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# 'PERMISSION MARKETING'- INTERRUPTION IS REPLACED BY INVITATION

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## ABSTRACT

Permission Marketing is a strategy that gains popularity among the marketers because of its suitability in the present world of commercial clutter. Increasing commercial clutter and increasing promotional cost have compelled the marketers to look for a good strategy of reaching out to the target customers suitably. The concept of 'Permission Marketing' obviously overcomes these challenges for the marketers and in addition, it serves two important purposes for the customers. It is certain that Permission Marketing helps the customers to reduce the search cost and avoid the clutter. The foremost advantage of Permission marketing from the view point of the marketers is that it facilitates effective 'Target Precision with suitable Permission Intensity'.

**KEYWORDS:** Permission, Permission Intensity, Target Precision, Commercial Clutter, Co-creation Marketing, Opt-in, Opt-out.

## INTRODUCTION

Marketing at present is considered to be a competition for attracting the attention of people, more specifically the target customers. Unlike the present, three decades back the customers were giving their attention when it was requested for by the marketers. The marketers would have interrupted the Television programmes and the customers would have listened to what was said by them. The marketers were allowed to keep a billboard or a hoarding at any vantage point of a city to communicate with the people pass through. The people also enjoyed such marketing communication. It is not true at present and anymore. The average global consumers see or hear more than one million marketing messages that are almost more than 3,000 per day. It is humanly impossible for anyone to pay attention to all the messages to which they get exposed. The interruption strategy, followed by the marketers was really effective in reaching the customers when there was no commercial clutter in any available medium. But, now there are many things with which the people are made busy and find no time to respond to the interruptions. So, the interruptions are either ignored or complained by the people. Today, the important attribute of a Television is "cluttered with commercials". It is more apt to say that television and commercial clutter are inseparable. Still, the cost of each second of telecasting an advertisement in TV during the prime time is increasing fastly. Similarly, the other available media such as, Web, Print, etc are also no exceptions to the commercial clutter. The challenge for the marketers today is to persuade consumers to volunteer attention- "to raise their hands" (Godin's phrase)- to agree to learn more about a company and its offering.

## "PERMISSION MARKETING- MEANING

'Permission Marketing' is also called as 'Invitational Marketing'. It is the opposite of Interruption marketing, used by the marketers traditionally. Permission marketing is about building and maintaining a profitable and long-lasting relationship with the customers that facilitates better interaction and communication with them. Among the few people who have defined the concept 'Permission Marketing', the pioneer and perhaps the father of the concept, Seth Godin has defined the concept in a convincing way. In his words, Permission marketing is "turning strangers into friends, and friends into customers". Permission Marketing is a like a blessing, given for the marketers to effectively communicate with their target customers overcoming the challenges of the increasing commercial clutter. It is more of a privilege given to the marketers to deliver desired and relevant communication to the people who actually want to earn their attention. For example, a potential investor interested in investing his money on mutual funds approaches Bajaj Capital and requests the people there to send the messages related to the forthcoming issue of new mutual fund schemes from Sundaram BNP Paribas. The Investment advisor/ client executive from Bajaj Capital sends messages to the customer on the requested aspect. The messages could be delivered either through post or e-mail or SMS using Mobile phones or communication over phone. Such communication from Bajaj Capital to the customer will be much appreciated by the customer.

## WHAT IS PERMISSION MARKETING?

A clear understanding over the concept 'Permission Marketing' will enhance the marketers to apply it in its real sense. The points, discussed below would give such understanding of permission marketing.

❖ Attracting the attention of the customers is imperative for the marketers to reach out to them with relevant marketing information. Permission marketing recognizes the expectation of the best consumers who normally look at the marketing communication as a disturbance and ignore them. This concept realizes that treating people with due respect is the best way to earn their attention. For example, the employees who play the role of 'people greeters' in an organization moves forward to the customers who step into the business premises and look for someone to help them to go a particular section in the business premises where they can buy what exactly they want to buy. In this situation, the greeting and readiness of the people greeters give the customers a positive attitude towards the business enterprise and makes the shopping very pleasant. The moment, customers look for someone to guide them properly within the business premise, it should be understood that they symbolically give permission to receive the information / guidance. When the employees respond to the permission of the customers, it is well received and appreciated by them.

❖ 'Pay attention' is an important aspect in Permission marketing. The permission marketers understand that when a customer decides to pay attention, he is actually paying the marketers with something that is precious. The customers' attention should be utilized before their desire expires. The customers' attention is an important asset which has to be valued profitably and not to be wasted.

❖ The meaning of real permission, given by a customer could be well understood with reference to a situation wherein if the marketer stops the communication, the customer complains. The real permission is different from presumed permission. For instance, a marketer somehow comes to know the e-mail address of a customer, does not

mean that the customer concerned has given permission to the marketer. Moreover, if the customer does not complain, it does not mean that the permission is granted.

❖ If a customer of an organization feels unhappy on not receiving the desired information from a marketer, it is a failure on the side of the marketer to utilize the permission, given to him. For instance, if a customer is unhappy because he has not received his favourite newspaper for a day or two. The permission, given is unutilised.

❖ The process of obtaining permission from a customer is almost similar to the process of getting into dating with someone. The marketer does not have to open up the sale at first sight. It should be progressive.

❖ Permission obtained from a customer does not have to be formal but it has to be obvious. For instance, an individual obviously has permission to request his friend for financial help. It does not matter whether the request is honoured or not, but a colleague does not have implied permission to request another counterpart for financial support.

❖ The payment of subscription is an overt act of permission. Therefore, those who have subscribed for a news paper and / or magazine are more valuable than the others who might buy the same from the shops. There is a permanent commitment on the part of the former than the latter to buy the news paper and/ or magazine.

❖ The interaction between a customer and a marketer could be had and continued for the life time of both, just based on a small and single permission, given once. For example, distribution of a news letter.

❖ Permission marketing discourages marketers to obtain permission that cannot be honoured within their present capabilities. They need not assume that they can do more in the future. The marketers are therefore directed not to obtain permission from the customers based on assumptions and prediction about the future that is not certain.

❖ The marketers can honour the permission of different customers in different style and manner. The new technological advancements really facilitate the marketers to treat and respond to different customers differently, perhaps in a more customised way.

❖ The concept 'Co-creation marketing' proposed by Sheth, Sisodia and Sharma (2000) envisions a system where marketers and consumers participate in determining and shaping the marketing mix. Hence, permission marketing can be viewed as focusing on the communication aspect of wider concept called Co-creation marketing.

**OPT-IN Vs OPT-OUT**

There are two notions namely, opt-in and opt-out that are very much related to permission marketing. Opt-in means that the situation where a customer explicitly volunteers and gives consent to receive marketing communication. In the case of opt-out, the marketers initiate contact with the potential customers and then provide them an option of not receiving future messages. Few among those experts who deal with permission marketing opine that permission marketing is based the notion of opt-in rather than opt-out. The other experts argue that permission marketing is based on both the notions. It is of both opt-in and opt-out. The opinion of the latter is more reliable for a reason that opt-in refers to the entry into a

relationship by a customer voluntarily and opt-out refers to the entry into a relationship not solicited, but there exists a provision for a customer to exit anytime.

## WHEN DOES 'PERMISSION' EXPIRE?

Obtaining permission from the customers to whom a marketer desires to send communication is primary and vital in creating and building profitable relationship with them. Such permission may expire for the following reasons:

- Permission may expire because the customers have received many permission based e-mails. The first 'permission given' soon gets lost for any one marketer in the mixture of many messages.
- Permission may expire when the rules, backing it change. For instance, if a customer gives permission to do Job- 'X', the marketer then adds in one new job of 'Y', the new addition breaks the agreed rules and thereby the permission originally given, dies.
- Permission may expire when the marketer pushes the customer very hard. Permission should simply open the door to a mutual relationship. It is not a contract that binds anyone to anyone else.
- Permission may expire when the customer feels that the value of benefits out of it is more to the marketer than the customer.

In this juncture, if a marketer is desirous to survive his permission, he has to reward it, renew it and above everything, make it perceived to be more beneficial to the customer and less to the marketer.

## RELEVANCE OF PERMISSION MARKETING

Before the concept 'Permission Marketing' gained acceptance among the users, Don Peppers and Martha Rogers threw their idea in the year 1993 for the requirement of a strategy like 'Permission Marketing'. According to Don and Martha, there are two ways available in front of the companies to increase sales. One way is, selling more to its' few existing customers. The other way is, selling few to many customers. The former way recommends concentrating on focusing the existing customer base whereas, the latter requires the company to search for more and more new customers to increase the sales. The argument is not for ranking which way is superior. Each is good in different situations. The point to be understood is that when both are applicable in a situation, the former way is better and economical than the latter one. It is obvious that attracting and satisfying new customers is few times costlier than retaining the existing customers. Latter in 1999, Seth Godin coined and introduced the concept 'Permission Marketing'. In his words, it could be understood that permission marketing is a new way of selling the marketing offers in which a potential customer gives his consent in advance to receive marketing communication on his/ her desired areas and categories. Followed by, the marketers plan the marketing communication / messages to match with the interest of the customers. In addition, there are few other reasons that have led permission marketing to gain good acceptance among the users.

- The cost of reaching out to a customer using permission marketing is much low whereas, the benefit from it is valued to be more.

- Consumers provide permission to the marketers to send them certain types of promotional messages. This really contributes for reducing clutter and search costs for the customer while the same improves target precision for marketers. Target precision refers to accurately identifying suitable target customers for a product or service.

- Permission Marketing may be a technique to reduce privacy concerns of individuals. The same point has been shared by Sheehan and Hoy (2000).

- Promotion of high degree innovation, new product introduction and promotion of transportation services could be efficiently done using Opt-out notion of permission marketing.

## CRITICAL EVALUATION OF THE EXISTING PERMISSION MARKETING MODELS

The four models of permission marketing are critically evaluated in this part of the article. 'Permission Intensity' is the key differentiator among the models of permission marketing. It refers to the degree to which a consumer empowers a marketer in the context of a communicative relationship. Consumers define the boundaries of their relationship with companies in relation to the permission given. In some cases, the consumers are much receptive to the messages from the companies and in others, the companies are held on a tight leash. For example, there are two scenarios, discussed as follows. In the first one, the consumer provides a marketer his or her e-mail address and permits the marketer to send one promotional message a month. Example, Requisition of Gmail alert by a user on a desired topic. No other information is provided. In the second one, the consumer provides detailed information about all his requirements, tastes, and permits the marketer to send him / her as many messages as possible on the topic. It is obvious that in the second case, the consumer has given a greater role for the marketer and hence, this case represents greater permission intensity.

High permission intensity is characterised by three factors. They are, high information quantity, high information quality, and information usage flexibility. First, a consumer provides detailed information in his or her self-interest, it results in the willingness to participate in an exchange of more information. Second, the consumer realises that he or she can receive quality information for effective decision on an aspect if he or she maintains quality in the details, furnished to the marketers. Third, the consumer participates in the exchange with few constraints/ restrictions on how that can be used by the marketer to develop marketing communication.

Each marketer should find the optimal value of the number of customers they want to serve and the level of permission intensity, provided to him or her. These two aspects greatly influence the models of permission marketing and the choice of a model by the marketers.

## MODEL-1 DIRECT RELATIONSHIP MAINTENANCE

When customers want to ask for a very little information from the marketers, this model is used. This model is backed by low permission intensity, direct contact with advertiser and minimal targeting.

## MODEL-2 PERMISSION PARTNERSHIP

When a customer provides a portal or media site with the permission to send him or her promotional messages on given category, this model is used. After receiving this permission, the portal or media site alerts its partners who wish to send out promotional offers, related to the topic. This model is backed by low to medium permission intensity, contact through an intermediary and low targeting.

## MODEL-3 AD MARKET

When a customer provides detailed information to an infomediary about what he exactly wants, this model of permission Marketing is used. The infomediary uses the information of the customer and identify the sources / advertisers. The messages supplied by these sources will be carefully analysed to check whether they are in consistent with the interest / want of the customer. This model is backed by high permission intensity, contact through an infomediary and high targeting.

## MODEL-4 PERMISSION POOL

When the customers provide permission to different sources / companies to send them messages on the promotional offers, this model is used. These different firms that are given with the permission pool the information, provided by the customer and their response as well at a point of an infomediary who sends out suitable messages to the customer. This model is backed by high permission intensity, contact through an infomediary and other firms and high targeting.

The difference between model- 1 and other three models is that in model-1, a customer directly contacts the marketer and gives him permission to send relevant information whereas, in other models, there is an intermediary to transact with both the customer and the marketers to match their demand and supply of information. In practice, models 2, 3 and 4 are popular.

## CONCLUSION

In the present environment that is surrounded with higher degree of commercial clutter, it is a real challenge for the marketers to find a suitable way to communicate with their potential target customers. The days of using interruption to interact with the customers have all gone and will not come back for sure. In spite of the commercial clutter that exists presently, the marketers should reach out to the customers and effectively communicate with them, if they want to survive and prosper in their business. The best way identified is 'Permission Marketing' that helps the marketers to obtain permission from the customers in advance and communicate with them in the way it is intended for by the customers. The customers don't like someone unknown or not permitted to disturb them with their own preferences. Perhaps, the customers prefer to interact with appropriate marketers who are given with the permission. Moreover, permission given for a particular objective cannot be used for another objective. The concept of 'Permission Marketing' facilitates effective Target precision with the required permission intensity. It could be concluded that 'Permission Marketing' clears the route to the customer from the commercial clutter. Therefore, the marketers are suggested to use this strategy to effectively reach out to their target customers.

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