

## A STUDY ON AWARENESS OF PERMISSION MARKETING AMONG BANK CUSTOMERS

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### ABSTRACT

*Permission marketing is a novel marketing approach to which many people may not be aware that can be used to achieve great business outcomes. Compared to other marketing strategies like interruption marketing, content marketing, etc., it may be able to attract and keep a higher number of new prospects and customers. Permission marketing differs from most other forms of marketing because in this approach the recipients have agreed to receive marketing communications from marketer, or at least consented to receive it, and most of them will be inside the organisation's target market or audience. Thus, the business can use this new marketing strategy to grow its clients beyond what it could have imagined. Businesses can send recipients marketing messages with authorization if they have the recipient's full consent to do so. But for the successful outcomes from the permission marketing campaigns awareness of customers regarding permission marketing is significant. Therefore, this study aims to examine the awareness of permission marketing among bank customers. The results of the study will greatly contribute the literature as there are limited studies focusing on awareness of customers regarding the permission marketing concept.*

**KEYWORDS:** *Permission Marketing, Marketing Communications, Customer Awareness, Consent.*

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### Introduction

According to Godin (1999) marketers should obtain the consent of customer's while sending marketing communications about their products/services. The concept of permission marketing is based on consent of customers to receive marketing communications from marketers. Under permission marketing customer become volunteer to receive marketing communications because this concept can help customers to save themselves from receiving lots of unwanted and irrelevant spam messages. The permission marketing approach can be used by businesses to create a large customer base beyond what they had previously thought was possible. Understanding permission marketing is extremely easy. Focusing on anything is preferable to doing nothing at all. It is important to make a conscious effort to target the audience. Thus, asking for permission in advance is one technique to sell a customer something later on. Since the customer is offering to learn more about a specific product or class, perhaps he/she will provide permission. Alternatively, the marketer might truly provide a reward or cash to the customer in exchange for their consent to receive marketing information from marketers.

As a business builds a relationship with a customer, it receives more and more consent. Establishing a relationship with a new prospect who has granted permission to receive promotional materials is beneficial for business. Both consumers and marketers need to be aware of permission marketing. A closer bond forms between a marketer and a consumer as their connection grows; this

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could include more personal or problem-solving emails that support the marketer in his or her professional endeavours, among other things. It is necessary to socialize and establish enduring, healthy relationships. Marketers can create plans for positive customer relationships using a variety of social media tools. Mobile phones have emerged as the preferred method for marketers to communicate with customers directly. The prospect in this instance is participating in permission marketing, but he is unaware of it. Consider the following scenario: you are downloading an app on your phone, and a dialog box appears requesting you to sign in with either your Facebook or Gmail account. By selecting the appropriate account, you are immediately providing your data. As an additional illustration, some businesses provide rewards in the form of at least ten of your friends' Gmail IDs. Marketers will use this information in the future. On the other hand, marketers fear that if they will ask for permission from customers, they will not provide such permission to receive marketing communications. Therefore, they don't mark any efforts to make customers aware regarding permission marketing (Kaur and Kumar, 2020). But for successful outcomes from permission marketing, it is significant that customers must be aware regarding the permission marketing concept. Therefore, this study examines the awareness of permission marketing.

### **Literature Review**

In this modern era, prospective customers need to be provided with relevant and personalized messages because customers get irritated and do not like to be interrupted by frequent messages or emails. Solution to this problem can be in taking prior consent from the customers who are willing to receive promotional information (Bhatia, 2020). This concept is known as permission marketing. Permission-marketing is that marketing strategy that is used by business organization to gain an explicit consent of customers prior to pushing marketing messages (Im and Ha, 2013). It is increasingly used to create two-way interaction and engagement, which is considered crucial for firm value creation in this era of so much advertising clutter (Kumar et al., 2014). It has become a solution to conventional interruption marketing which was highly concentrated on bombarding the customers' device with so much of promotional information. It gives the promise of improving targeting by helping consumers to interface with marketers for providing relevant promotional messages (Krishnamurthy, 2001).

Permission marketing literature highlights the importance of the internet for permission marketing and how it has grown significantly with the use of the internet. It can be done in any direct media, but with the use of the internet it has become a real concept as internet encourages advertisers to create campaigns that allow recipients to connect in a variety of ways, resulting in the rise of online advertising as a critical component in increasing the number of people exposed to their messages (Serna, 2022). The failure of the direct mail strategy of distributing unsolicited advertising communications is another factor driving the expansion of permission marketing on the web (Krishnamurthy, 2001). Email is a widely utilised medium for formal and business communication because of its open access, speed, and reliability (Yaseen, 2021) but unsolicited commercial e-mail, also known as "Spam," is a prime example of this (Cranor and LaMacchia, 1998). Spam would lead to large number of messages for consumers which would results in weakening of brand reputation, weakening of customer trust and a slowing of entire network, and in turn influence the purchase intention and this is the reason permission marketing is being seen as a feasible alternative for internet marketing communication (Krishnamurthy, 2001; Laxmana, 2016).

### **Objective of the Research**

- To examine the Awareness of Permission Marketing among bank customers.

### **Research Methodology**

The respondents for the study were customers from four public sector banks and four private sectors banks having branches in Patiala district of the Punjab State. The four public sector banks such as State Bank of India, Punjab National Bank, Punjab and Sind bank, Canara bank and four private sector banks including HDFC Bank, ICICI Bank, Axis Bank and IndusInd has been considered for the study. The judgemental and convenience sampling has been used for collection of data. The respondents from selected banks located in Patiala district of Punjab and who have provided consent to their banks' for receiving promotional information are taken as target respondents for this research work. The sample size for the study was one hundred bank customers. The self-structured questionnaire instrument has been used for the collection of data. Part I explores the customers' awareness towards Permission marketing. The awareness of permission marketing has been divided in two parts as first part includes question about awareness of customers regarding the permission marketing concept and

second part includes awareness of customers regarding the permission marketing statements. For the question regarding awareness of customers regarding the concept of permission marketing customers have to answer in Yes and No but the permission marketing statements are measured on Five-point Likert scale where 1 stands for Not aware, 2- Somewhat aware, 3- Can't say, 4- Aware and 5- Fully aware. Part B gathers information regarding demographic profile of respondents. Below given table 1 shows the profile of respondents.

Table 1

Particulars	Frequency	Percentage
<b>Gender</b>		
Male	60	60
Female	40	40
Total	100	100
<b>Age</b>		
20-25	22	22
25-35	45	45
35-45	10	10
45-55	18	18
55 & above	5	5
Total	100	100
<b>Education</b>		
Undergraduate	15	15
Graduate	35	35
Post Graduate	40	40
Professional Degree	10	10
Total	100	100
<b>Occupation</b>		
Govt. Employee	20	20
Private Employee	35	35
Businessman	18	18
Professional	9	9
Others	18	18
Total	100	100
<b>Income</b>		
Below 20000	15	15
20000-40000	30	30
40000-60000	40	40
Above 60000	15	15
Total	100	100
<b>Bank Type</b>		
Public Sector	50	50
Private Sector	50	50
Total	100	100

### Interpretation

The demographics of respondents are given in table 1. An analysis of data showed that 60 % respondents are male and 40 % are females. The table reveals that a majority of respondents (45 %) belonged to the age group 25-35 years followed by 22 % in age group 20-25, 18 % in 45-55 years age group, 10 % in 35-45 age group and 5 % in 55 years and above age group. Majority of respondents are having post graduate degree 40 % followed by 35 % in education group graduate, 15 % in undergraduate education group and 10 % in education group 'others'. Majority of respondents are private employees 35 %, 20 % are government employees, 18 % businessmen and 18 % are in occupation group others and at the last 9 % are professionals. Majority of respondents are in income group 40000-60000 (40%) followed by 30 % in income group 20000-40000, 15 % each in income groups above 60000 and below 20000. Equal number of respondents have been considered from both public and private banks.

## Results for the Study

### Awareness of Permission Marketing concept

- **Frequency Analysis and Percentage Analysis**

**Table 2**

Awareness of Permission Marketing	Responses	Frequency	Percentage
	Yes	46	46
	No	54	54
	Total	100	100

The table 2 shows that out of total number of 100 respondents 46 respondents are aware and 54 unaware regarding permission marketing concept. It means that 46 percent respondents are aware and 54 percent respondents are unaware regarding permission marketing concept.

- **Association of permission marketing awareness and demographic profile of respondents**

The table 3 given below shows the results of chi- square test. The results show the association between demographics and permission marketing awareness. Chi square test has been used to find association between awareness of permission marketing concept and demographics of respondents.

**Table 3**

Demographics	P-value for Chi Square
Gender	.581
Age	.291
Education	.025
Occupation	.010
Income	.011
Bank Type	.691

The results from table 3 shows that there is no association between awareness of permission marketing and gender, age, bank type of customers ( $p$ -value  $> 0.05$ ). It shows that awareness of permission marketing is independent of gender, age and bank type of customers. On the other hand, there is association between awareness of permission marketing and education, occupation and income level of customers ( $p$ -value  $< 0.05$ ). It shows that awareness of permission marketing is dependent on age, education and income level of customers.

### Awareness for Permission Marketing statements

Apart from the awareness of permission marketing concept, the statements relating to regulations, practices of permission are used to measure awareness of permission marketing among customers. The awareness of permission marketing statements has been measured on five-point Likert scale ranging from 1 to 5. The statements used in the study are as awareness of Transactional messages, Service messages, Process to unsubscribe promotional emails, IT Act, 2000, Constitutional provisions for privacy in India, Data Security Council of India (DSCI), Personal Data Protection Bill, 2019, TRAI DND (Do not disturb) registry provisions and TRAI DND (Do Not Disturb) app. The mean value analysis has been used to measure the awareness of customers. Table 4 shows the awareness of customers.

**Table 4**

Statements	Mean Values
Transactional messages/emails/calls from bank	4.16
Service messages/emails/calls from bank	4.09
Procedure to unsubscribe emails from bank	2.91
IT Act,2000	3.16
Constitutional Provisions for Privacy	2.94
Data Security Council of India	2.95
Personal Data Protection Bill	2.87
TRAI DND (Do not disturb) Provisions	2.81
TRAI DND app	3.01

The analysis regarding awareness of customers for permission marketing statements has been measured using mean values. The mean values in above table number 4 shows that customers are most aware for transactional messages from banks having mean value of 4.16 and lowest aware regarding DND provisions of TRAI having mean value of 2.81. The customer are highest in awareness towards transactional messages from banks (M- 4.16 ) followed by service messages form bank, IT act ,2000 , TRAI DND app , Data Security Council of India, Constitutional Provisions for Privacy, Personal Data Protection Bill and TRAI DND (Do not disturb) Provisions having means values of 4.09, 3.16, 3.01, 2.95, 2.94, 2.87 and 2.81 respectively.

### Conclusion

The results from the study shows that customer awareness towards permission marketing has no association with gender, age and bank type customer. But on the hand, awareness towards permission marketing has association with education, occupation and income level of customer. Therefore, it shows that some demographic factors are significant for awareness of permission marketing but some are not. Therefore, banks should frame their permission marketing campaigns keeping in mind significant demographic variables. The percentage analysis shows that 46 percent respondents are aware towards permission marketing concept but 54 percent are not aware. Therefore, banks should make efforts to increase awareness of customers towards permission marketing. On the other hand, for statements of permission marketing customers are highly aware for transactional messages because these are the messages which they receive when they perform any transaction with banks. The analysis on the basis of mean values for statements shows that towards some Statements awareness is low therefore efforts should be required from banks to enhance awareness towards such concepts. In summary, the consumer or prospect is unaware that the marketer is using their personal information or permission. Put another way, the prospect engages in permission marketing without realizing it that they are involved in permission marketing. Therefore, it is necessary to raise awareness of the benefits that permission marketing offers to both consumers and marketers.

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