includes co-creation marketing (Sheth, Sisodia and Sharma 2000). Permission marketing is an approach to sell goods and services in which a prospect explicitly agrees in

advance to receive marketing information. Permission marketing (also called invitational marketing) envisions every customer shaping the targeting behavior of marketers (Godin, 1999). Permission marketing can be viewed as focusing on the communication aspect of a larger concept called co-creation marketing. Marketers will ask for permission before they send advertisements to prospective customers. Organisations tell consumers

**Dr. Vikas Nath, Reader
Delhi Institute of Advanced Studies;
Sector 25, Plot 6, Rohini;
Delhi-110085
E-mail: vikasphd@rediffmail.com*

***Nimit Gupta, Lecturer
Maharaja Agrasen Institute of Mgt Studies;
Sector 22, Block 5, Rohini; Delhi-110085
E-mail: nimit_lecturer@rediffmail.com*

a little about their company and its products; they tell you something about themselves, you tell them a little more, they tell you a little more - and over time, organisations create a mutually beneficial learning relationship. It is used by internet marketers, email marketers, and telephone marketers. It requires that people first "opt-in", rather than allowing people to "opt-out" only after the ads have been sent. Permission marketing can be viewed :

- **As a Strategy**

Permission marketing is a strategy, primarily utilizing email and mobile technology, to send consumers information that they have agreed to receive. It asks for and receives permission from the consumer to receive marketing messages. In short, customers volunteer to be marketed to.

- **As an Investment**

Permission Marketing is an investment as good things are rarely free. Acquiring solid permission from targeted customers is an investment in time and technology which can be referred to as a long term investment in customers toward loyalty and commitment.

- **As a Campaign**

Permission marketing is a campaign which converts strangers into friends and friends into customers by providing useful information and desired products and services. This campaign makes the potentials as ambassadors of the brand owned by the organization.

- **As a Marketing Tool**

Permission marketing is a tool for getting better response rates, increased trust, brand affinity and better deliverability. It will focus on attraction and

retention of customers by using the mechanism of offer and acceptance or an agreement.

- **As a Technique**

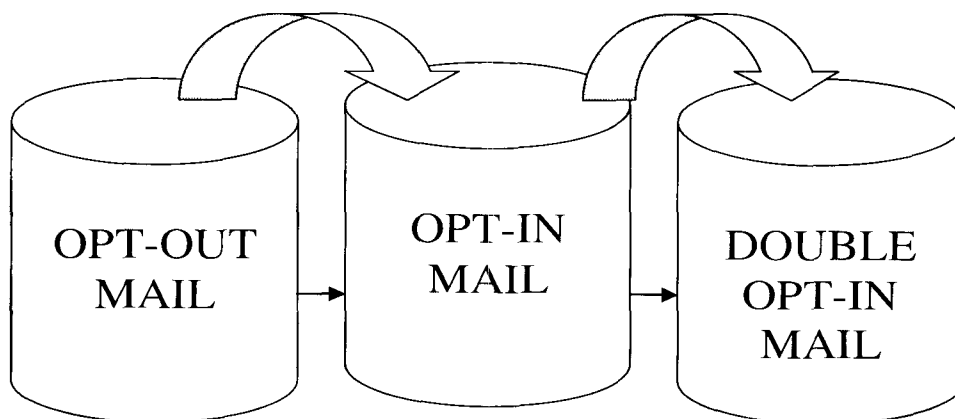
Permission marketing is a technique that requires the approval of the customer. Permission marketing aims to create an audience with a high interest level by sending certain types of marketing information only to those who have specifically requested it.

- **As a Communication Process**

Permission Marketing refers to a communications process, between the marketer and the consumer in which consumer gives "permission" to the marketer to participate and provides feedback to express his/her satisfaction or dissatisfaction.

1) Types of Permission

When a customer gets attracted to any promotional offer by the organization, the permission of the potential customer is required by an organization which may be of different types as shown in the Fig. 1. Opt-out mail marketing assumes a general permission to send marketing messages to everyone who has not explicitly stated that they do not want to receive such information. Once the information is given then opt in mail is sent when the user has subscribed for a newsletter or other mail marketing message by explicitly requesting it. Double opt-in is when a visitor subscribes to a message by the organization. The organization then sends a confirmation mail back to the visitor. The customer will only be added as a subscriber if they verify their email address and desire to receive the newsletter. Therefore the permission is based on the three sequenced procedures which formulate the basis of permission marketing.



3) Permission Marketing and the AIDAS Model

The concept and the process of the permission marketing can be viewed as an extension of the AIDAS

model. Permission marketing follows the same aspect and procedure as adopted in AIDAS model shown in Fig 2 .Permission marketing adopts the concurrent strategies to attract and to sustain customer.

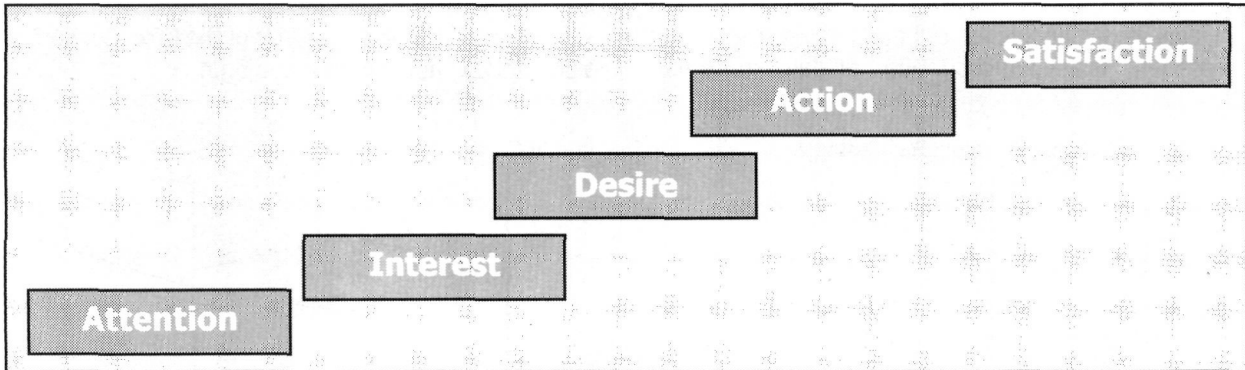


Fig.2: AIDAS Model

Organisations by using the key words and phrases like free, discount, rewards, points and incentives, attract the customer and divert their attention for the products or services. When customer accepts the offer and provides the permission, then the relevant and useful information is delivered to the customer and the desire of the customer is kept alive by giving more incentives, after which, the product or service is delivered to the customer and further satisfaction is

provided with more offers and latest reviews. The permission marketer will pursue the customer with the application of the IIMPI model as shown in the fig.3. The model IIMPI (Invitation, Interest, Maintaining Permission, Presentation, Incentives) will define how a potential customer is to be treated so that the permission can be sought and information can be provided.

Stages	AIDAS	Permission Marketing	IIMPI
1	Attention	Offer the prospect an incentive to volunteer, to "raise his hand" by providing a prize, airline mileage points, a promise of free information etc.	Invitation
2	Interest	Offer a curriculum over time, teaching the consumer about the company's product or service to build interest.	Interest
3	Desire	Reinforce the incentive to guarantee that the prospect maintains the permission	Maintaining Permission
4	Action	Provide the product or service	Presentation
5	Satisfaction	Offer new incentives to get new permission from the consumer	Incentives

Fig. 3 : Relationship between AIDAS model and IIMPI model

4) Why companies are preferring permission marketing?

The companies all around the world prefer the concept of permission marketing as the customers are now not ready to the concept of direct marketing because average consumer will see or hear 1 million marketing messages - that's almost 3,000 per day. No human

being can pay attention to 3,000 messages every day. This will give rise to interruptions in their daily life, which they would generally try to avoid. Therefore, companies are diverting their attention towards Permission Marketing. Permission Marketing is preferred by the companies as it increases the value per customer and also the value of the CPX (Consumer Profile Index) as defined in the fig.4

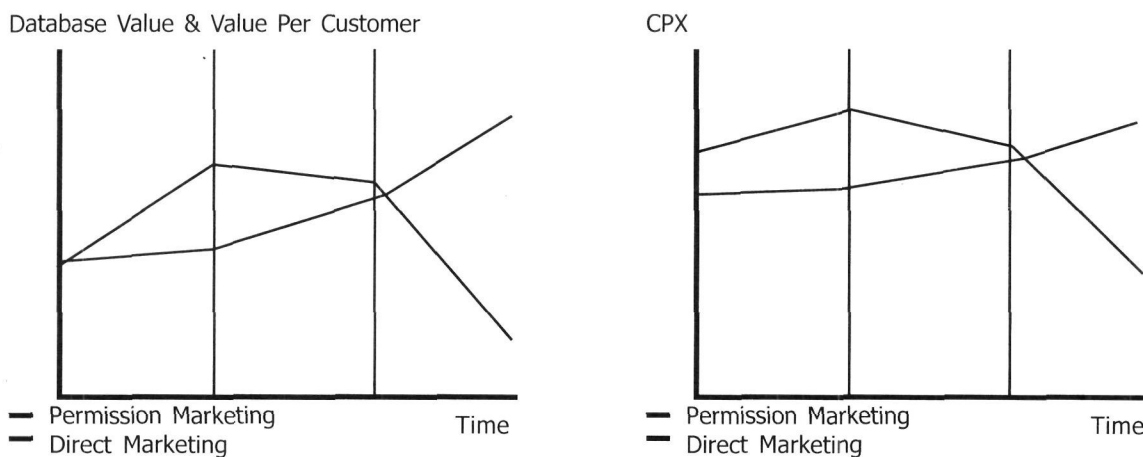


FIG.4: Value per customer and Value of the CPX

The various rewards or advantages that a company will gain in comparison to the traditional interruption marketing is that by using the strategies of permission marketing, companies can have:

- Better targeted marketing communication;
- Increase profitability;
- More value from current customer base;
- Long-term competitive advantage;
- It helps build a stronger and more loyal relationship with both current and potential customers

5) Some Cases of Permission Marketing

Various organizations are adopting the permission marketing strategies in order to reap the benefits of trusted, loyal and committed customers. These companies belong to diversified sectors/industries. The examples of such organizations are therefore varied (Refer appendix 1A, 1B, 1C and 1D).

- Yahoo is the No. 1 Internet brand globally and reaches the largest audience worldwide. This

leading mail provider under its marketing policy gives options to the account holders to give the marketing preferences of them. It provides options in the form of opt in and then give various offers to the account holders.

- Bharatmatrimony.com is an online matrimonial portal endeavoring constantly to provide premium matrimonial services. Bharat matrimony.com provides opt in mail to the potentials and ask their permission to give details about the preferred set of choices.
- The Marks & Spencer Group is one of the leaders of retail outlets having 450 stores located throughout the UK, and 150 stores worldwide, including over 130 franchise businesses, operating in 30 countries uses the details of consumers to send further information on Marks & Spencer branded products and services, to keep them up-to-date on goods, services, new collections and promotional offers

- Citibank is pre-eminent financial services company, with 200 million customer accounts in more than 100 countries. Citibank provides its customers the opportunity to make choices and encourages customers to make choices that enable them to provide quality products and services that help them in meeting financial needs and objectives.

6) Conclusion

The importance of permission marketing is gaining and has brought significant changes in world economy. Organisations are adopting permission marketing strategies in order to provide the best and relevant information to some specific set of potentials. It's not just about Entertainment it's about Education. The concept of permission marketing is widely practised around the world as it has opened new vistas to the entrepreneurs. In India this concept is still in its infancy stage and Indian organisations as well as consumers are still not clear and aware of this modern marketing principle as quoted by Seth Godin. There is a lot of research and study required to make Indian population converse for this concept of pre – permission. With more research and experience the concept will serve as a handy tool to obtain and retain the informed customers in this ever changing dynamic business scenario where information is serving a major role in making a match between customers expectations and organisations service. Permission marketing if practised as a strategy, it would pave the way to revolutionize the marketing system ensuring dual benefits to customers and organisations.

References

- Dickinger, A. Haghirian, P. Murphy, J. Scharl, A.: An investigation and conceptual model of SMS marketing Posted Online: 2004-02-26 10:51:31.0
- George R. Milne(2006): Privacy and Ethical Issues in Database/Interactive Marketing and Public Policy: A Research Framework and Overview of the Special Issue, *Journal of Public Policy & Marketing*, 19 (1), 1-6
- Godin, Seth (1999): *Permission Marketing: Turning Strangers into Friends, and Friends into Customers*, Simon & Schuster, New York.
- Mitra, Sabyasachi(2005) : Information Technology as an Enabler of Growth in Firms: An Empirical Assessment, *Journal of Management Information Systems*, 22 (2) , 279- 300
- Shiman, Daniel R.(1996): When e-mail becomes junk mail: the welfare implications of the advancement of communications technology, *Review of Industrial Organization*, 11(1), 35-48.
- Schultz, Don E. (1994): Some comments on the absolute value of the database, *Journal of Direct Marketing*, 8(4), 4-6.
- Singh, Mohini and Waddell, Dianne(2004): E-Business Innovations and Change Management, *Journal of Research and Practice in Information Technology*, 36(2), 283
- Sheth, Sisodia and Sharma (2000): The Antecedents and Consequences of Customer-Centric Marketing, *Journal of the Academy of Marketing Science*, 28(1), 55-66
- Sen, Ravi, King, Ruth C. and Shaw, Michael J.(2006) : Buyers' Choice of Online Search Strategy and Its Managerial Implications, *Journal of Management Information Systems* 23(1) , 211- 238
- Tito Tezinde, Brett Smith, Jamie Murphy(2002): Getting permission: Exploring factors affecting permission marketing, *Journal of Interactive Marketing*, 16(4), 28 –36