

An Empirical Examination of the Effects of Permission, Interactivity, Vividness and Personalisation on Consumer Attitudes toward E-mail Marketing

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**An Empirical Examination of the Effects of Permission,
Interactivity, Vividness and Personalisation on Consumer
Attitudes within an E-mail Marketing Approach**

By C. Maneesoonthorn

The major objective of this study is to explore empirically the effects of permission, interactivity, vividness and personalisation upon attitude, behavioural intention and recommendation to e-mail marketing (the latter two variables being proxies for behaviour). The proposed model is based on the integrated framework of Fishbein and Ajzen's Theory of Reasoned Action (TRA), Triadis's Theory of Planned Behaviour (TPB) and Rettie's 2002 Basic E-mail Response Process Model. For data collection, qualitative and quantitative studies were used. The qualitative results from four semi-structured interviews reveal New Zealand enterprises' strong trust in permission-based e-mail marketing and how they implement it as one of their marketing strategies. The quantitative component presents and empirically tests the proposed model in terms of a personalisation (presence/absence), interactivity (low/high) and vividness (low/medium/high) (2*2*3) between-subjects factorial design, where subjects were exposed to an e-mail advertisement for a mobile phone. From 650 responses collected by clicking on an e-mail link through an online web survey, the data was analysed with analysis of covariance (ANCOVA). Based on strong suggestions in the literature and findings in the qualitative study on the importance of permission-based marketing, attitude toward permission e-mail was examined as one of the dependent variables in the quantitative study. Results reveal similarities and differences in the effects of

interactivity, vividness and personalisation respectively between the low and high attitude toward permission based e-mail marketing groups. Although significant effects of interactivity on attitude and behavioural intention were observed, the nature of those effects proved contrary to the author's expectation. In terms of vividness, results showed significant effects on attitude and behavioural intention in both groups as anticipated. Conversely, personalisation was shown to have no effect on attitude and behavioural intention in any group, however, a positive effect on response rates was indicated. Two three-way interaction effects between interactivity, vividness and personalisation on attitude toward brand and friend recommendation were found only in the high group. This study strongly encourages e-mail marketers to respect their customers' privacy and to employ a permission-based marketing concept within their business strategy. The design of the e-mail (moderate to high vividness) and personalisation (use of recipient's name) are indicated to have a positive impact on the effectiveness of an e-mail ad. Future research should examine a permission-based marketing construct as a longitudinal study, and investigate personalisation at a higher level (based on recipients' preferences).

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CHAPTER ONE:

INTRODUCTION

E-mail is one of the most popular Internet applications (Ansari and Mela 2003), and is often the main reason for being on the Internet (Waring and Martinez 2002). According to a Jupiter Research finding in 2001, for 92 percent of Internet users e-mail is the primary reason for going online. It has become an important component of the marketing mix, and is considered the most successful communication technology introduced since television (Jackson 2001; Tezinde et al. 2002). E-mail has been rapidly adopted for e-commerce (Ansari and Mela 2003), and is also fast becoming an important advertising tool (Martin et al. 2003; Micu et al. 2004). While in 1999 a Forrester Research Report found that 70 percent of companies cited e-mail as important or very important to their sales and marketing strategies (Stone 2000), in 2004 MarketingSherpa reported that 90 percent of the business-to-consumer (B-2-C) marketers and 89 percent of business-to-business (B-2-B) marketers have their own e-mail newsletter (E-mail Marketing Statistic 2004). Won et al. (2004) define e-mail marketing as the marketing practice that delivers marketing messages in an e-mail targeted to a mass audience, and Tezinde et al. (2002) argue that it has the potential to generate increased marketing success and improve brand image and customer relationships inexpensively.

E-mail marketing has grown tremendously in the past few years (Isaacson 2002; Ipsos-Reid 2003). Literature indicates potential growth in e-mail marketing. For instance, according to the latest forecast in 2004, Jupiter Research anticipates that spending on e-mail marketing in the U.S. will rise from \$2.1 billion in 2003 to \$6.1 billion in 2008 (Jupiter Research Press Releases 2004; Response 2004b). While Jupiter Research finds customer retention e-mail campaigns accounting for the greatest share of non-SPAM e-mail marketing spending, a trend that will continue over the near-term, strong growth in spending for sponsored e-mail

campaigns is likely to continue as well. It is expected to climb steadily from \$720 million in 2003 to \$1.8 billion in 2008. Harris (2005) found that in 2004, 79 percent of online Canadians registered to receive e-mails from websites; up from 77 percent in 2003. Their willingness to provide e-mail addresses to marketers also increased from 60 percent in 2003 to 65 percent in 2004. From an industry viewpoint, 60 percent of surveyed B-to-C marketers and 63 percent of surveyed B-to-B marketers will increase their e-mail newsletter spending in 2005 (Tornquist 2004). With the Direct Marketing Association (DMA) Census showing a growth of 40 percent in e-mail marketing in 2003, it is clear that this relatively new form of direct marketing is becoming increasingly popular (DMA 2004). Similarly, Portland (2005) reports that eROI, a full service e-marketing agency, has more than tripled its annual revenue over the past year.

Researchers and practitioners have agreed that e-mail marketing is one of the most effective online marketing tools for several reasons. Firstly, it is **cost-effective** (Lowder 1999; Peppers and Rodgers 2000; Roberts et al. 2000; Sterne and Priore 2000; Jackson 2001; MacPherson 2001; Rickman 2001; Felix 2002; Hughes 2002; Isaacson 2002; Kinnard 2002; Rettie 2002; Rettie et al. 2002; Robinson 2002; Tezinde et al. 2002; Waring and Martinez 2002; Martin et al. 2003; Boca Networks 2004; Brehe 2004; E-mailLabs 2004; Globalspec 2004; Merisavo and Raulas 2004; Yesmail 2004). Secondly, it brings **better results and response rates** than direct mail (Hein 1999; Peppers and Rodgers 2000; Roberts et al. 2000; Rosenspan 2000; Sterne and Priore 2000; Colkin 2001; Rickman 2001; Kinnard 2002; Darnoveek 2003; Martin et al. 2003; Perry and Shao 2003; PT 2004). For example, according to the 2001 E-mail Marketing Report published by eMarketer, 80 percent of e-mail marketing messages are responded to within 48 hours, as compared with six to eight weeks for the traditional direct marketing method (Brehe 2004). PT (2004) found that response rates for e-mail campaigns are higher than those for other channels, typically reaching between 5-15 percent. Thirdly, it

provides marketers with communication that allows for **relationship building**, tailoring of content and responsive messaging and real-time interaction with customers (Jackson and DeCormier 1999; Jackson 2001; Kinnard 2002; Brown 2002; Won et al. 2004). Forrest Research (2001) stresses the important role of e-mail in opening a dialogue with customers and gradually building a relationship that eventually allows more personal information to be gained. Thus, it is a promising tool to enhance brand loyalty (Merisavo & Raulas 2004). Fourthly, it can be **rich in multi-media experience** (Hoffman and Novak 1996) such as animation and videos. Fifthly, it can also be **interactive** (Hein 1999; Lang and Fuhr 2000; Brown 2002; Digital Stormfront 2002; Kinnard 2002; Martin et al. 2003; Murphy 2003; Globalspec 2004; Silverpop 2004). It has the ability to be sent and forwarded to friends and other friends and so on. It can also include hyperlinks inviting consumers to visit the company's website by clicking on the hyperlink in the e-mail (Martin et al. 2003). Sixth, it can be **personalised** (Kinnard 2002; Murphy et al. 2003; Micu et al. 2004).

Finally, it is **measurable** (e-dialog 2002; Felix 2002; Kinnard 2002). Kinnard (2002) suggests that e-mail publishers can enjoy immediate measurement with the ability to track delivery, response, action, and purchase for each and every message sent. Morrison (2003) identifies several measurements in e-mail campaigns: open (view) rate, click-through rate (CTR), conversion rate, acquisition rate, bounce rate, unsubscribe rate, and she also classifies e-mail analysis including ROI, cost per sale, cost per response, cost per message, total revenue and recency, frequency and monetary value (RFM). According to E-dialog's 2002 study, the most commonly tracked metrics are total click-through rates and unsubscribe rates, each of which is being measured by marketers in over 60 percent of the study's respondents. Only 9 percent of respondents currently measured brand recognition, however, 45 percent of them would like to measure it. This indicates that marketers recognise the potential of e-mail

as a branding vehicle, but are unable or unsure how to measure e-mail's branding impact. Traditional brand awareness and recall studies are the best way to do this—and e-mail can be an efficient vehicle for the execution of such market research studies. Despite consumers' preference for e-mail marketing over banner ads, and despite the phenomenal growth of e-mail marketing expected in the near future, academic studies on e-mail marketing and its effectiveness have been few (Won et al. 2004).

There appears to be wide agreement on the growth and benefits of e-mail marketing. However, as Kolettis (2002) points out, there are two categories of e-mail marketing: unsolicited commercial e-mail (UCE) also known as SPAM, and permission e-mail, also known as opt-in e-mail, and a significant proportion of commercial e-mails are likely to be unsolicited or SPAM (Cranor et al. 1998). According to Ferris Research (ferris.com), in 2003 spam cost American corporations more than \$10 billion, with an average of approximately 10 spam messages per day being sent to North American business users and approximately 12 spam messages per day to ISP users (King 2004). Ferris Research also predicts that by 2008 the figures will increase to over 40 spam messages per day for business users, and 54 spam messages per day for ISP users. A study by PricewaterhouseCoopers (2002) showed that 55 percent of consumers had received unwanted e-mails and 81 percent were not happy for personal information to be passed on to other companies. Consumers are affected because of the violation of their privacy, message volume, the irrelevance of messages, the use of deceptive practices such as spoofing, message offensiveness and targeting vulnerable groups such as children. This is where "permission marketing" coined by Godin (1999) enters into the direct-marketing equation (Marinova et al. 2002), and has now become a fundamental element of nearly every business marketing mix (Lyons and Fletcher 2002; E-mail marketing: same game, different channel 2003). Although the permission marketing concept has surfaced

earlier in direct marketing literature, mainly in the context of privacy issues, the issue of enhanced targeting has been somewhat neglected (Krishnamurthy 2001). This thesis does not dispute the relevance of privacy issues; it argues, however, that as well as considering ethical matters, academics and practitioners might also gain from viewing/applying the benefits of permission marketing concepts in terms of marketing strategy.

The proposed research was inspired by six key areas of interest. First is the author's initial interest in how marketers will employ the e-mail channel as an effective marketing tool. Kent and Brandal (2003) state that there is still little knowledge about which campaign elements affect e-mail response, and marketers should continue to test different response elements in their e-mail campaigns in order to better understand this phenomenon. Second is the research opportunity suggested by Henderson et al. (1998) and Limayem et al. (2000) that shopping on the Internet is a voluntary individual behaviour that can be explained by behaviour theories such as the Theory of Reasoned Action (TRA) proposed by Fishberg and Ajzen and the Theory of Planned Behaviour (TPB) proposed by Ajzen and Triandis. Third is Rettie's (2002) model proposing three factors influencing e-mail recipients to respond to an e-mail: 1) the characteristics of the e-mail, 2) the characteristics of the offer, and 3) the characteristics of the (potential) customer. Fourth is whether or not the concepts of interactivity, vividness and personalisation that have an influential effect on consumer attitudes and behavioural intentions in a web context, are applicable to an e-mail marketing context. Links and rich media in an e-mail and personalised content for example, are expected to impact on the effectiveness of e-mail campaigns and can be considered components of interactivity, vividness and personalisation. Furthermore, research opportunities identified in Coyle and Thorson's 2001 study suggest that future research should focus on additional validation of how new media approximate a more real experience than traditional media in order to

increase our understanding of the effects of rich media tools in the new media environment. According to Peppers and Rogers (1993) and Pine et al. (1993), customisation and personalisation as antecedents of relevance in marketing relationships have received extensive coverage in the direct marketing literature, albeit with conflicting results. This underscores the need to further investigate these constructs empirically in a controlled setting. Fifth is the importance of permission marketing as a fundamental concept of e-mail marketing proposed by Godin (1999) and others. Sixth is that there is little research examining the effectiveness of e-mail campaigns in terms of consumer psychology and brand impact. According to e-dialog.com, only 9 percent of respondents currently measure brand recognition while 45 percent want to measure it. This led to the development of the following research question: whether or not e-mail marketers will improve consumer perceptions and behavioural intentions by offering a highly interactive, highly vivid and personalised e-mail message, and whether or not permission marketing consumer attitudes have a significant moderating effect on consumer perceptions towards the base form of e-mail advertising.

This thesis has three primary objectives. The first is to review current literature regarding spam issues, permission based e-mail marketing, factors affecting the effectiveness of e-mail ads and theories related to these factors on consumers' attitudes and behaviour. The second is to initially examine whether or not permission marketing in practice differs from the theory by conducting personal in-depth interviews with several of the e-mail service providers in New Zealand. The third is to empirically examine the effects of three characteristics of an e-mail message on consumer attitudes and behavioural intentions, based on the proposed model integrating 1) the cognitive processing models of consumer behaviour: Fishbein and Ajzen's Theory of Reasoned Action and Triadis's Theory of Planned Behaviour (TPB), and 2) Rettie's 2002 Basic E-mail Response Process Model. These three characteristics will be 1) the

vividness levels of the e-mail, 2) the level of interactivity of the e-mail, and 3) the personalisation of the e-mail. The proposed study will investigate how varying levels of realism within the new media may affect attitudes, behavioural intentions, and the level of consistency between these attitudes and intentions. This research will hopefully enhance the understanding of e-mail marketing effectiveness for both academics and practitioners, and help combat the destructive effect of SPAM and other unsolicited e-mail advertisements by offering pointers towards clarifying and increasing the differential between spam and permission-based concepts.

This thesis is structured around seven chapters: an introduction; literature review; qualitative research methodology and analysis; conceptual framework and hypotheses; quantitative research methodology; results and analysis, and discussion. Chapter One provides the overview of this study. Chapter Two begins by reviewing the current literature on e-mail marketing and privacy issues, goes on to introduce a permission based e-mail marketing concept, and identifies three relevant theoretical e-mail marketing concepts: vividness, interactivity and personalisation, for further empirical testing. Chapter Three presents and discusses the results of the semi-structured interview research on permission based e-mail marketing. Chapter Four introduces the conceptual framework, reviews the relevant literature on the respective components of the model, and on the basis of which the research hypotheses for this study will be proposed. Chapter Five details the methodology and research design with a description of the stimulus material and experimental procedure used in the empirical data collection phase. Chapter Six presents an analysis of the results obtained in the experiment. The thesis concludes with a discussion of the results along with their implications, and identifies directions for future research.

CHAPTER TWO:

LITERATURE REVIEW

This chapter has five main objectives. The first is to review the literature on e-mail marketing and the issue of spam. The second is to introduce a permission-based e-mail marketing concept, to clarify differences between permission-based e-mail and spam mail and to identify the prospective benefits of putting a permission based e-mail concept into practice. The third is to discuss the nature of rich media in relation to the vividness concept and how it is used in web-based advertising, and to examine the use of rich media in an e-mail environment. The fourth is to review the literature on how interactivity affects consumer behaviour online. The final objective is to illustrate the effects of personalisation on consumer perception of an advertisement.

E-mail Marketing Research

Although practitioners and academics have identified key success factors and key barriers to the development of an effective e-mail campaign, few have attempted to apply existing theories and models. Similarly, although e-mail marketing studies have been conducted either by online surveys, by in-depth interviews, by controlled experiments or by tracking behaviour patterns such as click-through links and the visiting patterns, few researchers have investigated the effects of e-mail characteristics on consumer attitudes and behavioural intentions. In order to understand consumer behaviour within an e-mail context, this thesis proposes to examine various aspects of consumer behaviour research. These include e-mail marketing in general, privacy issues, permission marketing and permission based e-mail marketing, interactivity, vividness and personalisation. A summarised list of papers appears in Table 1.

TABLE 1: Papers Reviewed from Literature

Topic	Papers
E-mail Marketing	<p>Books on E-mail Marketing</p> <ol style="list-style-type: none"> 1. Bly et al. (2000) 2. Strene and Priore (2000) 3. Lewis (2002) 4. Chaffey (2003) <p>Papers</p> <p>Brodeur (2000)</p> <p>Han and Reddy (2000)-suggestions</p> <p>E-mail Marketing: Same game, different channel (2001)</p> <p>Jackson (2001)</p> <p>M4Internet (2001-2003)</p> <p>Saint (2001)</p> <p>Harper (2002)</p> <p>Heneroty (2002)</p> <p>Hughes (2002)</p> <p>Isaacson (2002)</p> <p>Robinson (2002)</p> <p>Ansari and Mela (2003)</p> <p>Chittenden and Rettie (2003)</p> <p>E-mailFactory (2003)</p> <p>Darnoveek (2003)</p> <p>Dorsey (2003)</p> <p>Obston (2003)</p> <p>Parenteau (2003)</p> <p>Singh (2003)</p> <p>CRM (2004)</p> <p>DecisionMaker (2004)</p> <p>DMA (2004)</p> <p>PT (2004)</p> <p>Tornquist (2004)</p> <p>Proposed Model on E-mail Marketing</p> <ol style="list-style-type: none"> 1. Rettie (2002)-proposed model, in depth interviews and empirical study <p>Empirical Studies on E-mail Marketing</p> <ol style="list-style-type: none"> 1. Martin and Durme (2002) 2. Perry and Shao (2003) 3. E-mail Marketing Benchmarking study (2002)-survey study 4. Morrison (2003)-e-mail measurement
Privacy Issue and E-mail	<p>Krishnamurthy (2000)</p> <p>Mabley (2000)</p> <p>Bellman et al. (2001)</p> <p>Sheth and Sisodia (2001)</p> <p>Johnson et al. (2002)</p> <p>Kinnard (2002)</p> <p>Rettie et al. (2002)</p> <p>Bernstel (2003)</p> <p>Tapp (2003)</p>

Permission based e-mail
Marketing

Books on Permission based e-mail Marketing

1. Godin (1999a,b)
2. MacPherson (2001)

Papers on Permission based e-mail Marketing

Cecil (1999)
IMT Strategies (1999)
eRetailNews (2000)
Holme (2000)
Power (2000)
Sheehan and Hoy (2000)
Stone (2000)
Swanson (2000)
Williams (2000)
Bellman et al. (2001)
E-mail marketing: same game, different channel (2001)
Industry Overview (2001)
Railsback and Yager (2001)
Rettie and Brum (2001)
Rizzi (2001)
Rosenspan (2001)
Rosenthal (2001)
Saint (2001)
Yager (2001)
Barwise and Strong (2002)
Dawe (2002)
Felix (2002)
Finney (2002)
Harper (2002)
Kolettis (2002)
Press Release (2002)
Public Workshop (2002)
Quris (2002)
Rettie (2002)
Lyons and Fletcher (2002)
Dorsey (2003)
Iposos-Reid (2003)
Linares (2003)
Boca Networks (2004)
Helsel (2004)
Market Overview (2004)
Morrison (2004)
Takahashi (2004) E-mail marketing Statistic
Permission E-mail: The Future Direct Marketing, by
Yesmail (2004)

**Proposed Model on Permission based e-mail
Marketing**

1. Krishnamurthy (2000 and 2001)

**Empirical Studies on Permission based e-mail
Marketing**

1. Marinova et al. (2002)
-

	<ol style="list-style-type: none"> 2. Rettie et al. (2002) 3. Tezinde et al. (2002) 4. Waring and Martinez (2002)-empirical study-in depth interview and online study 5. Cooper (2003)-survey 6. Kent and Brandal (2003) 7. Martin et al. (2003) 8. Marisavo and Raulas (2004) 9. Won et al. (2004)
	Proposed Model with Empirical Study <ol style="list-style-type: none"> 1. Micu et al. (2004)-diffusion of innovation theory-online survey
Interactivity	Schaffer and Hannafin (1986) Rafaeli (1989) Berthon et al. (1996) Hoffman and Navok (1996) Szuprowiez (1996) Fortin (1997) Ghose and Dou (1998) Sundar et al. (1999) Novak et al. (2000) Light and Wakeman (2001) Rowley and Slack (2001) Brown (2002) Dholakia and Fortin (2002) McMillan and Hwang (2002) Mundorf and Bryant (2002) Menon and Soman (2002) Stewart and Pavlou (2002) Conceptual Paper on Interactivity <ol style="list-style-type: none"> 1. Coviello et al. (2001)-conceptual paper Proposed Models on Interactivity <ol style="list-style-type: none"> 1. Shih (1998) 2. Jahng et al. (2000) 3. Pavlou and Stewart (2000) 4. Liu and Shrum (2002) 5. Wang et al. (2002) Proposed Models with Empirical Studies <ol style="list-style-type: none"> 1. Klein (2001) 2. Li et al. (2001 and 2002) 3. Teo et al. (2003) 4. Fortin and Dholakia (2000 and 2005) Empirical Studies <ol style="list-style-type: none"> 1. Wu (1999) 2. Coyle and Thorson (2001) 3. Fiore and Jin (2003) (image interactivity)
Vividness	Roger (1989) Baecker and Mandler (1991) Steuer (1992) Fray and Eagly (1993)

	Hoffman and Novak (1996)
	Molina (1997)
	Morrison and Vogel (1998)
	Lim et al. (2000)
	Rowley and Slack (2001)
	Zimmerman et al. (2001)
	Plamer (2002)
	Fiore and Jin (2003)
	Fortin and Dholakia (2000 and 2005)
	Proposed Models on Vividness
	1. Shih (1998)
	2. Stern et al. (2002)
	Proposed Models with Empirical Studies
	1. Klein (2001)-proposed model and empirical study
	Empirical Studies
	1. Keller and Bloch (1997)
	2. Smith and Shaffer (2000)
	3. Coyle and Thorson (2001)
	4. Li et al. (2001 and 2002)
	5. Griffith and Gray (2002)
	6. Jiang and Benbasat (2004-5)
Rich Media and Rich Media E-mail	Heiss (2000)
	Jeys (2000)
	Gunn (2000)
	Coyle and Thorson (2001)
	Granger (2001)
	Hespos (2001)
	Rosenthal (2001)
	Ryan (2001)
	Townsend (2001)
	Weil (2001)
	McCloskey (2001 and 2002)
	Goldberg (2002)
	Griffith and Gray (2002)
	Heineman (2002)
	Isaacson (2002)
	Jiang and Benbasat (2004-5)
	Kinnard (2002)
	Lewis (2002)
	Macromedia: DoubleClick and Macromedia form strategic alliance (2002)
	Rettie (2002)
	Rettie et al. (2002)
	Rodgers (2002)
	Geller (2003)
	Rich Media: What? Where? Why? DoubleClick
	TheNoiseMaker (2003)
	Tierney (2003)
	CRM (2004)

Personalisation

Great Big Noise (2004)
Griffith and Chen (2004)
Martinez et al. (2004)
Silverpop (2004)
Tellingpower (2004)
Rich Media Campaigns Twice as Effective as Lifting
Brand Message Association

Conceptual Paper

1. Whitepaper (2003)

Empirical Study

1. Zimmerman et al. (2001) -empirical study
2. Emerging Interest (2001)-case studies
3. Digital Stromfront (2002)-case studies

Chin and Gopal (1995)
Galbreath and Booker (1998)
Rosenfield (1998)
Brodeur (2000)
Mabley (2000)
Sterne and Priore (2000)
Colkin (2001)
Digital Impact (2001)
Hall (2001)
MacPherson (2001)
Miller (2001)
Morrone (2001)
Rickman (2001)
Rosenthal (2001)
Rowley and Slack (2001)
Rust and Lemon (2001)
Sheth and Sisoda (2001)
Barbagollo (2002)
Burke (2002)
Hughes (2002)
Kalyanam and McIntyre (2002)
Kolettis (2002)
Marinova et al. (2002)
Rettie (2002)
Srinivasan et al. (2002)
Tezinde et al. (2002)
2002 E-mail marketing benchmarking study
e-mailfactory (2003)
Ho and Kwok (2003)
DecisionMaker (2004)
EsavvyMarketing (2004)
iStart (2004)
Yesmail (2004)

Proposed Models on Personalisation

1. Pavlou and Stewart (2000)
2. Wind and Rangaswamy (2001)

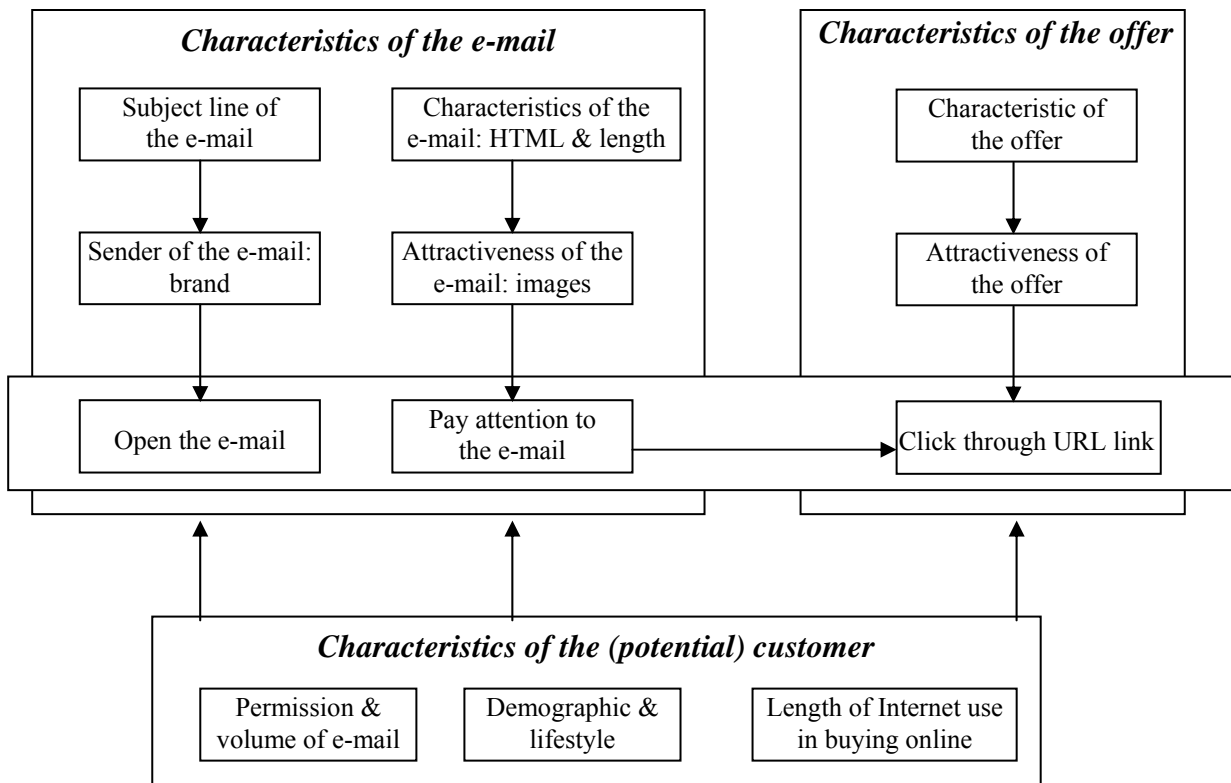
Proposed Model with Survey

	1. Greer and Murtaza (2003)-model & survey
	Empirical Studies
	1. Surprenant and Solomon (1987)
	2. Postma and Brokke (2002)
	3. Yang and Jun (2002)-online survey
Direct Experience and Attitude- Behaviour Theory	Fazio and Zanna (1981) Smith and Swinyard (1982, 1983 and 1988) Kim and Biocca (1997) Peek (1997) Kempf and Smith (1998) Li et al. (2000) Coyle and Thorson (2001) Klein (2001) Griffith and Chen (2004)

E-mail Marketing

Rettie (2002) adapted the Vriens et al. (1998) direct mail response process model to form a basic e-mail marketing response process. The model suggests that there are three stages in effective e-mail marketing: getting the recipient to open the e-mail, getting them to pay attention to the e-mail and persuading them to click on the URL link; hence the response rate should depend on the e-mail header as shown in the in-box, the e-mail contents and the recipient. His qualitative research among industry experts found the following factors were associated with increased response rate: subject line, e-mail length, incentive and number of images. He found that e-mail length and the number of images accounted for 54 percent of the variance in response rate, and demographics and lifestyle data for nine campaigns showed higher response rates for respondents who had previously bought online, were aged 30-34 or had incomes over £35,000.

Figure 1: Rettie 2001 Basic E-mail Marketing Response Process



Three quarters of respondents to a survey by Nikkei Multimedia have a positive attitude towards e-mail advertising (Market Overview 2004). A third say links to Web sites make e-mail advertisements more useful than other forms of advertising, and half say e-mail advertisements provide adequate details about a product.

Privacy Issues in E-mail Marketing

E-mail marketing initially appeared to be an efficient marketing channel, but its abuse and overuse may over time dilute its effectiveness, just as direct mail became synonymous with junk mail and telemarketing degenerated from a cost-effective two-way interactive channel into sometimes intrusive customer harassment (Sheth and Sisodia 2001). Spam is defined as an e-mail message of a commercial nature that has been sent without the explicit permission

of the receiver (Krishnamurthy 2000), or it can be defined as the practice of indiscriminate distribution of messages without the permission of the receiver and without consideration for the messages' appropriateness (Turban et al. 2000). It is a major and growing concern for every e-mail marketer, and it is a problem even for non spammers because all e-mail marketers are at risk of being perceived to be spammers (Kinnard 2002). Rowan (2002) suggests that e-mail spamming is a menace and will probably severely undermine the effectiveness of e-mail as a marketing tool. According to IDA 2003 survey, the majority of e-mail users (81 percent) disliked receiving spam and 69 percent of them perceived that the amount of spam they received was increasing each year. Bernstel (2003) states that nearly nine out of ten respondents in a recent DoubleClick survey labelled spam as the number one problem with their e-mail experience, yet over 90 percent reported receiving some kind of permission based e-mail. Jupiter Communications (2000) estimated that the average United States surfer would receive up to 1600 unsolicited e-mails every year by 2005. Windham (2000) believes that unsolicited e-mail is considered an invasion of privacy, and has already become a serious problem for some customers; spam taints the reputation of e-mail marketing. To avoid being perceived as spam, several authors recommend that companies restrict the messages they send (Wreden 1999; Wright and Bolfiging 2001 and Rettie et al. 2002); in addition, marketers should obtain the recipients' permission. Sheehan and Hoy (2000) propose that permission marketing may serve as a means to reducing some of the privacy concerns of individuals.

Permission Marketing

Godin (1999) proposes a new concept of permission marketing and defines it as **anticipated**, **personal** and **relevant**. **Anticipated** means people look forward to hearing from you; **personal** is where the messages directly relate to the individual; and **relevant** signifies the marketing is about a product the prospect is interested in. In other words, permission marketing has three characteristics that set it apart from its traditional direct (mail) marketing (Marinova et al. 2002). Customers who allow their names to be included on direct-mail lists can anticipate receiving commercial messages; the sending company can personalise those messages, and the messages will be more relevant to the customers' needs. Permission marketing is an idea that has gained popularity recently, particularly as online privacy concerns have mounted among consumers (Holme 2000). Cecil (1999) states the challenge with permission marketing is to persuade only those viable customers and prospects to raise their hands or volunteer their attention. If you apply the nurture process and permission marketing concepts, the question becomes: "Customer, may I?" Everything that you do encourages prospects and clients to answer that question by saying: "Yes, you may".

Godin (1999) identifies five levels of permission marketing that prospective customers-turned-loyal clients allow for direct marketers. These steps in permission marketing are situation, brand trust, personal relationship, points and intravenous permission. **Situation permission** is a one-time or limited permission, the least potent of the five permission levels. **Brand trust permission** is when the customer has developed a level of confidence in a product or service that carries a particular, well-known brand name. It is more likely that brand-trust customers will give their permission to receive sales or promotional messages about other products produced from the same trusted brand. The **personal relationship** level of permission uses individual relationships between the customer and marketer to temporarily

refocus the attention or modify a customer's behaviour. It is the most powerful form of permission marketing, revealing major shifts in a consumer's behaviour (Godin 1999b). For example, an airline may target those frequent flyer customers with hundreds of thousands of accumulated miles. This personalised approach is the best way to sell customised, expensive, or highly involving products. **Points permission** involves customers allowing the company to collect personal data and to market its products and services to them on a points-based loyalty scheme—the level of most frequent-customer programs. **Intravenous permission** is the highest kind of permission to be won from customers. It involves customers trusting the marketer to make buying decisions for them (Marinova et al. 2002). This can be called purchase-on-approval which is the most powerful form of permission that many marketers will ever achieve (Godin 1999b). It is suggested that permission is not a durable thing. It is very tenuous and transitional, and, especially in the beginning, permission must be continually re-established with each interaction. Marinova et al. (2002) suggest that permission marketing involves a long-term process that requires an investment of time, information, and resources by both parties. The result is an active, participatory, and interactive relationship between both sides of the sales equation.

Permission marketing aims to initiate, sustain and develop a dialogue with customers, building trust, and over time lifting the levels of permission, making it a more valuable asset (Godin 1999; Kent and Brandal 2003). Godin (1999) proposes that permission marketing encourages consumers to participate in a long-term interactive marketing campaign in which they are rewarded in some way for paying attention to increasingly relevant messages. He further states that when entering permission marketing, companies must have a new way of thinking, focusing on developing a long-term relationship with customers rather than becoming obsessed with the first contact and then “dropping the ball”. Godin believes that personalised, anticipated, frequent, and relevant communication has infinitely more impact

than a random message, displayed in a random place, at a random moment. Similarly, MacPherson (2001), one of the theorists behind permission marketing, argues that a customer who has given permission to receive promotions is a better, more loyal, and more profitable customer overall. Krishnamurthy (2001) argues that permission marketing can be viewed as focusing on the communication aspect of a larger concept called co-creation marketing, a part of the customer-centric marketing, which envisions a system where marketers and consumers participate in shaping the marketing mix. For example, co-creation marketing enables and empowers the consumer to aid in product creation (e.g., Gateway computers), pricing (e.g., priceline.com) and distribution and fulfilment (e.g., e-mail systems) (Sheth et al. 2000). It is proposed that this can enhance customer loyalty and reduce the cost of conducting business.

Kolettis (2002) and Krishnamurthy (2000) attempt to uncover the basic characteristics of permission marketing. Kolettis (2002) identifies five basic components of permission marketing. Firstly, permission must be granted, it cannot be presumed. Secondly, consumers grant permission only if they perceive that there is something in it for them. Thirdly, once you gain permission, you must take care of it. If you cross a boundary or do something that offends the consumer, he/she can instantly revoke the permission. Fourthly, you cannot transfer permission from marketer to marketer. Lastly, measuring permission is the first step to forging a strong relationship.

Krishnamurthy's 2000 paper identifies six characteristics of permission marketing. Firstly, the permission must be obtained in an explicit rather than an implicit manner. The permission-seeking process must be clear and devoid of deceptive tactics. Similar to Barwise and Strong's 2002 suggestion, explicit permission is essential for consumer acceptance of the service. Secondly, the firm must verify the identity of each consumer's permission marketing. Services that offer this are referred to as "double opt-in" (e.g., yesmail.com). This is easily

accomplished by sending an e-mail immediately after an individual registers. Thirdly, the consumer must understand that he or she is entering an ongoing two-way relationship. Fourthly, the consumer must know exactly what the firm knows about him or her. Moreover, the consumer must be able to modify this information at any point in time. Fifthly, the consumer must be able to control the nature and volume of messages being sent to him or her. Finally, the consumer must be able to effortlessly exit from a permission marketing relationship at any point.

The fundamental characteristics of permission marketing proposed by Kolettis and Krishnamurthy respectively are similar. However, Krishnamurthy goes considerably further than Kolettis in terms of marketers' responsibilities towards their customers. For example, both Kolettis and Krishnamurthy agree that permission must be granted and obtained explicitly, and that as a practice it only represents the initial step of relationship marketing. Krishnamurthy further suggests that customers must know exactly what the firm knows about them, must be able to change this information and must be able to effortlessly exit from the relationship at any point. Kolettis, however, does not mention any of these points.

Krishnamurthy also uses the six characteristics outlined above to classify six spam variants: pure spam, spam with opt-out, spam from a friend, deceptive consent, permission by association, lock-in and permission creep (see Table2). This thesis strongly supports Takahashi's 2004 argument that no analysis of permission-based e-mail marketing can avoid acknowledging the challenges spam represents for the industry.

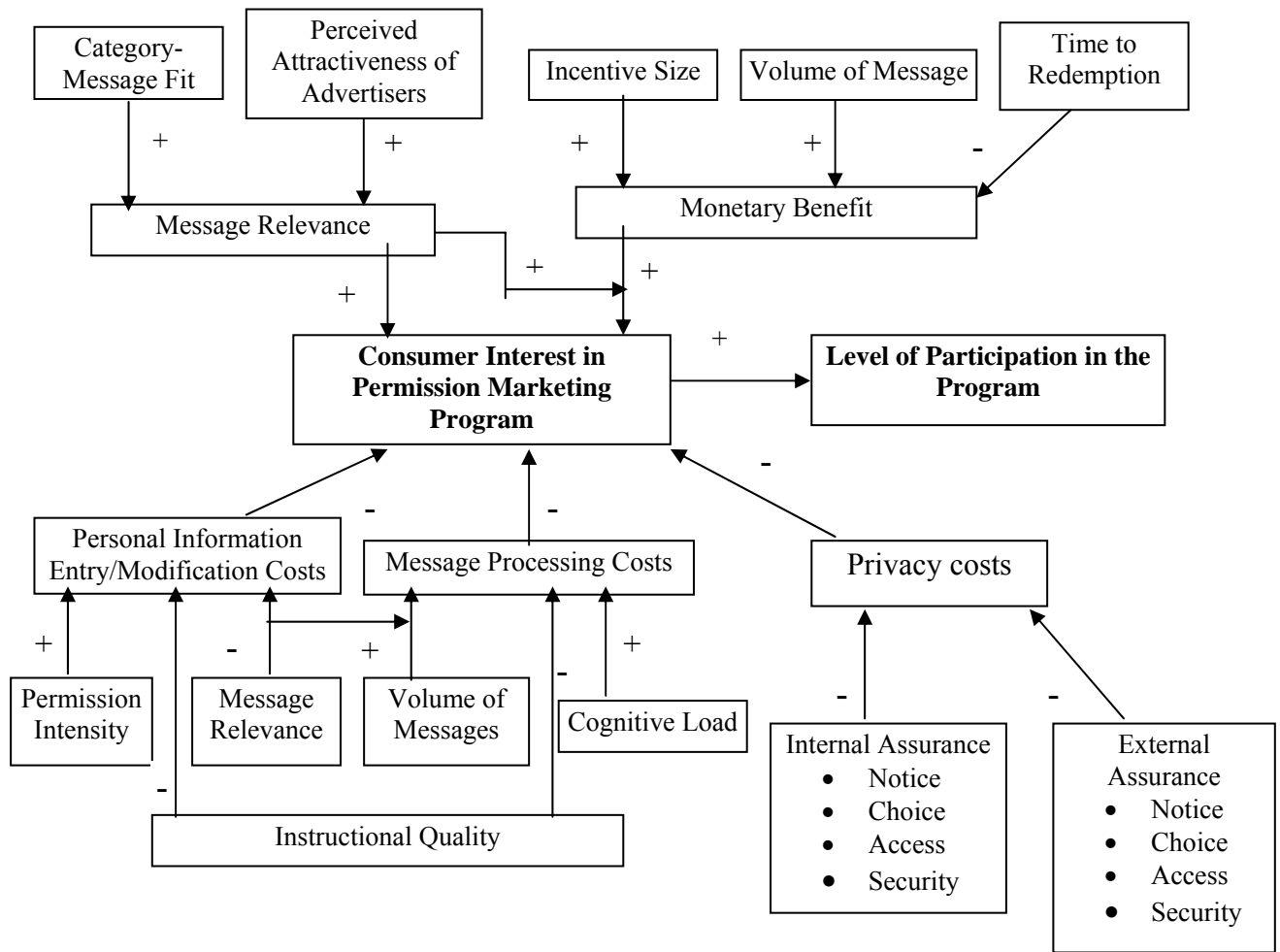
Table 2: The six variants of spam and true permission marketing based on six identified dimensions

Spam Variant	Explicit Permission Seeking Process	Verification Process	Recognition of Relationship	Access to Personal Information	Communication Control	Frictionless Exit
Pure spam	No	No	No	No	No	No
Spam with opt-out	No	No	No	Possible	Poor	Yes
Spam with friend	No	No	Poor	No	Poor	Yes/No
Deceptive Consent	No	No	No	Possible	Possible	Yes/No
Permission by Association	No	Possible	Poor	No	Poor	Yes/No
Lock-in	Initially, yes	Possible	Poor	No	No	No
Permission Creep	Initially, yes	Possible	Poor	Possible	Poor	Yes/No
True Permission Marketing	Yes	Yes	Yes	Yes	Yes	Yes

Krishnamurthy's (2001) paper proposes a comprehensive cost-benefit conceptual model capturing the consumer's experience with a permission marketing program. The model suggests five antecedents of consumer interest and their level of participation in a permission marketing program: message relevance; monetary benefit; personal information entry costs; message processing costs, and privacy costs (see Figure 2). While message relevance and monetary benefits are proposed to have positively influenced participation in permission marketing activities, costs including information entry/modification costs, message processing costs, and privacy costs, are posited to have had a negative effect on permission marketing activities. Rowley and Slack (2001) found evidence supporting some of these arguments. They discovered that individuals sign up for more categories if the transaction costs for entering/modifying the opt-in scheme are low, the transaction costs of processing a single e-mail are low, and the incentives received from reading each e-mail are high. They conclude that in general, customer participation depends on the balance between the expected benefit and the expected costs.

Krishnamurthy (2001) also introduces the concept of permission intensity, which he defines as the degree to which a consumer empowers a marketer in the context of a communicative relationship. This concept can be argued as comparable to the five levels of permission proposed by Godin (1999), but it is explained in a simpler way. He suggests that in a low permission intensity situation, the consumer provides a marketer with his or her e-mail address and permits the marketer to send one promotional message a month. No additional information is provided. In contrast, in a high permission intensity situation the consumer provides detailed information about tastes and preferences and permits the marketer to target promotional messages at him or her. Krishnamurthy (2001) also identifies three circumstances leading to the high permission intensity: high information quantity, high information quality and information usability. Firstly, an individual is willing to participate in the exchange of information in his/her self interest for a promise of better future service. Secondly, the consumer understands that permission marketing is an incentive-compatible (i.e., win-win) program and that providing high quality personal information will enrich their life. Thirdly, the consumer will participate in the exchange with few constraints on how that information can be used by the firm to develop marketing messages.

Figure 2: Krishnamurthy's cost-benefit model (2001)



Permission based-E-mail Marketing

While Rosenspan (2001) suggests that permission marketing is only the beginning of a true interactive marketing system, many researchers agree that permission based e-mail advertising is becoming increasingly popular (Iposos-Reid 2003), being the future of direct marketing (MacPherson 2001), and proving to be the most powerful means to reaching their target audiences (Swanson 2000; Rizzi 2001; Rosenthal 2001). Permission marketing is described as a fundamental element of nearly every business marketing mix (Lyons and Fletcher 2002), an evolution of direct marketing particularly used with e-mail (Tezinde et al., 2002), and an essentially different concept from spam (Dorsey 2003).

Researchers and practitioners have defined permission marketing comprehensively and many have identified its benefits. For example, according to IMT Strategies 1999, permission marketing (PM) is commonly defined as promotional e-mail to recipients who have given their consent to receive commercial messages from the sender, typically by signing up at the company's website. Martin et al. (2003) define permission based e-mail as e-mail that has been requested by the consumer as part of an opt-in scheme (e.g., a consumer fills in their e-mail address on a website and agrees to receive information of interest). Martin et al. (2003) argue that permission-based e-mails are powerful because by signing up to an e-mail list, the consumer is requesting the information from the advertiser rather than simply being exposed to it. Milne et al. (1999) propose that opt-in methods can act as a trust-building pathway to exchanging more effective information, and Darnoveek (2003) states that getting members' permission to send them specific types of e-mail offers is a vital element of successful e-mail marketing. More importantly, *E-mail Marketing: Same Game, Different Channel* (2001) points out that gaining permission is not just important, it is critical.

Several researchers have shown that permission based e-mail marketing is becoming popular. For example, a recent pan-European survey by the Claritas and Doubleclick survey (as cited in Singh 2003) studying consumer attitudes to e-marketing, has found that 77 percent of European consumers have given permission to receive commercial e-mails. DoubleClick (2002) also found that 65 percent of participants responded that permission based e-mails were their preferred method of learning or being notified about new products, services and promotions. According to Brann Worldwide Direct Marketing Agency, who surveyed 400 people, it found that 92 percent felt positively towards companies that ask permission and 81 percent would be more willing to respond if permission were sought beforehand (Brehe 2004). According to the wireless commerce monitor (Kelsey Group 2000), almost 50 percent of wireless users would opt for an advertising sponsored source of information such as traffic

reports, news, weather and promotional messages. MarketingSherpa (2004) states that despite a significant increase in spam complaints in 2003, 55 percent of e-mail marketers reported that the willingness of people to opt-in for their lists had not changed significantly, and 23 percent reported that it had increased.

Literature shows that permission based e-mail marketing delivers superior performance compared to non-permission based marketing and other forms of online advertising (eRetailNews 2000; Waring and Martinez 2002). The benefits of permission based e-mail marketing are discussed as follows. Firstly, permission based e-mail marketing is fast and cost-effective in terms of reaching target audiences (IMT Strategies 1999; MacPherson 2001; Dawe 2002). It offers marketers a chance to improve their marketing economics by five times or more compared to direct mail and as much as 20 times compared to web banners (Permission E-mail: The Future of Direct Marketing, a short primer on Consumer attitudes, marketer experiences and best practises). American Airlines' permission e-mail program is also over five times as cost-effective as direct mail (Dioro 2002)

Secondly, permission-based marketing respects the privacy of targeted customers who have actually expressed interest in the product (Yager 2001). This will help to establish a level of trust and responsibility with the targeted audience (Milne et al. 1999; Rizzi 2001) and will also help to increase *brand loyalty* (Yager 2001). For instance, Linares (2003) found significant differences in e-mail users' responses between permission e-mail and unknown senders. Thirteen percent of e-mail users felt eager to read permission e-mail, but only one percent felt so for unknown senders. Moreover, 49 percent of them were curious to read permission e-mail while 12 percent were curious to read unknown senders' e-mail.

Thirdly, permission marketing leads to a positive attitude towards e-mail. For example, according to IMT Strategies's phone survey of over 400 adult e-mail users, more than half of all e-mail users feel positively about permission e-mail marketing (Market Overview 2004). Won et al. (2004) investigated the role of a consumer's e-mail subscription status (i.e., permission-based versus unsolicited e-mails) on their intention to read the message and their attitude towards the ads, and they also explored the impact of different e-mail titles (i.e., statement in the subject line of a message) on the audience's intention to read the message and their attitude towards the ads. They found that the participants who were assigned to the permission-based e-mail condition showed higher scores in attitude towards the ads and intention to click than those in the unsolicited e-mail condition. It is however noted that Won and colleagues' study administered a paper-and-pencil experiment without measuring consumers' actual clicking behaviour.

Fourthly, permission based e-mail increases brand image and recall rate. For instance, Godin (1999) found that marketers with permission discover that day-after recall is close to 100 percent on their best work. According to Quris 2002 survey of 1256 regular e-mail users (i.e., those who read their e-mail at least once per week), 56 percent of them believed that the quality of permission e-mail programs influenced their opinions, positively or negatively, about the companies sending them e-mail.

Fifthly, since users have opted in according to their interests, messages are personal, relevant and anticipated (Rosenthal 2001), thus permission marketing improves the targeting and relevance of promotional messages (Krishnamurthy 2001; Rosenthal 2001; Tezinde et al. 2002; Kent and Brandal 2003; Martin et al. 2003), thereby enhancing response and conversion rates (Rettie 2002; Kent and Brandal 2003). For example, E-mail Factory found that targeted, permission-based e-mail marketing campaigns can garner seven to twelve times

the response rate of comparable snail-mail direct marketing efforts. Krishnamurthy (2001) states that many permission-marketing firms (e.g., yesmail.com - now part of the business incubator, CMGI) report customer response rates to be in the area of 5 to 20 percent. Waring and Martinez (2002) also discovered that the click through rates on permission e-mail campaigns is 15 percent, compared to 1 percent or below with web banner advertisements. Similarly, Power (2000) found that response rates from permission-based e-mail can run as high as 18 percent, compared with the 2 percent typical of direct mail. Moreover, a survey by IMT strategies (1999) found that permission e-mail has a higher response rate than non-permission e-mail: more than half of their respondents felt positive about receiving permission e-mail. Ansari and Mela (2003) found that the content targeting approach can potentially increase the expected number of click throughs by 62 percent.

Sixthly, permission-based e-mail motivates consumers to purchase: 78 percent of online shoppers have purchased as the result of clicking on an e-mail link ((E-mail marketing statistic). Quris (2002) found that loyalty to permission e-mail programs increases the frequency of online shopping. Those with the longest permission e-mail relationships bought on average 15.5 times online in the past twelve months compared with the total sample average of 9.6 times. DoubleClick 2002's survey found that over 88 percent of respondents have made a purchase as a result of receiving a permission-based e-mail (Martin et al. 2003). Similarly, Merisava and Raukas (2004) found that 75 percent of consumers on an opt-in e-mail list reportedly purchased from a particular brand less than six months ago.

Seventhly, permission based e-mail generates higher ROI (Rosenthal 2001). For example, according to a study by IMT Strategies sponsored by eleven leading e-mail marketing solutions vendors and co-sponsored by yesmail.com, permission e-mail marketing generates a higher ROI in the short and long term than spam (unsolicited commercial e-mail). Similarly, a

survey of leading e-mail marketing vendors' opinions on permission-based marketing revealed that 100 percent of participants regard permission based e-mail to be the highest yielding form of Internet direct marketing and predict that it will continue to deliver optimal ROI over the next three years.

Eighthly, another advantage of permission based e-mail marketing is that it is trackable (Rosenthal 2001) or measurable (Waring and Martinez 2002). Finally, permission e-mail campaigns strengthen a company's online community of users (Brodeur 2000). For example, Rettie et al. (2002) found that after two weeks, an e-mail questionnaire was sent to respondents to register at a music website for a customised e-mail newsletter. Nearly a third of respondents bought from the website and 41 percent forwarded e-mails to their friends. Likewise, Merisavo and Raulas (2004) found that 74 percent of their opt-in e-mail list consumers had recommended the products to their friends.

While permission based e-mail marketing is proposed to have several advantages, the concept is not without its areas of concern. Five issues raised in the literature will be discussed here. Firstly, Helsel (2004) suggests using only a permission-based approach, with easy and immediate ability for unsubscribing functionality, and E-mail Marketing: Same Game, Different Channels (2001) suggests that in contrast to the value of permission-based e-mail marketing as a customer retention tool, they believe that e-mail is a far less effective and even potentially dangerous customer acquisition tool.

Secondly, practical problems can arise when deploying permission marketing (PM), especially in the first step—obtaining permission (Tezinde et al. 2002). Three methods of getting permission identified in the literature are opt-in, opt-out or double opt-in. The opt-in is well accepted by several researchers (Kelsey Group 2000; Rettie and Brum 2001; Industry

Overview 2001; Kinnard 2002; Public Workshop 2002; Finney 2002; Press Release 2002; Morrison 2004). In this case, an individual explicitly gives consent to receive ads ahead of time, and it generally happens by way of a sign-up form on a web site, by phone, in an e-mail or through direct mail piece (Felix 2002). Opt-out is the most controversial term in permission marketing practice. Firstly, it can refer to the case where the marketer initiates contact and then provides individuals with the option of not receiving any further messages (Krishnamurthy 2001), or giving consumers the option of not receiving promotional messages after they have already received a message (Kolettis 2002). Secondly, it can refer to when the consumers initially opt-in to receive marketing messages and then decide later not to receive any future messages. Bly et al. (2000) offer a model opt-out statement that can be used when carrying out an e-mail marketing campaign: "We respect your online time and privacy and pledge not to abuse this medium. If you prefer not to receive further e-mails of this type from us, please reply to this e-mail and type "Remove" in the subject line". Kinnard (2002) and Krishnamurthy (2001) and Lloyd (2000) refer to the first definition of opt-out above as spam. Similarly, Public Workshop (2002) argues that a wireless advertising company should get opt-in consent before sending pushing advertising (where advertising content is sent to a wireless device at a time other than when the user requests it), because it prevents a consumer backlash (Finney 2002). While Railsback and Yager (2001) state that the arguments about opt-in versus opt-out marketing can be intense, Krishnamurthy (2001) argues that the traditional usage of opt-in and opt-out is confusing. Opt-in refers to entry into a relationship and opt-out refers to exit. He further proposes that permission marketing systems be both opt-in and opt-out. Customers enter into the agreement of their own volition and are free to leave at any point. A confirmed opt-in is suggested as the most effective way to build a subscriber base. After the user checks a box indicating her permission, she receives an e-mail welcoming her and allowing unsubscribing from it immediately.

Thirdly, some researchers appear to question the permission marketing concept and assume that it is just about getting a customer's permission to send them information. For example, Heinonen and Strandvik (2003) argue that consumer responsiveness to marketing communication is more important and more effective than permission because it assumes consumer attention rather than merely permission. They propose that responsiveness depicts the consumer's willingness to receive and respond to marketing communication and can be viewed as a function of the content and the context of the message. Similarly, Cooper (2003) argues that despite Godin's (1999) rather simplistic concept, marketing theorists seem to confuse permission marketing with opt-in e-mail marketing. He states that there is a difference between permission marketing and opt-in terminologies. His study was conducted as a survey with members from the DMA (Direct Marketing Association) in New Zealand and found that 77 percent of the respondents selected the IMT opt-in definition as permission marketing practice (where a prospect gives you positive active permission for you to send future e-mail offers to them), whereas only 23 percent selected Godin's definition. Cooper found that Godin's influence over e-mail marketing strategies in New Zealand has been minimal, and that gaining a prospect's permission to market to them (opt-in) is only one element of permission marketing. Cooper argues that this confusion is a concern as there is no evidence to suggest that marketers understand how important it is to have the ability to move prospects from "strangers into friends and friends into loyal customers" as proposed.

Fourthly, although permission marketing is considered the easiest way to tackle privacy (Godin 1999), it is not free from controversy and presents problems and challenges of its own, such as segmentation, building quality e-mail lists, spam, privacy (Tezinde et al. 2002) and e-mails erroneously blocked as spam. Bellman et al.'s 2001 findings, for example, discovered that over two out of three United States Internet users did not know they had consented to be on e-mail distribution lists. Kolettis (2002) suggests that this might be because a potential

prospect is required to click or unclick a checkbox on a web page in order to avoid receiving e-mail which is known as negative opt-in and passive consent. Although Jupiter Research's latest report finds that the cost to online marketers from permission e-mail messages being erroneously blocked as spam is high and will balloon from \$230 million in 2003, to \$419 million in 2008, the percentage of permission e-mail being erroneously blocked will decline from 17 percent today to fewer than 10 percent in 2008. This is due largely to improved ISP effects and sender authentication systems (Jupiter Research Press Releases 2004a). E-dialog's 2002 study states that despite problems and challenges, it is likely that e-mail will continue to be adopted by marketers as a mainstream marketing vehicle.

Fifthly, with respect to Takahashi's point that no analysis of permission-based e-mail marketing can avoid acknowledging the challenges spam represents for the industry, it might be posited that a crude cost benefit analysis shows spam to be far more cost-effective than permission based marketing. However, there are two possible arguments against such an assertion. The first questions whether spam e-mail can be truly claimed to be cost-effective, especially given its lack of popularity and resulting low rate of response/return. Templeton (2006), for example, states that junk e-mails (spam e-mails) are very ineffective and other reports suggest response rates are well under one response per 10,000 mailings. According to dictionary.com, cost-effective means economical in terms of the goods or services received for the money spent. Although the cost of spam at face value would appear to be relatively low, it does not necessarily follow that spam is cost-effective in terms of the broader marketplace, as the present discussion attempts to illustrate. The second is that spam e-mail is described as a cost-shifting advertising medium (Microeconomics of Spam and Direct Marketing, www.caube.org.au/microec.htm; Templeton 2006). The cost of spam is shifted from spam e-mail marketers to three other parties, i.e., spam recipients, traditional or permission based e-mail marketers and companies employing spam recipients.

The shift in cost from spam marketers to spam recipients and ultimately third parties such as businesses and governments can happen in three ways. Firstly, it costs time to deal with spam. Secondly, it may cost additional bandwidth charges for receiving spam, in terms of either data or time usage. Thirdly, it may cost lost communications mistaken for spam. Clearly, it is not the cost of a single spam, but the aggregate cost of all spam that amounts to an unacceptable imposition on the marketplace. Indeed, the massive increase in spam e-mail could eventually diminish the ability of the consumer to spend time on e-mail marketing to the point of disappearing completely, returning zero value to advertisers. The prospect of this happening provides a compelling argument that spam e-mail is not a cost-effective tool.

The cost of spam e-mail is also transferred to the traditional marketing field. When a recipient is sent a spam email advertising brand A, he/she might not only respond negatively toward the spam marketer but also to the traditional marketer producing the brand A product, who may have no knowledge of the spam e-mail advertisement having been sent. This can sabotage the trust and relationship the marketer has taken time to build, which in turn wastes money spent on advertising.

With the massive increase in spam e-mails that is occurring, businesses are also subjected to the cost shift spam generates. Keaney and Remenyi (2004) state that there are four main ways in which spam can incur costs. The first is the loss to the user in productivity, personal communication costs and the cost associated with maintaining spam filters. The second cost is to the organisation in relation to upgrading the e-mail infrastructure to cope with the additional burden of spam. The third is to innocent bystanders (using open relays) and comes into effect when an organisation's computer's response is degraded by unauthorised traffic. A fourth cost is borne by ISPs, which have similar costs to businesses but on a far larger scale as

they have a much higher throughput to deal with. For example, AOL incurs considerable costs in blocking spam, reporting to have dealt with 2.3 billion spam e-mails in 2003.

There are many online spam calculators attempting to show how much businesses are paying out because of spam e-mail each year. Examples of these sites are www.networkworld.com/spam/index.jsp, www.praetor.net/Marketing/spamcalc.htm, and www.software602.com/products/ls/roi.html. The cost of spam is calculated by taking the number of employees, average annual salary per employee, average number of working days per employee per year, average number of messages received per employee per day, average percentage of spam received per employee per day and average time taken to handle a spam. According to praetor.net, if a business has 50 employees who work for 250 days per year on an average salary of US\$20 per hour, and each employee receives about 10 spam e-mails per day and spends 5 seconds per spam e-mail, it will cost the business US\$ 3472.22 or 10.56 days of productivity. Ferris Research, a San Francisco research company, also estimated that the total cost of spam to U.S. corporations reached 8.9 billion dollars in lost productivity (Avatar 2004 and Swartz 2003), \$2.5 billion for European business, and another \$500 million for U.S. and European service providers (Swartz 2003). According to The National Technology Readiness Survey produced by Rockbridge Associates Inc. and the University of Maryland's Centre for Excellence in Service, the time employees spend deleting junk e-mail costs companies nearly \$22 billion a year (Swartz 2005).

Antispam legislation passed in several countries can also affect the cost of spam. For example, Castelluccio (2003) states that in the U.K. Britain passed a law that imposed a £5,000 (\$US 8,057) fine for spammers convicted in a magistrates court. Similarly, Italy had preceded England with its own anti-spam law. The fine can go as high as \$US 101,600 with

up to three years' imprisonment. In the U.S., some states have also joined the counterattack. California leads with tough legislation, fining up to \$1 million per incident.

Rettie et al. (2002) state that the literature on permission marketing focuses on the nature of permission; there is little empirical research on consumer attitudes. Smith (2004) suggests that permission alone does not make marketing more empowering, or more reciprocal. The shift that is long overdue is not to use permission marketing but to move towards a two-way model in which consumers can dictate the terms and marketers must earn the right to be heard. Similarly, the Denver-based e-mail marketing company indicates that while building a robust permission-based list is the key first step, the quality of marketing e-mail contents might be the most important signifier as to whether or not the messages produce profits (eMarketer 2004).

Rich Media Advertising (Vividness)

Rich Media Online Advertising

Steuer (1992) and Li et al. (2002) refer to media richness as media vividness. This relates to the breadth and depth of the message, breadth being the number of sensory dimension cues and senses presented (colours, graphics, etc) and depth being the quality and resolution of the presentation (Rowley and Slack 2001). According to media richness theory, a multimedia interactive format should provide capabilities richer than text and photographs of sales brochures and catalogues (Plamer 2002). Similarly, Coyle and Thorson (2001) suggest that rich media tools such as video, audio and animation may be considered as tools that increase vividness by enhancing the richness of the experience. The rich media classification includes a variety of newer technology formats, including: Unicast Superstitals, DHTML (Eyeblaster, Eyewonder, and Klipmart), Enhanced Flash (PointRoll), among others (Dynamic Logic

2002). It is suggested that Macromedia Flash currently represents the easiest and most cost efficient way to deploy Rich Media advertising (McCloskey 2001; Zimmerman et al. 2001; Rodgers 2002; Rich Media: What? Where? Why? DoubleClick Whitepaper, June 2003). It is claimed as a “near 3-D technology”, and it is good enough to be called “2-D and a half” (Messmer 2000). According to both DoubleClick and AdRelevance numbers, Macromedia Flash has become the de-facto standard in rich media and encompasses the largest volume of rich media advertising. This might be because nearly 98 percent of all Internet users have the Flash player installed, so the reach of a Flash movie is widespread (EsavvyMarketing 2004). Flash-based advertisements are by far the most popular form of rich media advertising today (Martinez et al. 2004). This argument is supported by several studies. For example, Flash now encompasses 12 percent of the total volume of advertising served by DoubleClick (Rich Media: What? Where? Why? DoubleClick Whitepaper, June 2003). Moreover, within the DoubleClick system, Flash advertising grew from 8.5 billion ads per quarter in Q1 2003 to 16.1 billion in Q1 2003, an 88 percent increase. McCloskey (2002) also found that from September 2001 to September 2002, the average number of weekly Flash advertising impressions rose 1,912 percent, that is, from 104 million impressions to over 2 billion impressions over the course of one year.

Macromedia Flash has become the leading technology for delivering rich media online ads. This is due to its ability to achieve better results and heighten response and brand recognition (MACROMEDIA: DoubleClick and Macromedia form strategic alliance (Oct 15, 2002). Three consistent DoubleClick findings provide good examples. Firstly, in 2002 it found that the click-through rate of rich media ads is six times higher than standard ads (Goldberg 2002). Secondly, in June 2003, it revealed that over the past two years, rich media click rates have remained relatively constant at between 2.15 percent to 2.5 percent and are on average about five times higher than those for non-rich media. In contrast, non-rich media click rates have

declined 46 percent from a high of 0.41 percent in Quarter 1 2002 to 0.28 percent today. Thirdly, in July 2003 it discovered that Intel rich media increased brand recall by 50 percent over the test banner and also increased perception of the brand as being “cutting edge” by 15 percent. Novell rich media increased brand linked recall by 170 percent and increased all of the purchase intent metrics. Another survey from Excite@Home revealed that 60 percent of those with only a single exposure to a rich media ad reported it positively affected their image of the brand; rich media boasts a 225 percent higher recall rate and a 35 percent increased propensity to click through than conventional online ads (Jeys 2000). A Cable and Telecommunications Association for Marketing in August 2001 (as cited in Silverpop 2004) also showed that those who have seen rich media ads are more likely to notice (46 percent), remember (35 percent) and click on (26 percent) the ads. Finally, according to Dynamic Logic’s rich media definition, rich media, including all Flash and types like Unicast (but not including audio or video), increases brand awareness 2 points from 5 percent to 7 percent, but works extremely well at increasing message association: from 18 percent to 31 percent: a 72 percent increase. Brand favourability increased 2 points, from 4 percent to 6 percent, and purchase intention increased 1 point, from 4 percent to 5 percent. McCloskey (2001) states that rich media technologies are currently being incorporated into a number of delivery platforms, e-mail, banners, Internet radio spots, and in-stream ads. While Lewis (2002) suggests that rich media can rightly claim to be the mantle of “the e-mail voice of the future”, it is currently being trialled in e-mails to increase vividness (Dholakia and Fortin 2002).

Rich Media E-mail Marketing

Rich media e-mail is a form of e-mail marketing and typically refers to e-mail messages that deliver a mix of sound and video, or animation (Townsend 2001). It is a marketing platform that allows transformations of e-mail from a static medium to one that is dynamic and

interactive (Jeys 2000). Weil (2001) states that rich-media e-mail is shorthand for streaming audio and video but it can also be in the form of Flash animations or revolving ad banners within an HTML message. Silverpop (2004) also states that rich e-mails include dynamic elements such as video, sound, animation, still photos and custom graphics, and these dynamic elements are placed directly inside the body of an e-mail to create a compelling and interactive e-mail campaign.

Rich media e-mail is popular, has several benefits and outperforms text-based e-mail. For example, Tellingpower (2004) claims that rich media e-mail adorns messages with colourful graphics, images and links, grabbing the recipients' attention and it has proven itself as one of the best marketing tools on the Internet. According to McCloskey (2001), incorporating rich media into an e-mail campaign has proven to be an effective way of increasing conversions for direct marketing campaigns, improving customer retention efforts, and increasing pass along rates. Companies such as Dynamics Direct, Radical Communication, TMX Interactive, MindArrow and others, incorporate streaming audio, video and Macromedia Flash files into targeted bandwidth friendly Rich Media E-mail. Rettie (2002) suggests that the advent of HTML, audio and video e-mail improves the scope of creativity in e-mail marketing. Lowder (1999) proposes that as the technology improves and e-mail evolves into a multi-media communication tool (audio and video), marketers will have to adjust their strategies to fit the new environment in which their customers live. According to Silverpop's (2004) study, by 2005 video e-mail or pointers to rich media content will replace text messages as the main online communication mechanism. Similarly, Forrester Research predicts that text-based e-mail will be perceived as quaintly archaic by 2005, when some 92 percent of online consumers will communicate with one another using personal rich media. Moreover, Forrester Research forecasts that within five years, 50 percent of all on-line communications will be in the form of rich media e-mail (Tellingpower 2004). According to E-mail Marketing

Benchmark Survey 2004 by MarketingProfs.com, 43 percent of respondent marketers stated that they will use less text format e-mail, whereas 46 percent of them said that they will use more HTML format and 31 percent mentioned that they will use more rich media format e-mail.

There is evidence supporting Hespos's (2001) argument that the rate of return on investment for a rich media e-mail campaign can be higher than those for a plain-text or simple HTML campaign. Firstly, using Flash in e-mail marketing can increase its effectiveness by four to five times over other forms of e-mail promotion (Great Big Nose, 2004). Secondly, according to Valentine Radford's United States online consumers' attitudes towards e-mail rich media and HTML content survey in March 2001 (as cited in Silverpop 2004), 72 percent of respondents enjoyed rich media e-mail, 60 percent preferred HTML e-mail over text, and 80 percent would rather receive a link to rich media. Thirdly, Heiss (2000) found that compared to a non-audio e-mail with the exact same copy, audio e-mail generated a 60 percent increase in conversion rate and total revenue. Fourthly, Digital Stromfront created a 40-second Flash e-mail and found that out of 27,076 opened, 12,303 potential customers were driven to ISC's website (45.4%) (Digital Stromfront 2002). Fifthly, the Coreride brand found that recipients viewed the rich media e-mail on average three times (McCloskey 2001). Finally, Jeys (2000) mentions that A MindArrow *NSYNC rich e-mail was opened by 34 percent of all recipients. MindArrow also developed a thriving partnership with Toyota. MindArrow dispatched e-commercials to "hand raisers", prospects who had shown an interest in a particular vehicle, in particular Toyota's MR2 Spyder. Of the intended recipients, most viewed the rich media e-mail twice, while 70 percent of those who opened the file engaged in some sort of interaction: visiting the Toyota web site, forwarding the commercial, ordering a brochure.

Literature, however, identifies a few concerns for marketers who employ rich media in their e-mail campaigns. Firstly, The Noisemaker (2003) suggests creating Flash e-mail campaigns using a version or two behind the latest versions of the Flash player as it takes time for people to upgrade to newer versions of the player once they are released. Secondly, the Flash file size should be small, taking advantage of fast loading capability. As Heineman (2002) indicates, although HTML newsletters are more attractive and allow greater tracking capabilities, they take longer to load. Thirdly, Isaacson (2002) argues that rich e-mails are effective only for high-end products, house lists with strong affinity, sports, entertainment, and conferences. Fourthly, Geller (2003) reports that rich media e-mail can cost considerably more than HTML e-mail. Creative and production fees can exceed \$10,000, and rich media serving fees add an extra \$0.02 to \$0.04 per message delivered, all to reach as little as one-third of the e-mail list with a rich message. Elliot et al. (2003) argues that certain marketers can indeed make rich media e-mail work for a time and that the technologies can be very effective; however, it is a question of making it cost-effective. Fifthly, Gunn (2000) points out that only 40 percent of e-mail users can presently receive rich media ads; some of the major Internet companies, like AOL and Hotmail, can only handle text messages and still graphics. He states, however, that this major downside will likely be remedied by 2005. Finally, Granger (2001) suggests e-mail marketers only send Flash/Rich media content to someone who has requested it.

While some researchers argue that some Internet users do not have a functional ability to read HTML, others found evidence to the contrary. Gunn's (2000) argument that 99 percent of Internet users can read HTML e-mails was supported by Wilson's findings in 2003. Surprisingly, Wilson found that for all users, consumer or business, text or HTML preference, the top reason for their preference is the readability of the message. Text people say text is more readable, while HTML people say HTML is more readable. However, his findings showed that those who stated a preference for HTML e-mail messages gave attractive display

(68 percent) as their second reason, while those who preferred text e-mail messages gave security from viruses (68 percent) as their second reason. These results showed that those who prefer HTML have concerns about the attractiveness of the display, while those who prefer text have concerns regarding security. His findings might imply that there is no absolute “ideal” e-mail pattern for users. It depends on an individual’s preference to consider which issue is more important to them. Waring and Martinez (2002) suggest that permission based e-mail marketers should give consumers a choice whether they want to receive text or HTML formats.

Literature does not show coherent evidence on consumer text, HTML or rich media preferences. For example, a July 2003 survey of AOL users indicated that 53 percent preferred plain text e-mails to HTML (CRM 2004). On the other hand, Rosenthal (2001) states that Smith with MindShare allows HTML-capable e-mail to provide clear advantages over plain e-mail because of its full color presentation and ability to have embedded links and forms directly incorporated in the message. Kinnard (2002) also suggests that the most popular way to create an e-mail newsletter with graphics is to use HTML.

Based on these findings, this research will attempt to empirically examine the effectiveness of rich media, especially Flash and HTML, on response to e-mail advertisements containing various levels of vividness.

Interactivity

Information Technology (IT) has enabled interactivity in electronic commerce (Coviello et al. 2001). Fiore and Jin (2003) report that there is a wide array of scholarly and industry literature about how to design e-commerce web sites to attract and keep online customers.

Interactivity is repeatedly specified as an important feature. Many scholars from different disciplines have defined interactivity from different angles (Wu 1999), and various definitions are referred to in the academic literature. Rowley and Slack (2001), for example, define interactivity as the degree to which a communication system can allow one or more end-users to communicate alternatively as senders or receivers with one or many other users or communication devices, either in real time or on a store-and-forward basis. Liu and Shrum (2002) refer to interactivity as the degree to which two or more communication parties can act on each other, on the communication medium, and on the messages and the degree to which such influences are synchronized. It can also refer to user control over the form and content of information in the mediated environment (Steuer 1992).

Researchers have identified interactivity in several aspects. Firstly, Hoffman and Novak (1996) distinguish two levels of interactivity: person interactivity, which occurs between humans through a medium, and machine interactivity, which occurs between humans and machines to access hyper media content. Secondly, Cho and Leckenby (1997) define interactivity in three terms: user-machine interaction, user-user interaction and user-message interaction. They state the ability of the user to control and modify messages as a user-message interaction. Thirdly, Noval et al. (2000) identify three aspects of interactivity: 1) the speed of the interaction; 2) the mapping of the interaction (i.e., how natural and intuitive the interaction is perceived by the user; 3) the range of the interaction (i.e., the number of possibilities for action at a given time). Fourthly, Ha and James (1998) have devised a conceptualisation of interactivity that combines the interpersonal with a mechanical perspective. They describe five dimensions of interactivity: playfulness, choice, connectedness, information collection, and reciprocal communication. Fifthly, Liu and Shrum (2002) specify three dimensions of interactivity: active control, two-way communication and synchronicity.

Liu and Shrum's (2002) three dimensions of interactivity are explained as applicable to e-mail newsletters and unsolicited e-mail, which Liu and Shrum proposed as two of the seven most popular forms of online-marketing tools. The first dimension is active control, which is characterised by voluntary and instrumental action that directly influences the controller's experience. They state that e-mail newsletters provide users with some degree of active control, though not as much as that offered by web sites, and the major advantage of e-mail newsletters is that users decide whether to subscribe. In contrast, unsolicited e-mail provides the least amount of active control and is probably the most unwelcome type of online marketing, as users have little control over such junk e-mails. The second dimension is two-way communication, referring to the capacity for reciprocal communication between companies and users. E-mail newsletters offer similar levels of two-way communication to banner and pop-up ads. Companies can track user responses to these promotional e-mails by embedding links in the messages, and users can offer explicit feedback by choosing the kind of newsletters to which they want to subscribe. Conversely, unsolicited e-mails offer virtually no two-way communication, as recipients can rarely have input through such devices. The third dimension is synchronicity which refers to the degree to which users' inputs into a communication and the responses they receive from the communication are simultaneous. E-mail newsletters do not perform as well as web sites and online ads because of the delay inherent in e-mail communication. Liu and Shrum (2002) suggest that interactivity creates cognitively involving experiences through active control and two-way communication.

Interactivity is hypothesised to have several effects on online consumers. Firstly, it gives users much more freedom in controlling the messages they receive and allows users to customise messages according to their own needs (Liu and Shrum 2002; Ariely 2000; Menon and Soman 2002) and is also shown to facilitate the learning of new information (Ariely 2000; Menon and Soman 2002). Secondly, Fortin (1997) suggests that interactivity implies

the shift from one-way communication, prevalent in traditional media, to interchangeable roles of senders and receivers (which can be human or machines). Thirdly, Ghose and Duo (1998) propose that the higher the interactivity level of a web site, the more attractive it is. Fourthly, it has positive effects on the user's perceived satisfaction, effectiveness, efficiency, value, and overall attitude towards a web site (Teo et al. 2003). Fifthly, it may lead to satisfaction (Rafaeli 1989), increased performance quality (Schaffer and Hannafin 1986; Szuprowicz 1996) and time saving (Cross and Smith 1996). Finally, Dholakia and Fortin (2002) suggest that interactivity is the key characteristic of the new media, expected to transform not only the way advertising is designed and implemented but also the manner in which it affects consumers' opinions and attitudes. Similarly, Wang et al. (2002) argue that interactivity is one of the six factors affecting advertising attitudes within the Internet environment. The effects of interactivity on consumer attitudes and behavioural intention will be discussed in the next chapter.

Researchers have found that interactivity is a potential variable influencing web users. Firstly, Light and Wakeman (2001) attested Hoffman and Novak's (1996) theory that relationships between web users and the web may change when the level of interactivity changes. Secondly, Ghose and Dou (1998) discovered that interactivity had a significant effect on the level of attractiveness of an Internet Presence Site (IPSs). Thirdly, interactivity can claim to play an important role in user satisfaction with their online experience (Kierzkowski et al. 1996), and is found to bring satisfaction, a sense of fun, acceptance and motivation (Rafaeli 1989 and Szuprowicz 1996). Finally, Teo et al.'s (2003) findings have empirically confirmed the literature, that an increased interactivity level has positive effects on the sense of satisfaction, effectiveness for information delivery, and information retrieval efficiency of the web sites.

Stewart and Pavlou (2002) propose to use a structuration theory for analysis of the effectiveness of interactivity. According to structuration theory, interactivity is both a process and an outcome. Thus, interactivity can be examined both as (a) a structural concept whereby consumers and marketers interact towards achieving effectiveness (as a means to an end) and (b) an emergent aligned structure (as an end in itself). It is argued that e-mail can be used for both purposes, to advertise for increased brand recall or increased sales and to communicate.

Empirical evidence supports the importance of incorporating interactivity to affect consumer attitude and behaviour. Li et al. (2001) posit that image interactivity results in consumption experiences characterised as having an active cognitive process (control), enjoyment, presence (vividness), and involvement. Fiore and Jin (2003) examined the effects of image interactivity on responses towards an online retailer. A mode of interactivity was selected which provided the ability to create and manipulate images of a product or environment on a web site. The responses measured were attitude, sales, and willingness to return to the site. They found evidence supporting the image interactivity function (a mix and match function) having a positive influence on approach responses towards online retailers.

Unlike any offline media, an e-mail encourages direct and immediate interactivity (Brown 2002). Mundorf and Bryant (2002) suggest that a notable exception is e-mail, which is low on appeal to different senses but has generated a new wave of social presence and para-social interactions. In addition to conventional e-mail, they point to chat rooms, bulletin boards and electronic communities. This study will examine the effects of e-mail interactivity on consumer attitude toward the ad, attitude toward the brand and purchase intention.

Personalisation

Tezinde et al (2002) suggest the concepts of customisation and personalisation as antecedents of relevance in marketing relationships have received extensive coverage in the direct marketing literature. Personalisation and customisation are proposed here as interchangeable concepts. Personalisation, as relationship management, is a critical element for sales success (Colkin 2001; Rust and Lemon 2001; Marinova et al. 2002), and its application will become even more important in the future, especially in electronic media (Rosenfield 1998) where personalisation will be the key factor identifying the Internet as a unique consumer market (Hoffman and Novak 1997; Yang and Jun 2002). Compared to the conventional marketing mix, the e-marketing mix has more overlapping elements and tends to regard personalisation as a basic aspect of segmentation, defining it as any form of customisation that occurs because of specific recognition of a given customer (Kalyanam and McIntyre 2002). Customisation/personalisation enables companies to satisfy highly heterogeneous customer needs at low cost (Peppers and Rogers 2000) and creates the perception of increased choice by enabling a quick focus on what the customer really wants (Shostak 1987). Greer and Murtaza (2003) state that through personalisation, an organisation can focus on customer intimacy, which is one way an organisation can enhance its overall value (Chin and Gopal 1995). Rowley and Slack (2001) suggest that customisation has the potential to generate increased revenue, increased loyalty and reduced cost in customer acquisition and retention. It also allows the marketer to send messages that are most likely to generate purchases or other desired responses (Pavlou and Stewart 2000).

Surprenant and Solomon (1987) state that option personalisation, the most common method of personalising a service, is to allow the consumer to choose from a set of service possibilities by providing a menu alternative, from which the customer can choose the option

best suited to his or her specific needs. Postma and Brokke (2002) argue that the underlying assumption behind these personalisation efforts is that sending the right message to the right customers will (dramatically) increase the effectiveness of communication. They state, however, that little research has been done on the concrete effects of personalisation. While cybercitizens enjoy personalised content and having their personal information registered with their favourite sites, the majority do not want to be inundated with unsolicited marketing messages (Mabley 2000).

Sterne and Priore (2000) suggest that e-mail marketing is the most effective way to start these relationships and its ability to provide personalisation through data mining is the most effective way to ensure customer satisfaction and increase loyalty. Colkin (2001) articulates that smart marketers are using the personalisation and customisation capabilities of e-mail campaign management applications as the basis for an ongoing conversation with consumers and business clients. The aim is to build loyalty and increase the value of each customer.

In the e-mail marketing context, personalisation is described as the set of techniques and technologies used to vary the content and format of e-mail messages from one recipient to the next, with the goal of making each message as relevant as possible to each individual recipient (e-dialog 2002). Basic techniques include format optimisation (sending plain text, HTML, or rich media based on a user's browser capability), personalised salutation ("Dear Mary"), and content targeting based on list segmentation. A high level of personalisation can be achieved by dynamically assembling entire messages based on knowledge of recipients' preferences, interests, and past behaviours, in an effort to maximize the relevance of the message to each recipient. Galbreath and Booker (1998) suggest e-mail marketers use a personal salutation to make e-mail powerful. According to E-mail Marketing Benchmark Survey 2004 by MarketingProfs.com, 71 percent of the respondent marketers stated that they

personalised their e-mail campaigns by recipient name and 46 percent of them said that they did a personalisation by customising their e-mail content.

According to Burke's argument at the Direct Marketing Association's 85th Annual Conference and Exhibition, direct marketers can efficiently personalise e-mail marketing efforts in two ways (Barbagollo 2002; Burke 2002). First is to personalise the message: drawing from a database, messages can be easily crafted to include a customer's name and his or her local region. Second is to personalise the landing page: use landing pages to enhance customer click-through and conversion. For each target group or special campaign segment, a special landing page can be made that presents information, graphics and messaging specific to that offer.

Researchers have found evidence supporting the advantages of personalisation in e-mail. Firstly, E-mail Factory (2003) found that personalising e-mail marketing campaigns can improve response rates by 45 percent. Secondly, Postma and Brokke (2002) found that the click through rate for the personalised e-mail group was 2.6 times higher than for the generic e-mail group. When subscribing for personalised e-mail, participants were specifically asked to rank their three favourite items of interest. They found that the rank order was of influence: items of first choice achieve better click through rates than second choice items, and the second (choice? items score better than the third choice items. This strongly suggests that the better the messages are tailored to recipients' preferences, the better the results will be. These results further support the conclusion that content targeting works and therefore that better targeted personalisation triggers a greater response. They noted, however, that this difference might be explained by two factors: the effects of personalisation and the effect of self-selection. Self-selection means that distortion arises because people had to participate in order to receive a personal version. Thirdly, Ho and Kwok (2003) state that with personalisation,

the amount of messages sent to the customers will be reduced, and the users will no longer receive numerous irrelevant messages.

Subject line is the most crucial element of any e-mail (Rickman 2001 and Marinova et al. 2002). It has a lot to do with whether the receiver is enticed into reading the message (Marinova et al. 2002); therefore, it should always be specific, personal, compelling and simple, appealing and interesting (Rickman 2001). EsavvyMarketing (2004) exemplifies simple e-mail personalisation as personalised subject lines, personalised salutations, and recognition of customer commitment. Personalisation increases response rates by strengthening relationships and building trust and can be incorporated in the form of both salutation and content (DecisionMaker 2004). Del Webb Corporation, one firm that has experimented with personalised e-mail subject lines, found that when it added the recipient's first name to the subject line, its response rate doubled—to more than 12 percent—over e-mail that was not personalised (Colkin 2001). According to MarketingSperpe.com (2003), over 70 percent of the 2,327 marketers reported that subject line tests were worth an investment, and over 60 percent cited name personalisation tests. Marinova et al. (2002) carried out a study of a personalised permission based e-mail campaign using the opt-out method in the hotel context. Their findings do not, however, support personalised strategies. The personalised salutation e-mail resulted in the most opt-out requests. They question whether customers would be more receptive to personalised sales approaches if they were given the chance to grant permission in advance before being included in a direct e-mailing.

Yesmail (2004), however, argues that personalisation goes beyond first name and last name and beyond targeting and segmentation. Personalisation in e-mail means communicating to the customer an offer or message content that is highly relevant to them based on their profile, but also reaches them at a time when they are most likely to be in the mindset to evaluate the

offer. Similarly, Miller (2001) argues that while personalised salutations, format optimization and database segmentation lie on the spectrum of personalisation, true one-to-one e-mail marketing is the ability to send unique, dynamically generated content to customers who have given the marketers permission to contact them. He suggests further that e-mail marketers should be able to gather information about what customers want in two ways: by what they say (profile-based) and by what they do (behaviour based).

Overall, existing literature on the subject bears out the view that permission-based e-mail marketing is becoming an established component of the marketing mix and that with careful consideration to customer-centred design, the concept can be sufficiently differentiated from spam e-mail to offer a positive marketing alternative.

CHAPTER THREE

QUALITATIVE RESEARCH AND ANALYSIS

The previous chapter discussed the theoretical foundations of how permission, interactivity, vividness and personalisation affect advertising effectiveness on the web and within an e-mail marketing context. This section presents the qualitative research and analysis. The objective of qualitative research in this study is to examine whether or not permission marketing in practice differs from the theory. The qualitative method, a semi-structured interview, was chosen to apply for three reasons. First, permission marketing theory is quite new to both academics and practitioners, and the literature from both fields indicates some confusion in the interpretation of the concept. For example, some suggest an opt-in process as a permission marketing concept, whereas others argue that opt-in is only the beginning of the permission marketing process. Second, it would be time consuming and technically difficult to conduct an empirical study examining permission marketing as a dependent variable. This is because by its nature permission marketing requires an ongoing relationship, thus effective research would require a longitudinal study involving sophisticated techniques for creating an advertisement which is personalised and relevant to each individual participant. Third, if this study were to cooperate with an existing permission based e-mail service provider in an attempt to examine a permission marketing construct without the knowledge of its participants, it would have represented an invasion of their privacy and would have thereby affected the reputation of the service provider involved. This section will firstly explain the qualitative method and research design applying to this study. Then, a discussion of the results and analysis, along with a comparative view of the literature will be offered.

A Semi-structured Interview

A semi-structured interview is when the interviewer prepares a number of open questions which allow the informants to answer freely on individual concepts, terminologies, and comprehension. The interviewer then asks prompt questions on the new terminologies coming out. This study used this method because it wanted to examine permission marketing in practice which can be different from the theory. On 29th July 2003, the invitation letters were sent out to seven companies in New Zealand requesting interviews regarding their approach to permission based e-mail marketing. Four out of the seven companies using permission based e-mail agreed to be interviewed. It should be noted that this study had a relatively small sample size for the qualitative study as there was a limited universe of potential companies who applied permission marketing practices in 2002-2003.

The interviews were arranged to take place at the informants' workplaces at their convenience on 23rd-24th September 2003. Informants were explained initially the purposes of the study and then were asked to sign a consent form ensuring their anonymity and confidentiality as stated in the Canterbury University Ethics Guideline. Each interview lasted approximately half an hour to forty-five minutes and provided insight into how these companies approached and implemented permission based e-mail marketing.

The questions included in the interview are as follows:

1. Can you tell me how your business runs? What is your business model?
2. Could you please describe in as much detail as possible what is permission based e-mail marketing?
3. What can you say about your customer database? (Size, turnover, profile etc.)
4. What are some of your concerns about running a business?
5. Please identify the key factors for conducting effective e-mail marketing campaigns.

6. How do you measure the effectiveness of e-mail marketing campaigns?
7. Nowadays technology is changing so fast. What kind of technology do you think will affect your business strategy? How and why?
8. Could you please tell me about your short-term/long term business plan?
9. How do you see permission marketing evolving in the future?

Permission based E-mail Marketing Definition

Informants were asked to describe permission based e-mail marketing in as much detail as possible. This question was asked for two reasons. First was to examine the differences that the informants have in their understanding of the permission marketing concept. Second was to compare the theories and the practices. The four informants defined permission based e-mail marketing as follows:

“Permission based marketing is about getting people’s permission to be contacted. And it is also about delivering the right types of information they request. And I personally believe that there are different levels of permission.” **Informant C**

“Permission based marketing depends on your definitions. And what it is according to Seth Godin, it’s completely different...to the definition I try to use which is anticipated and relevant email. Anticipated and relevant communication for a customer and for a person...and that is the definition of permission marketing.” **Informant D**

Whilst offering his definition, one of the informants pointed out that he did not see permission marketing applying particularly to the e-mail channel; however, he viewed it as applicable to all media. His answer was:

*“...it depends of course on who you talk to. And essentially the idea is that people give permission to receive the e-mail. Seth Godin, very cleverly created a story around permission; that is the process of taking somebody from a prospect to intervene in the five steps of permission. So...umm...he’s kind of got into people’s mind, that is what permission marketing is which could be CRM...you know...it could be...ahh...direct marketing...But there is a lot of interpretation around what permission marketing is...So to me I...**believe getting permission is about gaining permission from a prospect or a customer to communicate with them by e-mail.** Now, the way that Seth talks about going to a merge step I actually think the whole permission concept will probably extend eventually to television and possibly the radio. Television, has become you know, you can choose to subscribe or choose to receive program do you want to see. **The permission will be across***

other mediums as well. Not just that Seth has named e-mail marketing as permission based marketing.” Informant B

All informants showed a clear understanding of what permission marketing is. They defined permission marketing similarly to Seth Godin’s definition. It is anticipated, personal and relevant. The terms ‘anticipated’, ‘personal’ and ‘relevant’ will be discussed in detail later in this chapter. Furthermore, most informants understood that permission marketing is an ongoing relationship and more than just getting permission to send recipients an e-mail. They indicated that there are several levels of permission. Most importantly, one informant clearly stated that permission is not necessarily permanent.

“....And just because you got permission initially, you know on day one, doesn’t mean that three or four months down the track that customer still wants that information. And because they are told of spam out there and that it’s the major issue, you really have to respect and provide the right information to that user. So you are building a relationship with them. And if you are not providing the right type of information, then you are risking the probability of...umm...the end users not want to stay in the database...” Informant C

Two informants discussed further the levels of permission marketing and introduced a new terminology called “**Memorable Marketing**”. One of them explained that:

“One of the things we talk about now is “memorable permission”

“Like somebody, I don’t know about you, but you could go on the website and subscribe to something and forget that you have, so it’s not memorable. So there are different levels of permission. Your friends have a very high status of memorable permission. Coz you recognise their name in your mailbox and you open them. So memorable permission, I think is more important than just having simple permission. This is the nature of memorable permission,...out of the e-mails you receive in your inbox, you got personalised e-mails, people you know. And you got memorable companies you know, so you might have memorable permission.” Informant B

Her statement replicated the evidence from the literature that 69% of the Internet users could not remember when they gave permission to receive an e-mail commercial (Bellman et al. 2001). Another informant stressed that he did not view memorable permission as permission marketing, but he sees that it is essential to have a memorable component in permission marketing. He stated that:

“Again, it comes down to what information the end user finds relevant. For example, the e-mail that we receive from our friends in our inbox, straight away we go...yeap, we want to read that information. And the information that we receive from advertisers where it is from a company we know, and realise that we have a relationship with them, again, you want to read that information. However, it could be you know the e-mail you receive from advertisers where you may know them or you may have given them permission or opt-in into their e-mail or their mailing list. But the information that they are providing you isn’t that great. So therefore, hang on, I don’t want to read that e-mail or that’s just, that you know I’m not really concerned about. So they haven’t...really engaged that user at all. So people just want to forget that communication or want to delete it, or you know, not bother. And you pop that spam. So people who are not gaining that permission that is not a prime business relationship there. And straight away that e-mail will be deleted and will be reported to the ISP.” **Informant C**

Key Success Factors for Effective E-mail Marketing Campaigns

The literature indicates several factors for effective e-mail marketing campaigns. Ideas abound on what the key success factors are. For example, the 3C’s of marketing: content, context and contact are suggested (E-mail marketing, same game, different channels). Robinson (2002) states 6 tips for e-mail marketing success: 1) content, 2) frequency/timing, 3) creative/layout, 4) data, 5) testing, and 6) consistency. Rettie (2002) identifies permission marketing e-mail success factors including realistic frequency rates, message relevance (which presupposes accurate targeting), monetary or other benefits, use of HTML, monitoring of responses (unread deletions, visits to the site, etc), and opportunities for recipients to alter their preferences. Lyons and Fletcher (2002) suggest that diligent marketers need to focus on the five core elements of effective permission marketing: integrate the channels, give customers what they want, understand what is really going on below the surface, do not neglect the ‘hole in the bucket’, and get the organisation aligned. Waring and Martinez (2002) identify/summarise eleven best practices in permission based e-mail marketing from literature. These include 1) create a mailing list, 2) segment the lists, 3) focus on the customer, 4) create targeted offers, 5) personalise the message, 6) favour quality (over quantity), 7) call to action, 8) text versus HTML – give the choice, 9) avoid spam, 10) respect the customer, and 11) monitor and report.

In keeping with the literature, various key success factors were identified with significant differences among the four informants. However, some of their ideas were similar to those suggested in the literature. One of the informants identified the characteristics of permission e-mail for her strategic success. Her answer is:

“Relevance, anticipate and personalisation.” Informant A

Another informant applies standard key success factors in direct marketing to his effective e-mail marketing campaigns. These factors have already been identified by direct marketing researchers (Fraser-Robin 1989; Stone 1996; Roberts and Berger 1989; Rettie 2001). The effectiveness of direct marketing depends on targeting, the nature of the offer, the creativeness, the time and the volume of the communication. His response is:

*“It’s the same as any other marketing...So **targeting**...it’s the same thing. **The number one key thing for effective e-mail marketing is targeting. And the next thing is exactly the same as advertising offline and that is the offer...**So targeting, offer. **They are the two most important things.** You can send out plain text. If your targeting is spot on and your offer is spot on, then it will be more effective than sending out an untargeted, terrible offer, but fantastically creative.” Informant B*

The other two informants stated having a clear objective as their first key success factor. One of them further indicates integrity of data, the right type of information and prolonged communication as her success factors. Her answer is:

*“First of all, come back to the strategy...You need to **have your objectives in place and understand**, looking at the copy of the e-mail that it is actually related to the objectives that you originally set for your online communication activities. The other important aspect for an effective campaign is **having a good data. Good data has integrity.** So that was worth sending out. So your information is up to date, you have a valid e-mail addresses in there, you have the first name, you have **the right type of information** then, what’s also really important is once the information is actually sent...the ability to track the performance of that e-mail against your original objective, as well so doing analysis of those campaigns. Then look at what we are doing next. And also **doing prolonged communications, depending on what people want.**” Informant C*

Apart from stressing a clear objective as a key success factor, one of the informants’ ideas on key success factors is similar to one suggestion found in the literature. To succeed, marketers

must think strategically about the goals, audience, execution and measurement of their permission e-mail marketing campaigns (Permission E-mail: The future direct marketing).

*“For an effective e-mail marketing campaign, you got to start off with a **very clear objective** about what you are trying to do...You got to **look at all various points of contact for that person**. That person you want to have with you, and you’ve got to make sure that the campaign you are running understands all those elements, using most of those elements...and you determine early what...media you want people to interact with and what media you don’t want people to interact with. And you establish this in **the key indication, because obviously this is measurable**. All those things are relevant for e-mail marketing, as they are for marketing in general. If you don’t have objectives for the newsletter, you have no point. You have got to be very committed to making sure that you are sending out the newsletter on a regular basis, you got to **make sure you understand that person**. Therefore, they go to that newsletter and access information on that company, on their own. That could be Vodafone and that could be by e-mail, just by sending the e-mail to someone else. And you got to go through measurable various key indicators that you want. What are you going to do with that information afterward?” **Informant D***

One of the informants saw the best practice model in e-mail marketing as not only opting in but also understanding what customers find relevant and delivering it to them as well as making sure that it is memorable. She stated that:

*“umm...Basically, the way that we go about doing e-mail marketing...it is more than just getting people to opt-in to that particular e-mail. So it’s gone back to what I said before about really getting to understand your customer bases and your subscribing bases and delivering communication that they find relevant to them. And there is another term called memorable, so it’s actually providing or delivering information that’s memorable in the eyes of the end user”. **Informant C***

One informant stated that trust is the important factor, and further explained that trust is like dating, as suggested by Seth Godin. .

“And I think the roles of trust that you have in the brand. Yes, so definitely all those things are important.”

*“ahh...Oh! Well, you know the whole brand promise things. When you have the level of expectations and each time that expectation is met or exceeded, then so your trust increases a little bit” **Informant A***

Measurement of the Effectiveness of E-mail Marketing Campaigns

Measurability is suggested as one of e-mail’s greatest advantages over traditional direct mail.

This is reinforced by one of the informant’s statements,

“The primary thing is to try to get the permission to communication by e-mail coz it’s so effective. You can analyse it”. **Informant B**

Waring and Martinez (2002) states that tracking the permission based e-mail marketing campaigns and the action of customers is essential. Three researchers identify measurements in e-mail campaigns. Firstly, Morrison (2003) identifies e-mail metrics used to measure the effectiveness of e-mail marketing campaigns. These are open (views) rate, click through rate, conversion rate, acquisition rate, bounce rate, unsubscribe rate and e-mail analysis. Secondly, E-mail marketing benchmarking study (2002) examined measurements applied in e-mail campaigns, and found that the most commonly tracked metrics are total click through rates and unsubscribe rates, each of which is being measured by over 60% of respondents (see Table 3 for the current measured and not currently measured from the survey). Thirdly, Bly et al. (2000) suggests three main measurements: 1) the click through tells the marketers how many people (out of those who received the message) clicked on a link in the e-mail to a specific site, page or form on the web, 2) the replies tells the marketer how many people (out of those who clicked through to a response form) completed the form and submitted it to the marketer, and 3) sale or enquires.

Table 3: Measurements for e-mail campaigns

	Currently Measuring	Not currently measuring but want to measure
Total click-through rates	64%	19%
Unsubscribe rates	61%	16%
Open rates	47%	25%
Conversion rates-website only	46%	28%
Unique click-through rate	43%	29%
Direct revenue	38%	32%
E-mail pass along or forward rates	23%	46%
Conversion rates-other channels	18%	37%
Brand Recognition	9%	45%

The results from the interviews found evidence supporting the literature in two ways. Firstly, click through rate and unsubscribe rate are major measurements. Secondly, perceptions of advertisements and brands, purchase intention and friend recommendation (as dependent

variables in this study) were not referred to as informants' measurements. Similarly, they are not currently measured in practice according to the literature.

"Umm, we have reporting that comes through. The number of open...the number of times....the number of distinct open....and also the number of times that it was opened. The landing page...unsubscribe rate" **Informant A**

"We report on (1) an unsubscribe rate, (2) the HTML sending, who can receive images and who can't receive images. I'll show you how to do it...I rely on this one so you can report on who can receive HTML. Then we report (3) on which URL is attracted and who's attracted them. And these are the people who come to the URL. So tracking URL rules by URL....(4) the total hits. And this is unique! So we can cut and paste this information and put it into the access database or spreadsheet and crunching anyway or chopping it up anyway. And this is like the wall who actually clicks on it. So we can analysis it that way and so on." **Informant B**

*"E-mail campaign? Primarily, we measure the effectiveness of the e-mail campaign through **an increase in the subscription rate, the great database, the numbers of countries**. We are getting serious on the unsubscribed. It's primarily how we do it at the moment. The next thing is really focusing on our enquiry in reaching the information that we have for customers that we currently have.....One is internal and one is also to make sure that you do actually deliver more promptly which is advising people with the quarterly market update and I think that's quite important.....We're quite interested in the integrity of the databases so there are things we try to increase in the database. And therefore, we see subsequent punch high unsubscribe, then we know that we definitely, are obviously, in the wrong space. All those things are worse with the information that we sent out..... We also compare the e-mail version with the print version...So yes, at the moment we are making sure that the integrity of the database is very strong. People see the value in information of ours...."* **Informant D**

Informant D explained in great detail how his business used click through measurements to analyse the effectiveness of e-mail campaigns and how to improve them from there.

It's easy to measure click through and then say that one of the thing we start...to do now is technology. Just start measuring the click through. We've got that but also now what happen on the site and the actions that happen on the site in relation to the e-mail. So you can go through. You've got five click-throughs. One of the five people click through, four and five went to download the report that we wanted to include. Therefore, it's a 100% success rate, even though they are not quite as good as they are supposed to be. You know you've got. You are creating fifty people which five people will click through. Therefore, someone will do what they are supposed to do. So we try and track the measure, once you measure something located on your site, and relate it back to the email.....But that's all about measuring along the various different processes. You can't just send the e-mail out and then what's gonna happen?" **Informant D**

One of the informants gives an answer consistent with the previous question about the effectiveness of e-mail marketing campaigns. She answers that measurement of e-mail

campaigns depends on its objectives and explains those measurements in detail for each objective.

*“It depends on your objectives so if **your objective is to sale...***

- So to increase sales online, obviously you can track the users from the e-mail going through the website and pasting that order online.*
- And then with the offline channel, you will be able to measure the effectiveness as well, so when that e-mail was sent out you have to track phone calls and orders that had been placed in the period of time.”*

*“Other objectives could be increasing **the numbers of people in your mailing list** so one of our clients sent out as part of that e-mail acquisitions strategies...where one of our clients actually sent out the physical postcard to a mailing list inviting people to join the mailing list online...When they actually join through the form online, we are able to track the actual numbers of people joining the databases”*

*“Another qualitative example could be that our clients may want to **improve relationships that they have with the end users or their customer base**. So initially, a survey research is taken out with that customers’ base to find out what satisfaction levels are, and then after a period of time of doing online communication or doing the communication strategy through e-mail or through other media channels. Then we’re doing that survey again. And just see what the difference is or compare it with the first and the second survey’s.”*

*“When tracking emails, you are following the links in the email and tracking the number of times people click on those – the click through rate. You are also able to analyse the type of content people are finding of interest. So you can get ten articles within a newsletter and out of the five you will get you know as the most popular. Then it gives you an indication of what that particular subscriber bases is interested in. You also **track people**. For example, **like sending a friend function**, they will be able to track people sending an e-mail onto a friend. But that’s only by using a form when people actually type in a friend’s name and e-mail. You can’t actually track forwarded e-mails onto somebody else. And the numbers of people who unsubscribe from the database, you can actually report from that.”*

Informant C

One informant points out an interesting step of pulling back from customers called “Dropping off” which he claims to be different from unsubscribe and which he suggests e-mail marketers should consider:

“Dropping off...You get people who go through various stages. At that point they are very good. They might be customers or they might not be customers. Umm...but suddenly, before that comes, then they have dropped off. That is drop off. They’ve got to this level here where they are very very comfortable with you and suddenly they fall back to the series when they are not interacting with you in the same way. It could be a complete change in the business perspective. It could be a change in communication or anything like that. That is one version of drop off...And the other one is unsubscribe. People are unsubscribing...I mean I guess again you can look at the different levels and say ‘are they

good customers and unsubscribing'. Or are they people who subscribed because it gave them free entry into a competition, or something like that. People do their valuing. If they are on the database for a month to year and then they receive your e-mail and suddenly unsubscribe, typically that information you probably find from your sale team. Something in the relationship has probably changed...They've gone in to the position that information doesn't have the relevancy it once did..." **Informant D**

Concerns of Running a Business

The concerns of running a business using permission marketing concept were identified. Two informants have similar ideas on the need to educate marketers about permission based e-mail marketing as they appeared to lack an understanding of permission marketing. They stated that:

"...umm...some concerns...I guess one of those is that e-marketing or e-mail marketing particularly...is been promoted it cheap...umm...while it's cost-effective...it's not necessary a \$20 campaign you know. So lots of people I think have a real concern to educate marketers...umm...to a portion, a realistic amount of budget" **Informant A**

"Education of the markets. Because the market is very traditional, and in some ways it's easier to be a mass market for this." **Informant B**

Two informants mentioned their concern over the application/use of permission marketing, but in different ways. One stated that e-mail marketing works most effectively over time but most companies who use permission marketing did not understand and expected to get a result within a short period of time. She stated that:

"...it's a bit ironic with e-mail marketing. It works most effectively over time, if you build those relationships you know. And then a lot of companies, they said oh! We give it a go and they will do two campaigns then you know, they set the expectation up with their clients. They send you those twenty-dollar coupons and they do it two months...and then the third month they go...oh, well you know it might not be working very well and they stop. And they break two things. Customers just start to get used to the twenty-dollar dollar coupon coming every month and thinking where it's gone. And they can damage that relationship. Yes...obviously it's not long enough to get a result" **Informant A**

Another concern expressed about the application of permission marketing is that people claiming to use the permission marketing concept might not actually employ it according to best practice but might in reality be spamming.

"...I guess the concern that I personally have is...umm...that...some of our clients do have the access to software. And they do have the ability to send their own campaigns. So just ensuring that they are adhering to the best practicing guidelines as providing by the DMA,

and that's not spamming. Secondly, that many clients in New Zealand who has got an e-mail marketer are just doing mass communication. They are not actually targeting messages to an individual." **Informant C**

While one informant sees spam as one of the concerns, another informant stressed that he did not consider spam an issue if you apply permission marketing.

"Unfortunately, the world's getting very crowded with spam...if you are doing permission marketing, it really is the issue. I catch the issue by being part of the international market, but spam shouldn't be any major issue because your customers should see email from you as being something that they want. Therefore, there is no way it can be perceived as spam as long as you do a lot, so that they are anticipated." **Informant D**

Future of Permission based E-mail Marketing

Besides the benefits of permission based e-mail marketing, its future prospects were examined.

All informants agree that permission marketing will provide long-term benefits, and two of them predict that eventually permission marketing will be applied to marketing in general.

However, they expressed different concerns:

"Educating our customers: For people who have embraced permission marketing, I think it's going to keep...the benefits continuing over the long term. As they continue to build their trust and relationship you have those things again. I think it's Seth Godin who said that it continues from strangers into friends to customers to everything, and I guess you keep people on that loop." **Informant A**

"Permission marketing evolving in the future?....again, if you take this scenario of permission marketing that Seth Godin said, then I think it's going to be more and more relevant that people's doing because more and more people have been swooned with the information that has been taken. In particular, if you are looking at the total in New Zealand at the moment, you just continue the day-to-day basis which advertising doesn't actually mean anything to you. So I think it's going to be the concept. It's going to be more relevant to most marketers over a period of time. They have got to identify core customers initially, and then you got to try to make those customers interact with you. And then, moving through, becoming. I guess prospects when they first interact with you, but becoming customers and to add value to the customers you have and I think that concept which is really induction not really that new. It's just new in the electronic perspective I think. I think that it's going to influence quite a lot of marketing in general." **Informant D**

However, one of them comments that the adoption of permission marketing is slower than he expected.

“I see more marketers are becoming involved in a race as we wait to be a star. When it becomes a race, suddenly they go oh! My god. I haven’t done it, I gotta get going. So it will become a race. I have been waiting for it for three years but it hasn’t happened yet!”
Informant B

As mentioned earlier, two informants predicted that permission marketing will be used across a variety of media, the most popular being the mobile phone.

“The permission will be across other...other mediums as well. Not just that Seth has named e-mail marketing as permission based marketing”
Informant B

*“You know I prefer my phone to be my pocket PC. So I don’t have to carry the pocket PC and the phone...so eventually, umm...that’s the device that will be the key permission device because I will be willing to receive information. There is permission when it gets down to the little screen as I don’t want to receive crap. **But the thing is the e-mail will be history anyway**...because phones are so ubiquitous. The phone is everywhere.”*
Informant B

Another informant stated that

“I actually believe that permission marketing will not just apply to the Internet and e-mail. It will definitely apply to text messaging. I mean it’s already done. But also offline media as well...so maybe permission marketing will actually extend to other types of media....”
Informant C

The Prompt Terminologies Revealed and Discussed in the Interviews

During the interviews, several terminologies and concepts were initially mentioned by the four informants. Some of these terminologies and concepts were found in the literature, and were discussed earlier in the literature review section. These include opt-in, opt-out, double opt-in, Seth Godin, spam, CRM, referral program (send to a friend option), personal, relevant, anticipated, ongoing relationship, frequency and unsubscribe. Some terminologies however, were not found in the literature. These include poison the well, memorable marketing, drop off and objectives. Some of these terminologies such as memorable marketing, drop off and objectives were discussed earlier in this chapter and require no further attention. Other terminologies, mentioned earlier in the literature and not yet mentioned in this chapter, will be discussed in the following section to examine the similarities and differences between what the literature suggests and what the practitioners (the informants) did. New terminologies not

found in the literature will be discussed, and compared where used by more than one informant.

Method of Getting Permission

This study's qualitative findings agree with Tezinde et al 2002's argument that practical problems arise when deploying permission marketing, especially in the first step of obtaining permission. Three popular methods of getting permission in the literature: opt-in, opt-out and double opt-in, were also mentioned by the informants. It is suggested that permission based marketing is complicated and extremely risky, but if you do it right, you will earn the loyalty and respect of your customers. According to Opt-In News May 2002 (as cited in Linares 2003), 64% chose double opt-in as preferred e-mail marketing methods whereas 31% chose opt-in, 4% chose opt-out and 1% chose spam as their preferred methods.

Opt-in

Opt-in is the most common terminology referred to in the permission marketing literature. According to strict permission marketing theorists, opt-in is only the first step of permission marketing. Three informants initially brought out this term in the interview and explained it as:

“Opt-in is when somebody requests to receive information. Perhaps they go to the website and they register to receive the e-mail or something like that.” **Informant A**

“For the e-mail marketing perspective, the opt-in component is where they confirm that they do want to have ongoing communication with us. In the case of e-mail, when they subscribe on our website to receive the newsletter, they opt-in to receive newsletters and they select the various newsletter they want then they opt-in. So that's absolutely, the level of the anticipating because they all anticipate receiving something.” **Informant D**

One informant elaborated that opt-in is only part of the process of permission marketing and it is the initial point where marketers are starting a dialog with their customers. Her statement reconfirms two interesting points: firstly, her understanding of the permission marketing

concept proposed by Seth Godin, and secondly, the general misunderstanding of the concept that the informant thought it was important to point out.

*“Opt in is basically when you are on the website or on the form on the website...or could actually be in the stores...it could be actually physical presence where you’re actually asking people to join your mailing lists. So that’s what I mean by opt-in. **So it’s actually getting permission to join the particular mailing list.** However, permission marketing goes beyond that because it’s more about providing information of relevance to that end user, as opposed to just because you’ve got someone’s permission to opt-in into a mailing list. It’s actually more than just sending mass communication to that individual. **Opt-in is only one part of process of permission marketing.** So opt-in is the initial point where you’re starting a dialog with that end user; permission marketing is really about gathering more information about that user and what their information needs are and then delivering information that is relevant to them. So it’s about personalising information that they want as opposed to sending mass communication.”* **Informant C**

Opt-out

There are two controversial definitions of opt-out. Krishnamurthy (2001) states that in practise opt-out refers to the case when a marketer initiates contact and then provides individuals with an option of not receiving future messages. He argues, however, that using opt-out this way can be viewed as spam, and further suggests that opt-out can also be defined as an exit from permission. Permission marketing should provide customers with both opt-in (enter) and opt-out (exit). Similarly, the literature suggests that in order to obtain as many permission e-mail addresses as possible, marketers sometimes provide unclear options that carry a default opt-in. A study by Cyber Dialogue found that 69% of United States Internet users did not know they had given their consent to inclusion on e-mail distribution lists (Bellman et al. 2001). Supporting the evidence from the literature, one informant clearly stated two definitions of opt-out. She illustrated that:

*“Opt-out, sometimes it’s not necessary to get people to opt-in to the mailing list because you’ve already got this relationship in place. However, it’s part of permission marketing. (1) **Part of the best practice model is to allow people to opt-out or unsubscribe from the particular communication, from that company.** (2) **Opt-out is really where the customers or end-users have not physically ticked the boxes on a website or on a piece of paper saying that they want to join the mailing list. But communication has been sent them but you have to give them, the ability to unsubscribe or say “no I don’t want to get communication from you in anymore.”**”* **Informant C**

Two of the informants consider and agree that if businesses have a prime relationship with customers, the opt-out method to get permission to contact them is acceptable. They stated that:

“So you have a prime business relationship with somebody of which you may not need them to opt-in to particular e-mail. But you can actually use the opt-out functionality.”
Informant C

*“...if you have a prime relationship with these people, you have their information, because they have dealt with your company. **I personally don’t see any problem of sending an e-mail and an e-mail explaining why.** There are a few things I tell my clients. They must explain where the details came from. They must explain the purpose of the mailing. Whether it is a monthly or a quarterly newsletter or, maybe new updated features...Just make sure it is very clear about the purpose of the e-mail ...explain the obvious benefits. This communication is the most cost effective way to communicate, so you want as many people to say ‘yes’ as possible. So explain the benefits of them – you know that it will be good business because it will keep them updated with products. And we put a little form that just says ‘yes we like to subscribe’ or ‘no we don’t want to subscribe’. At that point they can choose. If they say no, they would not receive any further mail.”*
Informant A

Double Opt-in

Double opt-in is proposed as an ideal method of getting permission from customers. Williams (2000) defines “double opt-in” as when consumers get e-mail from merchants, they must confirm they want to be on the mailing list to continue to receive more information. In line with William’s definition, two informants mentioned this terminology as:

“Double opt-in is obviously when someone registers to receive something and then you send them an e-mail saying are you sure you want to register. And then they confirm, so we go through that stuff.”
Informant A

“...it’s best to get the highest level of permission which is actually double opt-in, where you get someone to join the mailing list and getting them to confirm again that they do want to receive that e-mail and actually want that communication.”
Informant C

The Three Characteristics of Permission Marketing

Godin (1999) defines permission marketing as anticipated, personal and relevant. Two informants referred explicitly to these terminologies as follows.

Relevancy

“And make sure that things are relevant. Sometimes you can get e-mail with a picture of the waterfall you know or something. And the e-mail is about I don’t know, a chair. Something’s irrelevant. So you look at it and it just instantly loses you. Something’s that silly you know. Something small like that can affect the relevancy. Just making sure the whole thing works together. The copy, the lists you are sending to, the offers, the audiences...” **Informant A**

“The information that comes back then should be relevant to the types of user profile as we refer to in our website. So the information should be structured about what they want to receive, as opposed to necessary information that we want to give them. In most situations you send one message to all customers. Once you have that information with the relevancy, could have to them, make sure it does.” **Informant D**

Personalised

“I think personal is not just...Dear Informant A,...it also means that they know that I got three kids at this stage. So they send me stuff that’s not an adult movie. I want children’s movies you know. That’s what I mean for targeting. Then again, the problem is making the targeting more effective. But of course, it takes a lot more resources and time to target properly. And particularly, a lot of clients don’t have great e-mail databases in New Zealand. If it’s small, it is a question of whether it’s actually worth their while. There is a lot of work you know, involved in sending those, in targeting those communications.” **Informant A**

“Personalise is another one. Personalise and that part comes into the relevancy a little bit. It does come into the relevancy. Because you can take personalisation to include just as they let you know. But you also take personalisation into the relevancy component where you personalise information based on relevant information...” **Informant D**

Anticipate

“They have to be expecting them. They have to be expected that you are going to communicate with them. I suppose it’s something like the billboard where it’s not anticipated, they don’t expect it at that time.” **Informant D**

Seth Godin

One of the informants mentions one of the interpretations of Seth’s diagram. He said:

“The basic stranger comes down...the relationship that we got with the people at this level, strangers, and the communication strategy is general products and service information offers. And the goal is you want to track those strangers, and qualify them and convert them into prospects. Once, you have a prospect, you start to send them targeted information, depending on the prospect grouping. Are they interested in commercial vehicles, vans, trucks? Are they interested in four-wheel drive vehicles? Are they interested in family vagrant? Are they interested in economical wheel cars? What groups are they in? So we can target the information specifically to them. And the goal here is to retain them as

a prospect and then convert them to a customer. So when they are a customer, of course we continue the relationship with specific product information across sell and up sell. This is how you use the product. This is the thing that...this is the case study that you know. It's a different type of...umm...communication, because customers don't want to be sold. They have already got the vehicle. They need something else to talk to you about. And the goal here is conversation. And conversation as we know it's gotto be interesting. Otherwise people stop listening...and also retain them as our customers. Then, a proportion of these customers will become advocates. Not everybody will become advocates. And once you got advocates, you can start referral programmes. And the goal here is for them to fully participate in the brand and also retain them as an advocate. So down here we got acquisition and up here we got retention." **Informant B**

Another informant refers to **an upgrade process**. The author asked further how her company upgraded their customers. She explained that:

"It's basically...umm...over the period of time asking questions and getting people to volunteer more information about themselves...and even on each communication, asking people...umm...at that point you can get people to opt-in. So you're still asking the questions. And it's part of the best practising model. It's gotto actually go through that upgraded process." **Informant C**

Similarly, another informant explained it in terms of **an ongoing relationship**. He stated that

"...ongoing relationship...umm...you have to build the relationship with your customers, whether they are strangers or whether they are actually a new customer, or whether they are customers that you have had for a while or whether they are a valuable customer. You can't expect a person to receive...to give you all the information about themselves upfront. You gotto build it up over the period of time. So you do that through ongoing communication so therefore, you start taking a very large poll of people. You can have a couple of thousand people in your database and narrow down the type of people who better qualify. Therefore, hopefully they become customers and then become your good customers and they start to introduce their friends as well. So you can't really see electronic marketing just the one of rat. So you just do the once and that's it...We try, and it takes quite of bit to do. Make sure you definitely try them al. This scenario is turning strangers who know nothing about the business, to a customer and then to a very good customer. It's referred to by Seth Godin as a friend. They start to refer you to other people and then get a very strong brand loyalty. But it's quite interesting when you look at that approach, compared to what most people did with the general marketing in term of traditional means. They are delivering a shop down approach when they saw something on TV. They have no relationship with the customers who receive their message on billboards or TV or anything like that. And the means of developing that relationship is to increase the frequency of the advertisements...which means you just keep approaching them more...not actually building any knowledge of the people you have got, that you are targeted the right people. That's the benefits of the e-mail marketing that you have." **Informant D**

On spam and its effects

One informant used **poison the well** to describe the effect of using spam.

*“...because as you know there is not law...umm...around that but we are interested to make sure that our clients are e-mailing people who want to receive the mail. If they don’t, then we use the term “**poison the well**”. If someone tips the poison into the water you know the whole village will die and it’s a little bit like that for us”. **Informant A***

Send to a Friend Option

All informants mention a referral programme, in different ways. Two informants had a positive view of a **send to a friend** option, and one compared it as one level of permission marketing.

*“We have something called send to a friend. And again even that we build so that’s the very best practice. Umm...If you receive my e-mail every month and you think your mother would be very like to get that, you can put her e-mail address and her name in and smartmail. That smartmail software will send your mother the e-mail and it would say...aah... your daughter has recommended that you might like to do this. If you want to join click here. So when she clicks that link, she will be added into the database, but not until then.” **Informant A***

*“This...send friend...this is like a referral campaign. So you know when we talk about advocacy...we have got a referral program. This is a basically referral program. So what they are doing is sending...umm...an e-mail out here for people to register to become a customer. And then it goes back into their database, through to our databases. And they receive a welcome message confirming to go back there. This is basically a send to friends kind of program that’s running up. Friends get friend referral program. Once you have a big database of course, the size of our database is the more successful and powerful these are to generate more names.” **Informant B***

One of the informants refers to the send to a friend function as an example of measurement.

However, she did not have a positive attitude regarding its benefits and questioned its usability:

*“Umm....personally, it only....it doesn’t work for everyone. It only works if that company’s actually got a really good relationship with that end user, and they have got something about you, that you know that’s actually giving to that end user, and that end-user finds it valuable. Umm...so a lot of the time it doesn’t work unless you actually build up the relationship over a period of time.” **Informant C***

*“...and in term of marketing it’s very you know unique. I mean in fact you know I said four or five years ago, everyone would send e-mail saying hey...check this out but it’s, people aren’t. People are not so impressed, by you know a BC graduate on the internet anymore...so...it’s actually much harder to send something out if you think that a great thing to them. Send to my friend. But it comes down what the user finds the most valuable and exciting enough to send it to their friends.” **Informant C***

Frequency

One informant states that the frequency of e-mail can be viewed as a customer relationship strategy.

“....one aspect could be the frequency of the communication. So if you are sending you know an e-mail everyday, then you know obviously people will get annoyed with that as they get information everyday. So then, people will want to unsubscribe, and this reflects badly with that company or brand. So what I mean by...umm...putting the best relationship is really about building a good relationship. So that it comes back to, you know, you see the best practice model in that...umm...once you get the peoples’ permission, but also you’re respecting what the end user actually wants from that company.” **Informant C**

One informant considers frequency as a part of the permission definition. He argues that

“I see frequency as a part of permission. I...should mean apply the Seth Godin permission definition. Frequency is a part of that definition as opposed to permission been an opt-in permission, which has the relationship through frequency. So I think in order to gain the permission Seth Godin’s definition, you gotto be...and it comes back I guess partially in this participation communication. You got to make sure that they are receiving information on the time. You actually, need to continue the relationship and they’re not dropping off from one level to another level, going back. Then you’ve got to start relationship again. And then if you take the classical, traditional marketing approach when you got a foreign commercial out there, they do it for a very long or a very short, heavy period of time. Then they see some natural increases, awareness from it and that will drop off. And you have got to go through it again, and re-educate these same people about the same company again, again and again. If you maintain, it could identify the e-mail, maintain and identify those customers right from the start and just click over and send the regular messages, more relevant messages, over the period of time. Then, you will lose those people...umm...to become the ideal customers.” **Informant D**

Summary Qualitative Findings

The qualitative study finds that all informants have a clear understanding of permission marketing. They referred to Seth Godin who introduced the permission marketing concept in 1999. They also acknowledge his permission marketing definition which is about getting people’s permission to be contacted and about delivering the right types of information they request. They agree that permission marketing involves an ongoing relationship which needs to build it up over a period of time. Two informants introduced a term called “memorable permission” and stressed its importance. They suggested that if customers do not remember when they gave permission to be contacted, that permission is irrelevant.

Replicating the literature, the informants have different ideas on what the key success factors were for effective e-mail campaigns. One informant saw Seth Godin's permission marketing definition as her key success factors: relevant, anticipated and personalised. All informants mentioned that they practiced these three concepts at some stage of their interview. A description of methods used to measure the e-mail effectiveness was also sought. Again similar to the literature, it was found that the number of times an e-mail was opened, unsubscribe rate, and click-through landing page were popular measurements for most informants, while none reported having measured attitudes and behavioural intentions toward e-mail ads they had sent. These findings confirming a lack of any assessment of e-mail ad effectiveness on consumers' attitudes and behavioural intentions reinforced the notion that these variables should be the subject of a separate empirical study.

Terminologies in permission marketing literature such as opt-in, opt-out and double opt-in were initially mentioned by three informants, while one did not mention any of these. Similar to the literature, they defined opt-in as the process whereby somebody gives permission to be contacted. Two informants showed a clear understanding of what permission marketing is as they emphasised that opt-in is only an initial step in the permission marketing process. Opt-out was referred to by two informants. One clearly stated two definitions of opt-out supporting the argument that opt-out is the most controversial term in permission marketing literature. She referred to opt-out as 1) unsubscribe or as 2) where the customers have not physically ticked the boxes on a website saying that they want to join the mailing list (or sending an e-mail asking whether the recipient would like to join the e-mail list). Interestingly, these two informants argued that opt-out is an acceptable practice in the initial process of permission marketing if two specific conditions apply. Firstly, marketers must give a clear explanation why and for what purpose they are sending the e-mail to recipients. Secondly, marketers must have a prime relationship with the recipients of the e-mail. The same two informants also

mentioned double opt-in and gave a similar definition to that found in the literature. They suggested that it is the best practice. These findings show that e-mail service providers have a quite clear understanding of what permission marketing is, however, the judgement of implementing it is another matter.

An interesting subject raised by two informants will be further explored in the experimental study: a send to a friend option. They suggested it as a referral programme and as one of the measurements of e-mail effectiveness. The experimental study will look at it simply as one dependent variable: friend recommendation. Three informants had the same belief that eventually the permission marketing concept will exist across many media, particularly in the mobile phone context. They further suggested educating marketers about the permission marketing concept and stressed that to make permission e-mails effective, an ongoing campaign is essential. Also, they all expressed concern that e-mail marketers might not use permission marketing in practice, rather that they would send spam e-mails.

The qualitative study highlights three interesting points contributing to the construction of the conceptual framework for the experimental study (the quantitative study). Firstly, it confirms the importance of the permission marketing concept in an e-mail marketing context. As mentioned earlier in the chapter, permission marketing as a concept is difficult to manipulate in an experimental study such as this. Therefore attitude toward permission based e-mail marketing will be used as a surrogate of the permission marketing concept. Secondly, the qualitative study strengthens the evidence that consumers' attitudes and behavioural intentions have been overlooked as measurements of e-mail campaign effectiveness. Thus the author intends to examine these variables as dependent variables in the experimental study. Thirdly, it raises a further interesting element to examine as a dependent variable: friend recommendation.

CHAPTER FOUR:

CONCEPTUAL FRAMEWORK

The qualitative findings in the previous chapter reinforce the importance of a permission marketing concept within the e-mail marketing context, and introduce a new and interesting variable to investigate: friend recommendation. This chapter will present and discuss the conceptual model to be examined in this study. It begins by introducing some theories relating to the development of the model: Fishbein and Ajzen's 1974 Theory of Reasoned Action (TRA), Davis's 1986 Technology Acceptance Model (TAM), Madden, Ellen and Ajzen's Theory of Planned Behaviour (TPB) and Rettie's 2002 basic e-mail response process model. It moves on to outline the comprehensive conceptual model as depicted in Figure 5. A preliminary substructure model, illustrated in Figure 6, is proposed for a research testing in this study. Discussion on the literature relevant to the respective components of this model follows, and based on the discussion for each of the dependence relationships, the hypotheses to be tested will be presented.

Related Theories

In developing the conceptual model illustrating how the e-mail advertisement components of interactivity, vividness and personalisation, combined with consumer characteristics, affect consumers' attitudes and behavioural intentions, three cognitive processing models of consumer behaviour will be discussed: Fishbein and Ajzen's Theory of Reasoned Action (TRA), Davis' Technology Acceptance Model (TAM) and Madden, Ellen and Ajzen's's Theory of Planned Behaviour (TPB).

Henderson et al. (1998) and Limayem et al.(2000) suggest that shopping on the Internet is a voluntary individual behaviour that can be explained by behaviour theories such as the theory

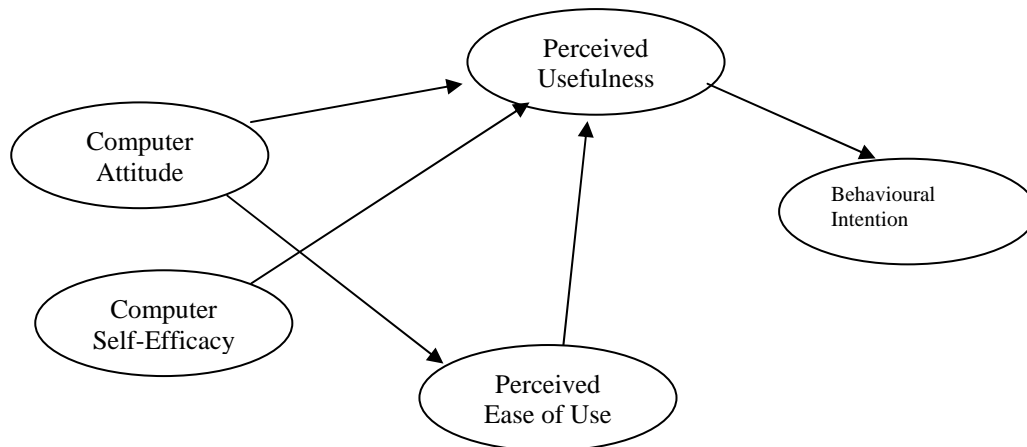
of reasoned action (TRA) proposed by Fishberg and Ajzen and the theory of planned behaviour (TPB) proposed by Ajzen and Triandis. Accordingly, this study will draw from these two theories to explain how consumers perceive e-mail advertisements. TRA proposes that attitude towards a behaviour and subjective norm are antecedents of behavioural intention and behaviour. Attitude is also seen as an antecedent for developing a Technology Acceptance Model (TAM) and a TPB to explain consumer behaviour in relation to the Internet.

TAM suggests that IT usage is determined by behavioural intention to use a system, which jointly is determined by a person's attitude towards using the system and its perceived usefulness (Davis 1986 and Lin and Lu 2000). This attitude is, in turn, jointly determined by perceived usefulness and perceived ease of use. Finally, perceived usefulness is influenced by perceived ease of use and some external variables. Chau (2001) agrees with Limayem et al. (2000) and Lin and Lu (2000) that the usage behaviour in the Internet environment is still primitive and it is not clear as to what external variables would affect the usage behaviour and intention. Chau points out that TAM has been empirically tested, however, very few studies have examined the "external variables" such as Igarria and Iivari 1995's study examining explicitly incorporated computer self-efficacy as a factor affecting perceived ease of use, perceived usefulness, and IT usage and other factors.

Chau (2001), as a result, proposes self-efficacy and computer attitude as external variables affecting perceived ease of use and perceived usefulness on IT usage behaviour (see Figure 3). He found that computer attitude does have a significant, positive impact on perceived usefulness and perceived ease of use. Computer self-efficacy, however, has a relatively small,

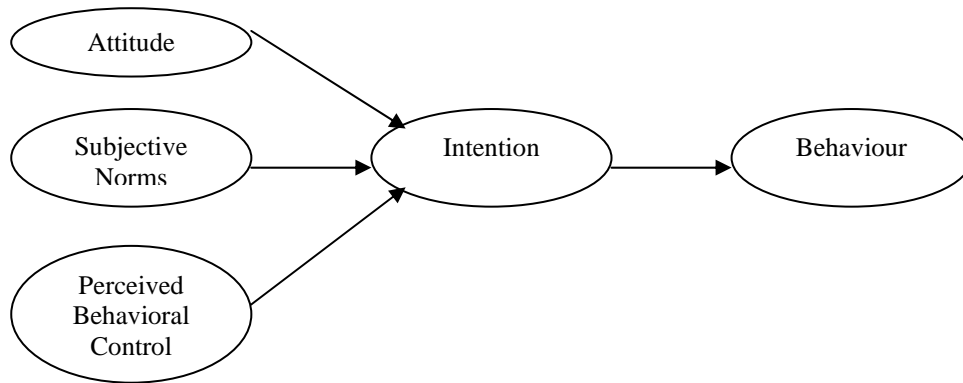
though negative, effect on perceived usefulness and no significant effect on perceived ease of use. Perceived usefulness and ease of use, however, are found to have an influence on the intention to use a system.

FIGURE 3: Extended TAM Model Proposed by Chau 2001



Henderson et al. (1998) rate the TPB higher than TRA and TAM as an appropriate model for a starting point for future research. The theory suggests that three antecedents: attitude (predisposition toward a particular object, event, or act, that is subsequently manifested in actual behaviour), subjective norm (perceptions about social forces influencing a behaviour), and behavioural control (perceptions of internal or external constraints affecting the behaviour), combine to form intentions to perform a behaviour, which subsequently lead to the behaviour (See Figure 4). TPB is developed by adding perceived behavioural control into the attitude-behavioural model, TRA, which results in meaningful improvements in the prediction of intentions (Azjen 1991). Perceived behavioural control in TPB is comparable with computer-self-efficacy, an external variable proposed in the TAM extended by Chau 2001's Model. Five studies have adopted the theory of planned behaviour (TPB) in attempting to illustrate e-commerce acceptance (Bhattacharjee 2000; Crisp et al. 1997; Henderson et al. 1998; Limayem et al. 2000; Shim et al. 2001). See these papers as a review.

FIGURE 4: Traditional TPB Model



This study supports and applies the TPB's rationale: attitudes, subjective norms and behavioural intention are combined to form intentions to perform a behaviour, in the e-mail marketing context. Besides applying the TPB framework, this study proposes three characteristics of the e-mail ad as antecedents of forming attitudes and behavioural intentions, and categorises as covariates other variables such as attitudes, subjective norms and perceived behavioural control. This is because the study's main purpose is to examine as exclusively as is practicable the effects of e-mail characteristics on consumers' attitudes and behavioural intentions.

Attitudes, in this study, can be classified into two groups: pre-attitudes and post-attitudes. Pre-attitudes are attitudes that consumers have before viewing the stimulus e-mail ad. They include attitude toward general e-mail usage, attitude toward spam e-mails, attitude toward e-mail service options and attitude toward permission e-mails. The formation of these attitudes is beyond the control of this study manipulation, but their effects are nonetheless expected to be found on consumers' attitudes and behavioural intentions toward e-mail ads. It is expected that people with a high attitude toward general e-mail usage, a less negative attitude toward spam e-mails and a high attitude toward e-mail service options will be more likely to perceive

e-mail advertisements more positively. Thus this study includes these variables as covariates, except for that of attitude toward permission based e-mail marketing, which, as one of the study's main interests, will be treated as an independent variable. Post-attitudes are attitudes that consumers have after being exposed to the stimulus e-mail ad. Post-attitudes include attitude toward the ad and the brand being advertised through the e-mail medium. These two post-attitudes are proposed to be affected by the characteristics of the e-mail and the nature of the offer in the manipulated e-mail ad and therefore will be treated as two dependent variables (see Figure 5).

Subjective norms are proposed to be determined by interpersonal influence (e.g., word-of-mouth by friends, colleagues, superiors and their prior adopters) and external influence (e.g., mass media reports and expert opinions). The pre-attitudes, discussed in the former paragraph, can also be viewed as subjective norms, since consumers' attitudes toward general e-mail usage, spam e-mails, e-mail service options and permission e-mails are shaped by their social environment. For example, people who usually use e-mail to communicate with colleagues and friends are more likely to have a positive attitude toward general e-mail usage, e-mail service options and permission e-mails, but a negative attitude toward spam e-mails. Thus these attitudes will also be treated as covariates in this study, except, for reasons already provided, attitude toward permission e-mails.

Perceived behavioural control is defined as perceptions of internal and external constraints affecting behaviour, and is described as being comparable to computer-self-efficacy in the TAM. This study, therefore, proposes that the type of e-mail user, in terms of their perception of their own e-mail literacy level, represents one form of internal constraint. Along with other consumer characteristics expected to influence consumer e-mail-self-efficacy, the number of

e-mail accounts owned, educational level, age and gender are all proposed as consumer internal constraints affecting behavioural control. People perceiving themselves with high e-mail self-efficacy (e-mail experts) will believe they are in control of the situation and will be more likely to respond more actively to e-mails than people perceiving themselves with low e-mail self-efficacy (e-mail novices). As mentioned earlier, this study does not attempt to specifically examine the effects of each of these variables on consumers' attitudes and behavioural intentions, however, their effects should not be excluded. Thus these variables are also treated as covariates.

Rettie's (2002) basic e-mail response process model, reviewed in the literature review chapter, will be briefly revitalized. The model suggests three characteristics affecting the three stages of effective e-mail marketing respectively. The three characteristics are 1) characteristics of the e-mail: e-mail subject line and the design of the e-mail (Text of HTML), 2) characteristics of the offer and 3) characteristics of the (potential) customers: permission and volume of e-mail, demographics and lifestyles. These characteristics will have an effect on 1) getting them to open the e-mail, 2) getting them to pay attention to the e-mail and 3) persuading them to click on the URL link.

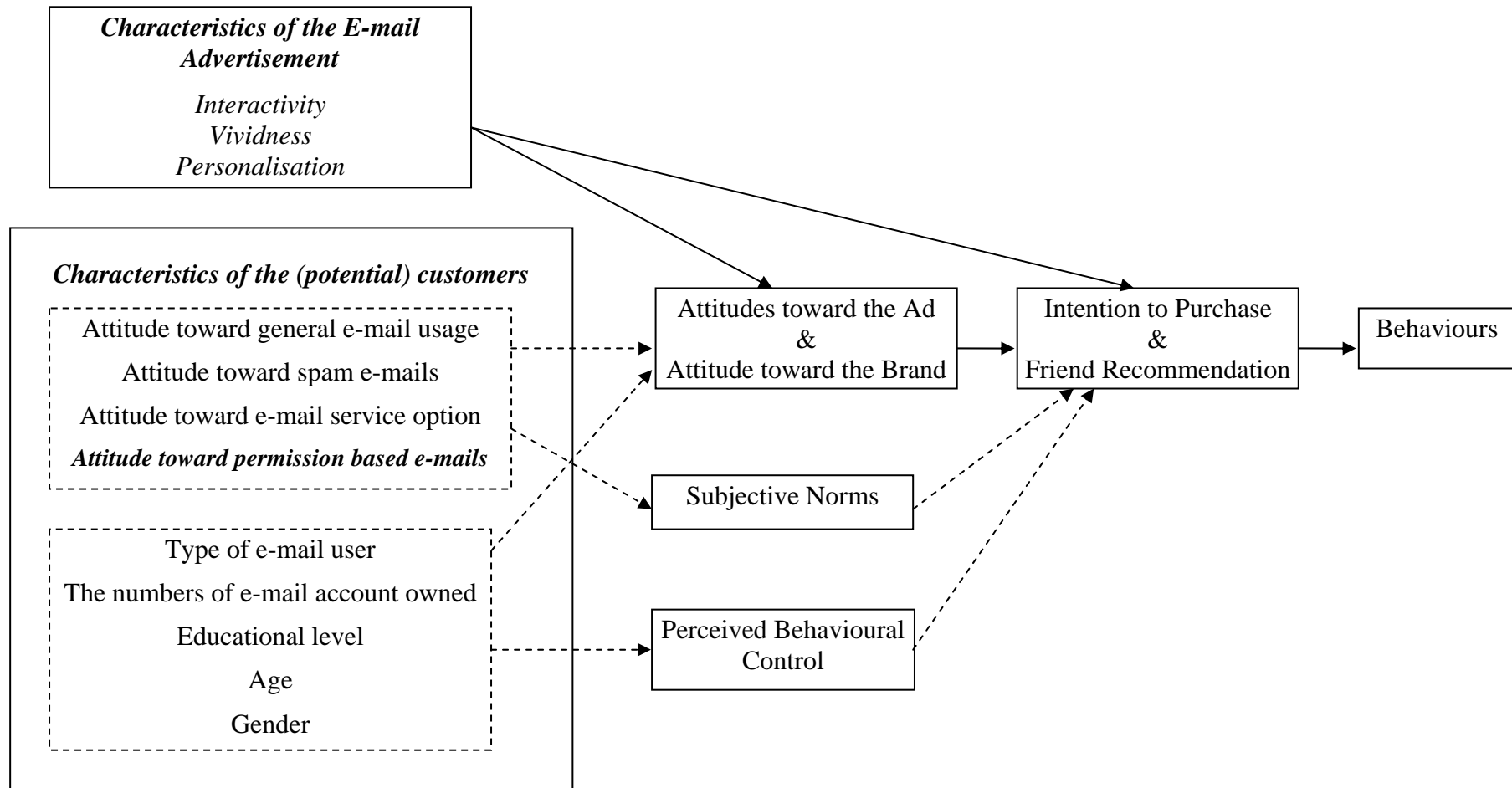
Conceptual Model

The conceptual model is developed by adapting and integrating the TPB model with Rettie's 2002 basic response process model (see Figure 5). The model investigates the comprehensive effects of two out of the three variables proposed in Rettie's 2002 model: characteristics of the e-mail ad and characteristics of the (potential) customers, on consumers' attitudes and behavioural intentions based on the TPB model. The four manipulated/independent variables examined in this study are interactivity, vividness, personalisation and attitude toward

permission emails. Vividness, interactivity and personalisation are represented as characteristics of the e-mail ads, and permission marketing attitude is represented as characteristics of the (potential) customers. Based on the TPB model, these four variables are proposed as influencing consumers' attitudes, which in turn affects their behavioural intentions (see Figure 5). Consumers' attitudes of interest here are attitude toward the ad and attitude toward the brand, and consumers' behavioural intentions are purchase intention and friend recommendation. Friend recommendation, the last variable of the model, implies customer trust in ads which, in turn, may lead to the virtual community (word of mouth) and may be used as an acquisition tool for e-mail marketers. Subjective norms and perceived behavioural controls are not variables of main interest in this study. However, their effects are expected to be found, as discussed in the former section. The variables described earlier as having an effect on subjective norms and perceived behavioural controls are attitude toward general e-mail usage, attitude toward spam e-mails, attitude toward e-mail service options, type of e-mail account owned, educational level, age and gender. These, therefore, will be treated as covariates.

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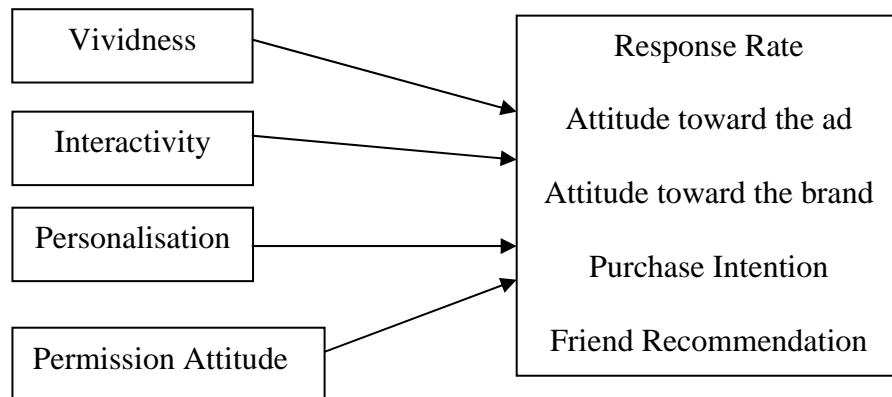
Figure 5: Conceptual Model Integrating TPB Model and Rettie's 2002 Consumer E-mail Response Process Model



Three out of four antecedents are proposed as controllable (manageable) variables in this study. These are vividness, interactivity and personalisation. Permission marketing attitude is here exercised as an uncontrollable variable, even though scholars have suggested that e-mail marketers can introduce and employ the permission marketing concept in their practice, leading to a positive attitude toward permission based e-mail marketing and creating trust for a particular e-mail marketer. This study will not fully utilise the permission marketing concept due to time constraints and the limitations of the techniques applied. Attitude toward permission based e-mail marketing, therefore, will be used as a surrogate of the permission variable.

The hypotheses have been constructed with nine main variables, four of which are independent and five dependent. The four antecedents are the independent variables, and response rate, attitude toward the ad and brand, purchase intention and friend recommendation are the five dependent variables. Three of the four independent variables: vividness, interactivity and personalisation, are manipulated. As mentioned above, this thesis aims to establish a simplified substructure in testing the theoretical framework. The analysis has been done on one level, not as a path analysis (see Figure 6). The relationship between the three independent variables and attitude toward the ad is moderated by attitude toward general e-mail usage, attitude toward spam e-mail, attitude toward e-mail service option, the amount of e-mail received each day, product involvement, product knowledge, web/e-mail expertise and some demographic variables. These variables, therefore, are used as the covariates.

Figure 6: A Research Testing Model



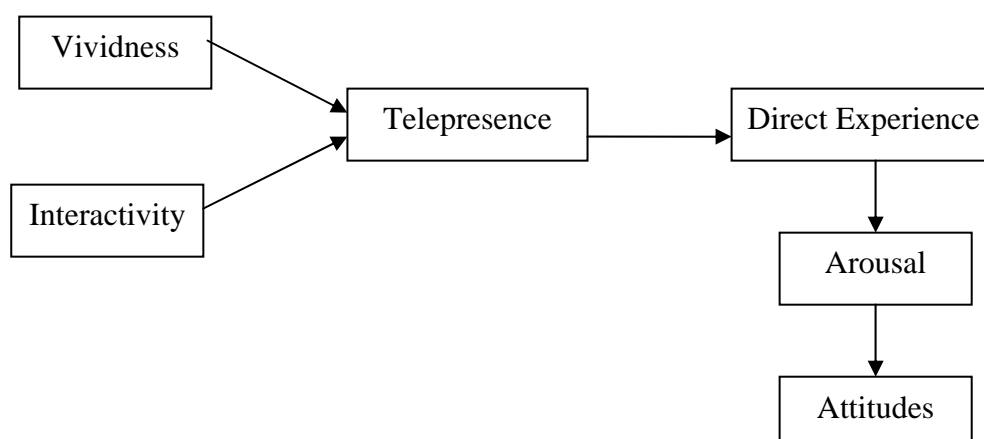
Direct Experience and Attitude-Behaviour Theory

As vividness and interactivity are two manipulated variables in this study and as they are proposed to have an effect on consumers' direct experience leading to positive attitudes, the relevant literature is reviewed in this section. Experience with the attitude object can be considered a continuum anchored by direct and indirect attributes (Fazio and Zanna 1986). Among consumers' direct experiences are product use from purchase, direct tests, sampling, and other evaluation behaviours. Consumers' indirect experiences include advertising exposure, personal selling presentations, exposure to displays, packages, point of purchase material and word-of-mouth. Griffith and Chen (2004) state that previous researchers have compared the effectiveness of different types of advertising (e.g., print, television, and radio) with direct experience, and have suggested that direct experience has a greater influence on recall and attitudes when compared with existing ad formats. For example, Smith and Swinyard (1982, 1983 and 1988) examined the usefulness of the concepts of direct and indirect experience in the advertising domain, and they found that attitudes based on direct experience, such as through product trial, better predicted subsequent behaviours (like purchasing) than did attitudes formed through advertising, an indirect experience. Coyle and

Thorson (2001) recently suggested that seeing a product demonstrated on television is a more direct experience than hearing it described on radio, and receiving a trial sample provides a more direct experience than watching the product being demonstrated on television.

Consumer experiences through a new media technology are proposed to be different from the traditional media. For example, Griffith and Chen (2004) suggest that one of the key advantages of on-line advertising over traditional advertising is that it can approximate key characteristics of direct experience when promoting experience products in multimedia formats. Similarly, Klein (2001) identifies two critical media characteristics enabling telepresence in computer-mediated environments: user control (as interactivity) and media richness. This suggests that as the degree of telepresence increases, the mediated experience will be increasingly similar to an actual direct product experience, which has been shown to lead to stronger beliefs and attitudes toward advertising (see Figure 7). Griffith and Chen (2004) argue further that introducing virtual direct experience (VDE) may enhance the effectiveness of an on-line message; that is, VDE will increase a consumer's knowledge structures relating to the product. This is because VDE, a rich presentation on-line, is more effective than a less rich presentation, such as on-line advertising based on text information alone.

Figure 7: Telepresence Model



Researchers have found further evidence supporting this argument. For example, Kim and Biocca (1997) found that both media richness and user control are necessary to create a sense of experience illusion of direct product experience which was strong enough to influence consumer attitudes toward a product. Fortin and Dholakia (2000) examine interactivity and vividness as characteristics of communication settings that can either directly or indirectly through social presence and involvement affect arousal, which in turn affects attitudes. Using an experimental design in which three levels of interactivity and three levels of vividness were manipulated, they suggest that the optimal mix might be a moderate level of interactivity (such as navigational sites e-mail forms, etc.) and a high level of vividness.

Jahng et al. (2000), however, argue that users may perceive different levels of product presence in computer/communication-mediated EC environments depending on how product information is represented. According to the telepresence theory, as media richness (sensory breadth and depth) and user control increase, product presence would be higher. Therefore, textual information with a static picture is a lean format to represent products, while interactive three-dimensional (3-D) visualisation, with other forms of messaging (text, animation, audio, etc.) if necessary, will be a richer format to represent products. In a richly represented virtual EC environment (e.g. enabled by interactive multimedia technology) where all necessary product aspects are fully represented in a multi-faceted fashion, a buyer may psychologically perceive a higher level of physical presence of products when interacting with them (Klein 1999).

Characteristics of the E-mail as Antecedent

Previous studies shows that characteristics or designs of e-mail have an effect on how consumers respond to or perceive the e-mail. Ansari and Mela's 2003 study, for example, proposed and found that the design of the e-mail is crucial in affecting click-through probabilities. They also discovered that the order of content is important and there exists a great deal of heterogeneity across users in their preferences and across links and e-mails, in terms of their effectiveness in design and content. Capitalising on these results, they demonstrate that design and content can indeed be optimised, and found that response rates (expected click-throughs) could be increased by 62 percent if the e-mail's design is customised. Another example is Saint's 2001 study. He states that e-mail campaigns with high response rates not only carry the advantage of a lower cost per lead but also a better branding effect and minimal aggravation. If a message is relevant and appropriate, even those recipients who do not take action will appreciate the communication and increase their feelings toward the brand. On the other hand, the disadvantages of poorly targeted e-mail blasts go well beyond cost per acquisition. If a large percentage of recipients become angry and annoyed because they have been contacted with irrelevant messages and without their permission, the negative branding effect can be quite damaging.

With the premises of new media characteristics and consumer response to new advertising, this study argues that user experience with the new media such as e-mail, can be different depending on the creativity of the e-mail. For example, a text-based e-mail describing details of products will lead to a less direct experience than a HTML-based e-mail or a rich media e-mail. Although there is a note that high interactivity and high vividness in e-mail might not have enough influential effect on users leading to a telepresence state, they are proposed to

have a positive effect on user enjoyment, attitude toward the e-mail and attitude toward the ad and brands advertised in these e-mails.

Hypotheses

Hypotheses on Manipulation Variables

Effects of Vividness

A literature review suggests that highly vivid message presentations enhance the attention paid to a communication, increasing persuasiveness (Keller and Block 1997; Smith and Shaffer 2000). The result of this is an increased scrutiny of the message (Roger 1989; Baecker and Mandler 1991; Frey and Eagly 1993; Molina 1997; Morrison and Vogel 1998; Smith and Shaffer 2000; Griffith and Gray 2002), which in turn stimulates higher levels of immersion in the media environment and increases positive effects (Shih 1998; Klein 2001; Stern et al. 2002; Griffith and Gray 2002). In addition to this, a more entertaining environment is created, which in turn stimulates an emotional response. Several researchers have attempted to explain the reasons for this. Firstly, Stern et al. (2002) purport that the point of image vividness is to attract “a centring of attention on a limited stimulus field” (Hoffman and Novak 1996); therefore, further processing can take place (Steuer 1992). Secondly, Smith and Shaffer (2000) explain that it is possible that a vivid presentation can create mental images that are easily retrieved and interact with message content to facilitate processing and retention of both the images and the message arguments. Thirdly, Lim et al. (2000) suggest that non-verbal and complementary cues increase retention and improve understanding through a more vivid presentation. Finally, Li et al. (2002) argue that messages appealing to multiple perceptual systems are better perceived than are those that call on single perceptual systems, and that high quality messages are more effective than low quality messages.

Currently, it is possible to enable online consumers to stimulate direct product experience (Kempf and Smith 1998) through either 3-D or virtual reality (VR) technology (Li et al. 2000; Peek 1997), called virtual product experience (VPE). It allows the consumer to interact with online products and show a product in full detail (Ryan 2001). The vivid ad created by software such as Quick Time and Flash will allow consumers to manipulate product images via the mouse and keyboard, e.g., move, rotate and zoom a product to view it from different angles and distances, resulting in a more realistic sense of the stimulated environment. This, in turn, will facilitate the maximum effective presentation of in-your-face advertising messages. Jiang and Benbaast (2002) argue that Flash, proposed as 2 and a half D, can make a better product presentation and it should lead consumers to having a richer experience, as opposed to the indirect experience derived from traditional advertising. The effect of viewing Flash on product attitude and subsequent behavioural intentions is expected to be similar to the effects of direct experience.

Fiore and Jin (2003) propose that the level of realism of the image or completeness of sensory information creates an image interactivity function and may result in a positive relationship with the level of approach response variables. Evidence found supported this argument in the e-mail context. For example, McCloskey (2001) found that of the Corel rich media e-mail recipients, over 90 percent actually clicked on a call to action, and Chittenden and Rettie (2003) found that the more colourful and attractive e-mails generated the greater response. Rettie (2002) also discovered that higher response rates correlated with more images. In supporting these findings, the vividness level in the e-mail ad is expected to have an effect on an e-mail response rate. Lowly vivid e-mail (text without any picture in the e-mail) will have lower response rate than moderately and highly vivid e-mail ads (HTML and FLASH e-mails with pictures emails). Therefore, it is proposed that:

H1a: The response rate resulting from exposure to an e-mail message will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].

Rettie et al. (2002) propose that with HTML e-mails, the viewer gets an immediate, attractive visual impression and the development of streaming video and audio e-mail increases the potential creative impact of e-mail marketing. Coyle and Thorson (2001) also state that rich media tools such as video, audio, and animation on the web site may be considered tools which increase vividness by enhancing the richness of experience. Similarly, Li et al. (2002) propose that assuming personal preferences are held constant, consumers interacting with products in 3-D advertising are more likely to perceive a sense of presence, which results in a positive consumer response as measured by increases in product knowledge, brand attitude, and purchase intention. They found that participants reported significantly higher values for product knowledge and more favourable brand attitudes for 3-D advertising than for 2-D advertising. It is argued that the HTML e-mails or FLASH e-mails, increase the vividness levels in the e-mail, enhancing the richness of experience, comparable with direct experience. The high richness e-mail will increase the e-mail recipients direct experience with product advertised in the e-mail and therefore will have a positive impact on consumer attitude toward the ad. It is proposed that:

H1b(1): Attitude toward the ad will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].

Traditionally, according to the TRA and TPB theories, researchers have suggested that attitude toward an ad is a good indication of the ad's effectiveness in terms of creating (or strengthening) attitudes toward the brand and thereby enhancing purchase intentions with respect to the brand (Brown and Stayman 1992; MacKenzie and Lutz 1989; Muehling and McCann 1993 and Lord et al. 1995). Recent work has adapted this concept to measure attitude toward the website (Chen and Wells 1999 and Yoo and Stout 2001). This study, therefore, supports this concept and proposes that consumers' attitudes toward the e-mail advertising will have an influential effect on attitude toward the brand and purchase intention of products advertised in the e-mail. Hence, it is proposed that

- H1c(1):** Attitude toward the brand will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].
- H1d(1):** Purchase intention will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].

The Internet increases the likelihood of customer word-of-mouth communication. Online communities and the ubiquity of e-mail create numerous possibilities (and potential headaches) for marketers (McWilliam 2000). McCloskey (2001) suggests that a rich media e-mail campaign has proven to be an effective way of increasing conversions for direct marketing campaigns, improving customer retention efforts and increasing pass along rates. Two pieces of evidence support this argument. Firstly, Emerging Interest (2001) found that viral marketing occurred at a high rate, which over 40 percent of rich media e-mails delivered was forwarded to other e-mail addresses. Secondly, a MindArrow*NSYNC rich e-mail was

forwarded to friends at a 60 percent pass-along rate, and some 40 percent of the people who viewed a MindArrow “e-brochure” received it from someone else (Jeys 2000). The relationship between attitudes and behavioural intentions according to the TRA and TPB can be used once again to explain these results. A highly vivid e-mail ad attracts recipients’ attention resulting in a high attitude toward the ad and the brand. This, in turn, will have a positive effect on their intention to recommend the product advertised on the vivid e-mail to their friend. Therefore, it is posited that:

H1e(1): The impact of a Friend Recommendation will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].

Jarvenpaa and Todd (1997) and Kannan and Kopalle (2001) suggest that the effects of technology on online consumer behaviour depend on the characteristics and shopping orientations of these consumers. This study suggests that consumer attitude can be viewed as a consumer characteristic. In supporting Minsky and Marin 1999’s argument that attitude toward e-mail may not be the same as attitude toward computer technology in general, consumers’ attitude toward permission based e-mails is measured as the main focus of this study is to investigate the effect of permission marketing on the e-mail ad. The effect of permission e-mails found in literature suggests the positive results. For example, Rosenthal (2001) states that by offering opt-in e-mail newsletters, sites open the door to build relationships with their customers and encourage repeat visits and purchases. Kent and Brandal (2003) found that permission based e-mails are more effective, being more frequently read, have more interesting content, have a higher click-through rate and are more likely to lead to a purchase than spam based e-mails.

Again, based on TRA and TPB, it is expected that recipients with high (positive) attitude toward permission based e-mail marketing will have a positive attitude toward e-mail advertising. Therefore, they will be likely to have a positive attitude toward the ad, toward the brand and purchase intention, and they will be more likely to recommend the product to their friends. Therefore, it is hypothesised that

H1b-e(2): The effect of vividness on attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation will be stronger for the high vs. the low attitude toward permission based e-mail groups.

Effects of Interactivity

Sundar et al. (2003) and Sundar (2004) discuss interactivity in the context of dual-process persuasion models, as a potential peripheral cue or a central message argument, depending on the conceptualisation. If interactivity is operationalised in terms of the bells and whistles on the interface, it is thought of as peripheral cue that contributes to positive attitudes via mere association. But, if it is based on the contingent transmission of threaded messages, then it is more likely to trigger closer scrutiny of message content. This puts the focus on the informational component of interactivity, as delivering more information requires more involvement with content. Therefore, one could theorise interactivity as impacting attitudes by way of enhancing user involvement with information. Of course, the valence of the attitudes would depend on the persuasive strength of the arguments in the information, but one could make the case that the variation in construction of the interactive loop serves as a strong message argument (Sundar and Kim 2004). This study argues that interactivity either through a peripheral cue or a central message argument will have a positive effect on consumers' attitudes and their behavioural intentions.

As mentioned previously, Fortin and Dholakia (2005 and 2000) propose that interactivity is also one of the key characteristics of the New Media that is expected to not only transform the way advertising is designed and implemented, but also the manner in which it affects consumers' opinions and attitudes. Some studies have indicated a difference between the actual level of interactivity on a web site and the level of interactivity perceived by the users (Heeter 2000; Yoo and Stout 2001; Jee and Lee 2002 and Raney et al. 2003). The effects of perceived interactivity on consumers' attitudes and behavioural intention, however, are expected to be similar: a positive influence on attitudes toward the web sites, attitude toward the brand and purchase intention. Even though the focus of this study will be on interactivity in general, literature on perceived interactivity is valuable and is discussed along with literature on interactivity.

Empirical evidence found supports the importance of incorporating activity to impact upon consumer attitude and behaviour (Fiore and Jin 2003). Firstly, Fortin's (1997) review of research found some tentative, positive effects of interactivity on learning and attitude change, even though most studies were inconclusive or failed to adequately operationalise interactivity. Fortin's study found the effects of interactivity on "social presence" levelled off at intermediate exposure. Secondly, Haseman et al. (2002) found that interactivity had a positive influence on users' attitudes. Thirdly, Coyle and Thorson (2001) found that sites with choice availability generated the most favourable attitudes. Fourthly, McMillan et al. (2003) found that measured levels of engagement and the sub dimension of perceived interactivity were the best predictors of attitude. Fifthly, Wu (1999) discovered that perceived interactivity positively influenced attitude toward two greeting card companies that allow customers to personalise e-cards with added images. Sixthly, Yoo and Stout (2001) found that consumers'

intention to interact with a web site positively influenced their attitudes toward the web site and purchase intention.

Similar to vividness, the effectiveness of interactivity will increase recipient level of control, resulting in their direct experience. Interactivity is proposed to have an effect on consumer direct experience, which is expected to have an influence on consumer attitudes and behavioural intentions, according to the Telepresence theory, TRA & TPB. Berthon et al. (1996) suggest that the interactivity level of a site would be critical in converting site visitors from interested contacts to interactive customers. Similarly, an increase in the number of links in the e-mail will increase the interactivity level. It will encourage recipients to become involved with the information presented, and this in turn, will have a positive effect on their attitudes: attitude toward the ad and the brand. Moreover, when recipients have a positive attitude toward the ad and the brand advertised, they will be more likely to interact (respond) and to have higher behavioural intentions: purchase intention and friend recommendation, toward the ad and the brand advertised. Therefore, it is posited that:

- H2a:** The response rate resulting from exposure to an e-mail message will be directly correlated with the level of interactivity of the message.
- H2b(1):** Attitude toward the ad will be directly correlated with the level of interactivity of the message.
- H2c(1):** Attitude toward the brand will be directly correlated with the level of interactivity of the message.
- H2d(1):** Purchase intention will be directly correlated with the level of interactivity of the message.

H2e(1): The impact of a Friend Recommendation will be directly correlated with the level of interactivity of the message.

As mentioned earlier, attitude toward permission based e-mail marketing will have an effect on how recipients perceive the e-mail ads. People with a positive attitude toward permission e-mails will be more likely to perceive any options such as links in the e-mail more positively. Therefore, it is proposed that:

H2b-e(2): The effect of interactivity on attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation will be stronger for the high vs. the low attitude toward permission based e-mail groups.

Effects of Personalisation

Personalisation is the key to keeping the recipients' attention (Rosenthal 2001) and is a logical and vital piece of the e-mail marketing puzzle (Brodeur 2000), as well as dramatically enhancing responses (MacPherson 2001). For example, Amazon's personalisation system is perhaps its key competitive advantage, specifically because it promotes exploration, rather than limiting it (Hall 2001). Krishnamurthy (2001) states that consumer interest is positively affected by message relevance. Retention-based e-mail marketing can be accomplished by delivering the right message, to the right person, at the right time (Morrone 2001). Consumers want to feel that a company is catering to their specific needs, and one-to-one personalised e-mail marketing is the ideal means to this end. Once companies gain permission from the consumer, develop tailored content for those customers and learn to maximize their results, e-mail marketing will truly become the most valuable tool for businesses to maximize customer retention and value. Postma and Brokke (2002) found that the preference rank order in e-mail

has an influence on click through rate (CTR). On average, items of first choice achieve better CTR than second choice items which also score better than the third choice items. The average improvement for the second choice over the third choice is 15 percent and the improvement between the first to the third is almost 40 percent. This strongly suggests that the better tailored the messages are to the recipients' preferences, the better the results will be. These results further support the conclusion that content targeting works and therefore better-targeted personalisation triggers (more) response.

Kolettis (2002) suggests that the first basic element is a good subject line, and Globalspec (2004) states that the "From" and "Subject" lines are arguably the two most important components of any e-mail. The message should also contain a clear understanding of the product or service being offered. Del Webb (as cited in Colkin 2001) personalised half of the e-mails in one campaign by putting the recipients' first name in the subject lines, and found that e-mails without the names generated a 5 percent to 6 percent response; those with the names had a 12 percent to 13 percent response rate. Rockville (2004) found that e-mails with personalised subject lines were opened more often (32.49 percent compared to 26.65 percent) and received higher click rates (8.45 percent compared to 4.27 percent) than e-mails with personalised messages only, or no personalization at all. Rettie (2002) found that higher response rates correlated with a more attractive e-mail subject line. In supporting this evidence, it is suggested that the e-mail ad with the recipient's name in the subject line and the greeting line will bring a higher response rate than the e-mail ad omitting a personal name. Therefore, it is proposed that:

H3a: The response rate resulting from exposure to an e-mail message will be directly correlated with the level of personalisation of the message.

The effect of personalisation on consumers' attitudes and behavioural intentions is also expected to be positive. When consumers receive a personalised e-mail ad, they will feel more valued as a person. They, therefore, will be more likely to have a positive attitude toward the ad and the brand advertised in the e-mail ad. According to the TRA and TPB, this, in turn, will make them more likely to have a higher intention to purchase and to recommend the product advertised to their friends. It is therefore hypothesised that:

H3b(1): Attitude toward the ad will be directly correlated with the level of personalisation of the message.

H3c(1): Attitude toward the brand will be directly correlated with the level of personalisation of the message.

H3d(1): Purchase intention will be directly correlated with the level of personalisation of the message.

H3e(1): The impact of a Friend Recommendation will be directly correlated with the level of personalisation of the message.

Similarly to the previous discussion on the effect of attitude toward permission e-mails on interactivity and vividness, its effect is proposed to be similar in terms of personalisation. People with a high attitude toward permission e-mails will be more likely to perceive personalized e-mails more positively than those with a low attitude toward permission e-mails. Therefore, it is posited that:

H3b-e(2): The effect of personalisation on attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation will be stronger for the high vs. the low attitude toward permission based e-mail groups.

Interaction Effects between Vividness, Interactivity and Personalisation

The Hoffman and Novak's (2000) model considers interactivity and vividness as characteristics of communication settings that can either directly, or indirectly through social presence and involvement, affect arousal, which in turn affects attitudes (Rowley and Slack 2001). By using the experimental design in which three levels of interactivity and three levels of vividness are manipulated, Fortin and Dholakia (2000) suggest that the optimal mix might be a moderate level of interactivity (such as navigational aids, e-mail form, etc) and a high level of vividness. Their effects within the e-mail context are expected to be the same.

Literature also suggests an interaction effect of personalisation and rich media (vividness) on consumer response rate. For example, Dynamics Direct's Individualised Rich Media generated a dramatically increased response against the simultaneous text/html control: more than a 300 percent increase in new-customer conversion (McCloskey 2001). Similarly, this study is expected to show an interaction effect between vividness, interactivity and personalisation in the e-mail ad on consumer response, their attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation.

The interaction effect between vividness, interactivity and personalisation on consumers' attitudes and their behavioural intentions is expected to vary depending on different levels of vividness, interactivity and personalisation. Three compared and contrasted scenarios of these three variables' effects on consumers' attitudes and behavioural intentions are discussed: 1) with the same levels of interactivity and vividness and a different level of personalisation, 2) with the same level of interactivity and personalisation and a different level of vividness and 3) with all different levels of interactivity, vividness and personalisation. The first and the second scenarios aim to illustrate that the effects of each e-mail component on consumers'

attitudes and behavioural intentions would be reduced if other components were not well integrated. The third scenario explains the effects of well-integrated e-mail components on consumers' attitudes and behavioural intentions.

The first scenario, in which the levels of interactivity and vividness are similar and the level of personalisation is different, consumers will perceive the e-mail ad differently. This, in turn, will affect their attitudes and behavioural intentions differently. For example, compare the two conditions: firstly when the e-mail ad is highly vivid, highly interactive and personalised and secondly when the e-mail ad is highly vivid, highly interactive and non-personalised. Consumers' attitudes and behavioural intentions will be higher in the first condition than the second condition. This is because they perceive that e-mail marketers value them as a person. Consumers in the first condition, in turn, will have a higher purchase intention and higher friend recommendation. In other words, in the second condition, the effects of interactivity and vividness will be reduced because the e-mail ad is not personalised. This is because even though the e-mail ad is attractive (highly vivid) and persuasive (highly interactive), it does not make them feel good about themselves. It will not bring a good result to the e-mail marketer.

In the second scenario, the levels of interactivity and personalisation are similar and the level of vividness is different. For instance, compare the two conditions: firstly when e-mail ad is highly interactive and personalised but low in vividness, and secondly when the e-mail ad is highly interactive and personalised but highly vivid. As discussed before, an increase in vividness level in an e-mail ad will increase the attractiveness of the ad. It is expected that the effects of a highly vivid e-mail ad will strengthen the effect of interactivity and personalisation. This is because when consumers receive a highly attractive e-mail they will pay more attention to that e-mail, especially if at the same time the e-mail is personalised and

interactive. They will have a positive perception toward the e-mail ad. As a result, they will have a more positive attitude and behavioural intention. In other words, the effects of interactivity and personalisation will be reduced in terms of consumers' attitudes and behavioural intentions if the e-mail ad is low in vividness. Even if the e-mail ad is highly interactive and personalised but not attractive, consumers will not pay attention to the e-mail and will be more likely to perceive it negatively. As a result, even if the e-mail ad is highly interactive, persuading consumers to engage with the e-mail marketer, consumers may not find it interesting to do so.

The third scenario is when the levels of vividness, interactivity and personalisation are all different. Firstly, when the e-mail ad is low in vividness, interactivity and personalisation and secondly, when the e-mail ad is highly vivid, highly interactive and personalised. Obviously, the consumers' attention level will be higher in the second condition than in the first condition. This is because the e-mail ad is more attractive, more persuasive and holds more value for them. As a result, they will perceive the e-mail ad more positively, resulting in a high attitude toward the ad and the brand, purchase intention and friend recommendation. Therefore, it is proposed that:

H4a: The response rate resulting from exposure to an e-mail message will be the highest when e-mail advertisements are highly vivid, highly interactive and personalised.

H4b(1): Attitude toward the ad will be the highest when e-mail advertisements are highly vivid, highly interactive and personalised.

H4c(1): Attitude toward the brand will be the highest when e-mail advertisements are highly vivid, highly interactive and personalised.

- H4d(1):** Purchase intention will be the highest when e-mail advertisements are highly vivid, highly interactive and personalised.
- H4e(1):** The impact of a Friend Recommendation will be the highest when e-mail advertisements are highly vivid, highly interactive and personalised.
- H4b-e(2):** The interaction effect between vividness, interactivity and personalisation on attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation will be stronger for the high vs. the low attitude toward permission based e-mail groups.

In contrast,

- H5a:** The response rate resulting from exposure to an e-mail message will be the lowest when e-mail advertisements are low vivid, low interactive and non-personalised.
- H5b(1):** Attitude toward the ad will be the lowest when e-mail advertisements are low vivid, low interactive and non-personalised.
- H5c(1):** Attitude toward the brand will be the lowest when e-mail advertisements are low vivid, low interactive and non-personalised.
- H5d(1):** Purchase intention will be the lowest when e-mail advertisements are low vivid, low interactive and non-personalised.
- H5e(1):** The impact of a Friend Recommendation will be the lowest when e-mail advertisements are low vivid, low interactive and non-personalised.

Moderator Variables

According to Fulk et al. (1987), a generalised media-characteristics perspective of media use behaviour is determined by an interaction among media characteristics, task characteristics,

and individual differences. Therefore, several individual differences variables are proposed to be used as moderator variables here. Other variables may also have a moderating effect on attitude toward the ad and brand, purchase intention and friend recommendation. The following will be examined in the context of this research because of their observed significance in previous studies:

- 1) Involvement with mobile phones
- 2) Product knowledge on mobile phones
- 3) Attitude toward general e-mail usage
- 4) Attitude toward e-mail service options
- 5) Attitude toward spam e-mail
- 6) E-mail accounts owned
- 7) Type of e-mail users
- 8) Educational level
- 9) Age
- 10) Gender

CHAPTER FIVE:

QUANTITATIVE RESEARCH METHODOLOGY

The e-mail experimental design was employed in the second phase of this study because it provides an opportunity to investigate the effects of varying levels of interactivity and vividness, and the effects of presence/absence of personalisation on e-mail advertising effectiveness (attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation). It is noted that attitude toward permission based e-mail marketing, treated as a dependent variable, is not manipulated in the experiment, but its effects will be investigated by dividing subjects into two groups above and below the mean observed from the data collection. This section will explain the experimental design, the stimulus of the three constructs (vividness, interactivity and personalisation), procedures, e-mail design, measurement and pre-test process.

Experimental Design

The research consists of a 2*2*3 between-subjects factorial design (see Table 4). Two levels of interactivity (low/high), two levels of personalisation (presence/absence) and three levels of vividness (plain text, HTML and FLASH) were manipulated as independent variables, generating twelve experimental conditions.

Table 4: Between-Subjects Factorial Design (2*2*3) Personalisation by Interactivity by Vividness

Independent Variables			Condition
Personalisation	Interactivity	Vividness	
Absence	Low	Low	1
Absence	Low	Medium	2
Absence	Low	High	3
Absence	High	Low	4
Absence	High	Medium	5
Absence	High	High	6
Presence	Low	Low	7
Presence	Low	Medium	8
Presence	Low	High	9
Presence	High	Low	10
Presence	High	Medium	11
Presence	High	High	12

Low= plain text; Medium = HTML and High =Flash

The experimental stimuli consist of a fictitious e-mail advertisement sent by weblab@mang.canterbury.ac.nz to determine whether different levels of interactivity and vividness and presence/absence of personalisation have any impact on dependent measures. The featured product chosen for advertising in this study is a mobile phone. This product was selected for two main reasons. Firstly, mobile phone penetration is high in New Zealand, with about 75 percent of the population possessing mobiles (Waikato Times, 11th Dec 2004). Secondly, the product was selected for its appeal among the student population, the social band from which sample groups would be taken. This is supported by Maneesoonthorn and Fortin's (2004) survey on university students. They found that students had a positive attitude toward permission based mobile advertising and that approximately half of the student sample intended to upgrade their mobile phone within twelve months.

Both configuration and data recording forms were created specifically for the experiment by using Microsoft FrontPage 2002, Dreamweaver MX, Macromedia Flash MX and HTML: the

document markup language. Based on the factorial design, twelve versions of the stimulus material representing two levels of personalisation and interactivity and three levels of vividness were generated. Part of the challenge of this study consisted in the manipulation of three treatments, while maintaining all other factors constant. To this end, the information content of the stimulus material essentially remained the same throughout all experimental conditions and only personalisation, interactivity and vividness features were allowed to vary in the following ways:

Personalisation was manipulated on two levels: presence or absence of personalisation. Conditions one to six did not provide any personalisation. The subject line of the e-mail displayed “Mobile Phone for you!” and the greeting line was “Dear Sir/Madam”. Conditions seven to twelve, on the other hand, provided personalisation. The subject line included the name of the subject (“Mark, Mobile Phone for you!”), as did the greeting line (“Dear Mark”) and an attachment file named “mark.htm”.

Interactivity was manipulated on two levels: low and high. Conditions one to three and seven to nine were low interactivity, and conditions four to six and ten to twelve were high interactivity. For the low interactivity conditions, there were no links on the pages to the details of each mobile ad section. For the high interactivity conditions, in text and HTML conditions (low and medium vividness), there were links on the pages to the details of the mobile phone advertisement, rendering the ad easier to navigate and improving the ability to select information. In the Flash condition (high vividness), roll over functionality was incorporated, i.e. when participants rolled over the main text, further details would appear.

Vividness: three levels of vividness were manipulated. The low vividness e-mail was presented in plain text format with no graphics (Conditions one, four, seven and ten), the medium vividness e-mail was presented in HTML format with just one mobile phone picture (Conditions two, five, eight and eleven), and the high vividness e-mail was shown in Macromedia Flash MX with five mobile phone pictures (Conditions three, six, nine and twelve).

Procedure

An initial randomly selected sample of University of Canterbury students was drawn from the main list of all active students at the university. The sample was again randomly divided among twelve experimental conditions. The sample was again randomly divided among twelve experimental conditions. This second process was carried out in order to accommodate the 'level of personalisation' variable in the study. A prize draw of five \$40 prepaid recharge cards were offered to stimulate participation. The first e-mail announcement sent to the selected student e-mail lists stated the general purpose of the study and offered the opportunity of not participating in the study (opt-out). This e-mail served three purposes. Firstly, the study respected a permission based marketing principle, although it could not apply the ideal recruitment process of opting-in, using an opting-out option instead. Secondly, because the study aims to test the response to a specific e-mail advertisement, an explanation of the study in the treatment e-mail might have contaminated the effects of the treatment. Thirdly, if the e-mail announcements had not been sent out, students might not have known that the second treatment e-mail was actually a research study. Then they could have ignored the e-mail treatment advertisement and would not have clicked on the survey link to record their responses.

E-mail Design

The e-mail message content may look wonderful with graphics, logos, photos or attachments appended, but considering the message size is important when it comes to a successful delivery with fast download time. M4Internet (2001-2003) suggests that a suitable limit for a message file size is under 30 Kb unless marketers have previously established an expectation with customers that they will receive larger messages. Two techniques were employed to minimise the size of the e-mail in this study. Firstly, the size of the graphics used were minimised by using the Photoshop programme. Secondly, the technique suggested in Townsend (2001) to save graphics on the web server was used. Both HTML and Flash versions were delivered as HTML-formatted e-mail messages. All the graphics (i.e. pictures of mobile phones) were saved on the web server file as any other web page element, which are pulled from a web server when the message is opened, rather than being sent within the message itself. Similarly, for the Flash movie version, this study decided to break down the movie into five movie files within the main Flash file. These small movie files were loaded when the subjects rolled over the small thumbnails present in the main movie. This was done by using Actionscript in Flash functions. By the same process, if the recipient rolls over on the adjacent text link within the same frame, then text details will appear. By using these two techniques, the largest e-mail attachment size in this study was 13 Kb (required for the text condition). In the HTML condition, the e-mail attachment required 9 Kb and the Flash condition used 4 Kb.

A mobile phone was chosen to appeal to our student target audiences. To avoid existing brand effects, the mobile phone used in this study was a Siemens SL56 which was not available in New Zealand. The pictures of the mobile phones were shown to a small sample of students beforehand and none of them recognised the brand of phone from the pictures. The name was

altered to a fictitious one called “ZTec”. Appendices 2A-2D display four of the twelve versions of the stimulus material: 1) low vividness, low interactive and non-personalised, 2) medium vividness, high interactive and non-personalised, 3) medium vividness, low interactive and personalised, and 4) high vividness, high interactive and personalised.

A link at the bottom of each treatment e-mail invited subjects to respond to a questionnaire, which involved filling out the dependent measures and a short set of background demographics using an easy and friendly “point-and-click” interface (see Appendix 3 for a copy of the questionnaire).

Measures

Dependent Measures

The following scales were included in the online questionnaire:

- *Attitude toward the ad*: a four-item scale from Yi (1990) and Martin (2003) was used. These were: Bad-Good, Uninteresting-Interesting, Dislike-Like and Irritating and Not-Irritating.
- *Attitude toward the brand*: a three-item scale from MacKenzie and Lutz (1989) and Raman (1996) was used. These were: Bad-Good, Unfavourable-Favourable and Unpleasant-Pleasant.
- *Purchase intention*: a 3-item scale adapted from Putrevu & Lord (1994) was used. These were:
 - 1) It is very likely that I will buy ZTec;
 - 2) I will purchase ZTec the next time I need a mobile;
 - 3) I will definitely buy ZTec.

- *Friend Recommendation*: a 2-item scale adapted from Kim and Biocca (1997) was used.

These were:

- 1) Suppose that a friend called you last night to get your advice on his/her search for a mobile. Would you recommend him/her to look at ZTec?
- 2) Suppose that a friend called you last night to get your advice on his/her search for a mobile. Would you recommend him/her to buy a Ztec?

Covariate Measures

- *Product involvement*:

A 10 bipolar item scale was adapted from Zaichkowsky *et al.*'s (1994) revised Personal Involvement Inventory (PII). It included the following anchor points: Not-interesting-Interesting, Not-appealing-Appealing, Not-fascinating-Fascinating, Not-exciting-Exciting, Not-involving-Involving, Unimportant-Important, Irrelevant-Relevant, Not-valuable-Valuable, Means nothing to me-Means a lot to me, Not-needed-Needed.

- *Product knowledge (mobile phone)*:

A 2-item scale adapted from Bloch *et al.* (1989) was used. These were:

- 1) How do you rate your knowledge of mobile phones relative to other people?
- 2) How do you rate your knowledge of mobile phones relative to most of your friends?

- *Attitude toward general e-mail usage*: A list of five items were created. These were:

- 1) I like using e-mail;
- 2) I prefer e-mail to postal mail;
- 3) I use e-mail to keep in touch with others;
- 4) I have access to more information by using e-mail;

5) E-mail is an efficient and convenient method of communication.

- *Attitude toward e-mail service options:* A selection of five out of twelve attitudinal statements on a seven point Likert scale adapted from Rettie (2002) was used. These were:

- 1) I do not mind receiving targeted e-mails that I have requested;
- 2) I like the fact that I could select my preferred advertisements;
- 3) I like being able to choose the frequency of the newsletters sent to me;
- 4) I feel comfortable that I can unsubscribe at any time;
- 5) I will not subscribe to an e-mail newsletter from any other site in the future.

- *Attitude toward spam e-mails:* a 4-item scale from Kent and Brandal (2003) was used.

These were:

- 1) Spam based e-mails often have interesting content;
- 2) I read all the spam based e-mails I receive;
- 3) I often click on links in spam based e-mails;
- 4) I often make use of offers I receive in spam based e-mails.

- *Attitude toward permission e-mail:* a 4-item scale from Kent and Brandal (2003) was used. These were:

- 1) Permission based e-mails often have interesting content;
- 2) I read all the permission based e-mails I receive;
- 3) I often click on links in permission based e-mails;
- 4) I often make use of offers I receive in permission based e-mail.

- *E-mail accounts owned*

One, two, three, four or more than four e-mail addresses currently owned.

- *Type of e-mail user*

Novice (just learning how to use the e-mail), intermediate (feel comfortable using the e-mail) and advanced users (can use most e-mail services) (self-reported).

- *Educational level*
- *Age*
- *Gender*

Manipulation Check Variable

- Four questions from

A 4 item scale adapted from Wong and Fortin (2000) was used to measure vividness.

These were:

1. I found many graphics (pictures) in the e-mail ads
2. I thought the e-mail ad was visually attractive
3. I could perceive a lot of dynamism in the e-mail ad
4. Overall, I thought the e-mail ad was highly vivid visually

Design Pre-test

1. *Mobile phone:* Several mobile phone models were chosen. The brand names of images (pictures) of these models were deleted using Photoshop. All mobile phone images were printed out and shown to a group of students to see whether they recognised the model and the brand name of the mobile phones pictured. None of the student sample recognised the brand name of Siemens SL 56. This brand was therefore selected for use in the experiment.
2. *E-mail address:* In order to increase the credibility of the e-mail source, a new e-mail address named weblab@mang.canterbury.ac.nz was set up specifically for sending out the e-mails in this survey. Weblab is an online research facility that students are

familiar with). A pre-test was done by using a particular e-mail address to a few students' e-mail accounts and a few staff members e-mail accounts. The pre-test was successful; all e-mails received showed the sender as weblab@mang.canterbury.ac.nz.

3. *Functionality of receiving the FLASH and HTML e-mail:* A pre-test was carried out at all the computer labs on campus to confirm that students (the sample) could receive FLASH e-mails. At the time, the e-mail package the university used was Netscape (which would not block images) and there was a Macromedia Flash program installed in all the desktops. Therefore, the pre-test of functionality of receiving the FLASH and HTML e-mails was successful. All participants could view the FLASH and HTML e-mails.
4. *Size of e-mail files:* As mentioned earlier, the size of all graphics were minimised using the Photoshop program and in the Flash condition, small movies files were saved on a web server, and not download until respondents rolled over the thumbnails. This technique was carried out to reduce download time, with a pre-test confirming that the technique was working.
5. *Database used to record the data collection:* After setting up the twelve databases, the pre-test on databases was conducted to verify that all databases worked. The survey questionnaires of the twelve conditions were done in the student computer labs, and the pre-test was successful.
6. *Design of e-mail experiment:* After designing the e-mail experiment and the survey, the pre-test was carried out by showing it to a few undergraduate students, a few postgraduate students and the author's supervisor to see whether the design looked professional and the survey questions were easy to understand. Some phrases were modified to clarify the meaning in the survey.

CHAPTER SIX

QUANTITATIVE ANALYSIS AND RESULTS

This section provides an analysis and understanding of the data that were collected as part of the experiment. It consists of eight sections which attempt to present empirical effects of different levels of interactivity and vividness and of presence/absence of personalisation on consumer perception toward e-mail advertisements, attitude toward the brand, purchase consideration and friend recommendation. The first section illustrates a design matrix and the coding method of the data across the experimental conditions. The second shows information about sample size and composition. Then, it goes on examining scale reliabilities and factor structures. The fourth analyses the effects of the three treatment variables on the response rate. The fifth discusses attitude toward permission based e-mail and the reasons for classifying attitude toward permission based e-mails into two groups. The sixth investigates the effects of the three treatment variables on the four dependent variables for the full design response. The seventh further examines the effects of the three treatments on the dependent variables for the low and the high attitude toward permission based e-mail groups. This chapter concludes with a review of the hypotheses and a summary of the findings.

Design Matrix

Before running the analyses, the coding method of the data across the experimental conditions was drawn up as illustrated. Personalisation was coded as 1 when e-mail stimulus was non-personalised and as 2 when it was personalised. Interactivity was coded as 1 when e-mail stimulus was low interactivity and as 2 when it was high interactivity. Vividness levels were coded as 1 when e-mail stimulus was low vividness (Text e-mail), as 2 when it was medium vividness (HTML e-mail) and as 3 when it was high vividness (FLASH e-mail) (see Table 5).

Table 5: Coding the Data across the Experimental Conditions: Between-Subjects Factorial Design (2*2*3) Personalisation by Interactivity by Vividness

Condition	Personalisation	Interactivity	Vividness
1	1	1	1
2	1	1	2
3	1	1	3
4	1	2	1
5	1	2	2
6	1	2	3
7	2	1	1
8	2	1	2
9	2	1	3
10	2	2	1
11	2	2	2
12	2	2	3

Sample Size and Composition

Starting on 30 September 2004, an e-mail announcement to a randomly selected student e-mail list was launched. The e-mail announcement asked students if they would partake in the study. If they did not wish to do so, they were asked to reply with a “No” answer within five days. Any student who did not reply to the first message was sent the second treatment message. Out of 3,798 e-mail addresses selected initially, 314 (8.27 percent) were reported as failure delivery. Therefore, 3,484 e-mail announcements reached the target students. 280 (8.04 percent) students replied that they did not wish to participate in the study (opt-out) and were removed from the list of selected subjects. Another 15 (0.43 percent) students replied after the five day deadline, therefore; they still received the second treatment e-mail.

On 5 October 2004, 3,207 e-mail ads were sent to student e-mail addresses with a link to the survey page at the bottom of each e-mail. The survey was left open for five days after sending out the stimulus e-mails. The response data for each condition is shown in Table 6.

TABLE 6: Descriptive Data on Response Rate

Condition	First sent out amount	Failure delivery	Success first sent amount	Did not wish to participate	Second sent out amount	Late reply		Usable response	Percent of response
1	317	27	290	22	268	0	268	45	15.52
2	316	25	291	28	263	2	261	41	14.09
3	316	26	290	31	259	0	259	60	20.69
4	317	15	302	17	285	1	284	40	13.25
5	316	21	295	19	276	0	276	59	20
6	317	20	297	32	265	0	265	44	14.81
7	317	23	294	19	275	6	269	68	23.13
8	317	28	289	20	269	0	269	73	25.26
9	317	32	285	27	258	2	256	60	21.05
10	316	32	284	18	266	2	264	43	15.14
11	316	33	283	24	259	1	258	61	21.55
12	316	32	284	20	264	1	263	56	19.79
	3798	314 (8.27 percent)	3484	277 (7.95 percent)	3207	15 (0.43 percent)	3192	650	18.66

Of the 650 respondents, 341 (52.5 percent) were female, 302 (46.5 percent) were male and 7 (1.1 percent) were missing values. The sample includes students with varying levels of educational qualifications. 359 (55.2 percent) of them had completed high school, 24 (3.7 percent) had a tertiary diploma qualification, 182 (28 percent) had a university degree, 61 (9.4 percent) had a postgraduate degree, 3 (0.5 percent) had a doctoral degree, 18 (2.8 percent) preferred not to answer and 3 (0.5 percent) did not answer. About 543 (83.5 percent) were aged between 18 and 24 years old, 75 (11.5 percent) were 25-34 years old, 21 (3.2 percent) were 35-44 years old and 11 (1.7 percent) were 45-54 years old. The respondents were asked how often they checked their e-mail, how many e-mail accounts they currently used, and to categorise themselves as one of the three types of e-mail users. The results are shown in Tables 7 and 8.

TABLE 7: Number of E-mail Accounts Owned

	Frequency	Percent
One	40	6.2
Two	285	43.8
Three	188	28.9
Four	61	9.4
More than four	76	11.7
Total	650	100

TABLE 8: Type of E-mail User

	Frequency	Percent
Novice e-mail user	9	1.4
Intermediate e-mail user	214	32.9
Advanced e-mail user	427	65.7
Total	650	100

- Novice users said they have just learnt how to use the e-mail
- Intermediate users said that they feel comfortable using the e-mail
- Advanced users said that they can use most of the e-mail services

TABLE 9: Frequency of E-mail Checking

	Frequency	Percent
More than 5 times a day	103	15.8
More than once a day	264	40.6
Once a day	179	27.5
2-5 times per week	74	11.4
1-2 times per week	25	3.8
Less than once per week	5	.8
Total	650	100

Of the 650 respondents, about 21 percent had four e-mail accounts or more, 188 (28.9 percent) had three e-mail accounts and 285 (43.8 percent) had two e-mail accounts. 65.7 percent of the respondents referred to themselves as advanced e-mail users and 32.9 percent called themselves intermediate e-mail users. Most of the respondents (92.6 percent) have used e-mail longer than three years (2001 and before). About 15.8 percent of the respondents checked their e-mail more than five times a day, 40.6 percent checked it more than once a day, and 27.5 percent checked it once a day (see Table 9).

Scale Reliability and Factor Structure

According to Fortin (1997), online data collection should be examined for violations of normality and outlier contamination. Before running the analysis for the variables of interest, measurement of the kurtosis and skewness for each of the scale items was calculated and then computed for the average values of the scale items. All items were within the acceptable range and distributed normally. Reliability of the scale measures was also tested with Cronbach's Alpha procedure and all items showed high reliability levels except for general attitude toward e-mail (0.6639). The mean, median, standard deviation, skewness, kurtosis and reliability of each variable are shown in Table 10.

TABLE 10: Scale, Mean, Median, Standard Deviation, Skewness, Kurtosis and Reliability

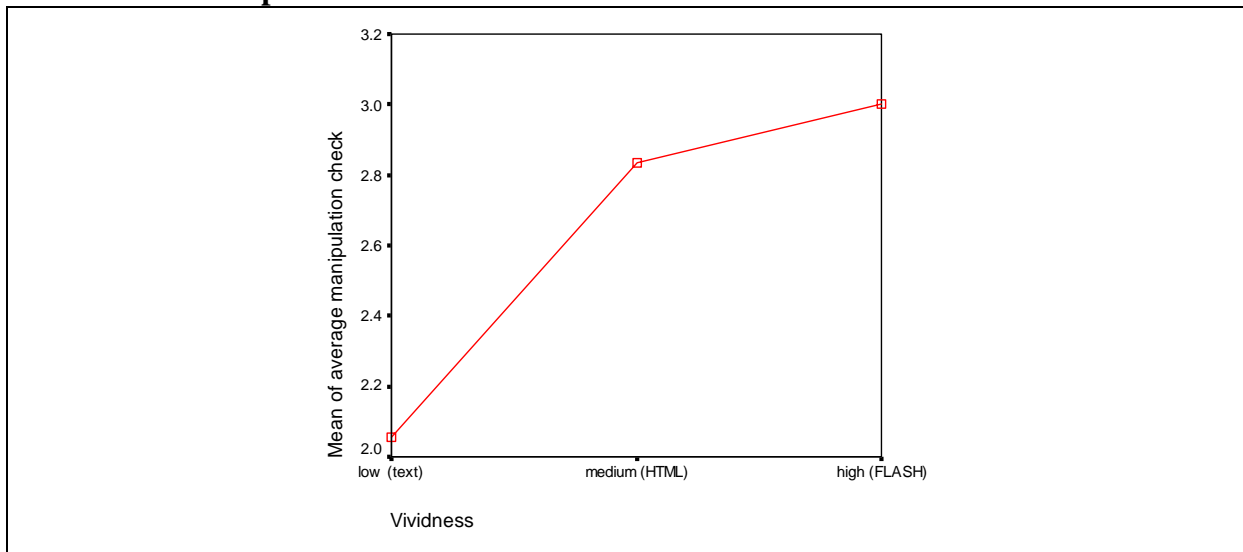
	Mean	Median	Standard Deviation	Skewness	Kurtosis	Reliability
Manipulation Check for vividness	2.66	2.75	.858	-.123	-.596	.8287
Attitude toward the ad	3.48	3.50	1.3609	-.005	-.484	.8909
Attitude toward the brand	3.99	4.00	1.1499	-.379	.913	.9416
Purchase Intention	2.24	2.00	1.2274	.948	.128	.8813
Friend Recommendation	2.75	3.00	.9559	-.067	-.881	.8694
Mobile Involvement	5.19	5.30	1.1629	-.922	1.240	.9430
Mobile Knowledge	3.07	3.00	.7655	.177	.869	.8049
Attitude toward e-mail	5.09	5.20	.9463	-.907	1.442	.7185
Attitude toward permission based e-mail	2.75	2.75	.8696	-.327	-.550	.8243
General attitude toward e-mail	4.19	4.20	.5387	-.745	1.284	.6639
Attitude toward spam based e-mail	1.45	1.25	.5926	1.526	1.889	.7875

Manipulation Check for Vividness

Four questions were used as a manipulation check of the vividness treatment. ANOVA was run using the average score as dependent variable and vividness as a fixed factor. The manipulation of vividness was successful ($F = 90.11$ and $p = .000$, mean for low vividness

was 2.06, mean for medium vividness was 2.83 and high vividness was 3.00). See Figure 8 for the mean comparison.

FIGURE 8: Manipulation Check for Vividness



Response Rate Analysis (H1a-H5a)

The response rate analysis shows how the configuration of the twelve treatment e-mails impacted on the behavioural response to participate in the study questionnaire. The number of cases analysed included 3,484 (the number of second e-mail messages sent out). The three manipulated variables were coded. For the vividness variable, it was coded as 1 for a low vivid condition, 2 for medium vivid condition and 3 for high. For the interactivity variable, it was coded as 1 for low interactive condition and 2 for high. For the personalisation variable, it was coded as 1 for a personalised condition and 2 for generic. The response variable was coded as 1 if participants clicked on the link to complete the questionnaire and 2 if they did not. The response descriptive data for main effects is shown in Tables 11 and 12. The average response rate was 18.66 percent.

TABLE 11: Comparing Response Rate between Each Manipulation Variable

Condition		Number sent out	Number of responses	Response rate
Vividness	Low	1170	196	16.75 percent
	Medium	1158	234	20.21 percent
	High	1156	220	19.03 percent
Interactivity	Low	1739	347	19.95 percent
	High	1745	303	17.36 percent
Personalisation	Absence	1765	289	16.37 percent
	Presence	1719	361	21 percent
Total		3484	650	18.66 percent

TABLE 12: Comparing Response Rate between Each Condition

Condition	The number of e-mail ads sent out	The number of responses	Response Rate (percent)
1	290	45	15.52
2	291	41	14.09
3	290	60	20.69
4	302	40	13.25
5	295	59	20
6	297	44	14.81
7	294	68	23.13
8	289	73	25.26
9	285	60	21.05
10	284	43	15.14
11	283	61	21.55
12	284	56	19.79
Total	3484	650	18.66

The ANOVA analysis used response as the dependent variable and personalisation, interactivity and vividness as independent variables. The analysis shows only significant main effects for personalisation ($F = 12.125$, $df = 1$ and $p = .001$). As expected, personalised e-mails generated a higher response rate than otherwise expected. Therefore, H3a is statistically and directionally supported. Even though the statistic does not show a significant effect on interactivity, the effect of interactivity on the response rate was contradict to the expectation. The response rate for the high interactive e-mail ad group was lower than for the low interactive e-mail ad group. As a result, H2b is not directionally and statistically supported.

Although vividness did not show any significant main effect or interaction effect, thus not providing support for H1a, H4a and H5a, the results show partial directional support. Moderately vivid e-mail ads (HTML) have the highest response rate, while low vividness e-mail ads show the lowest response rate. Therefore, H1a is partially directionally supported. The highest observed response rate occurs when the e-mail ads are moderately vivid, low in interactivity and personalised to the receiver's name. They are the lowest when e-mail ads are low in vividness, highly interactive and non-personalised. As a result, H4a is not directionally supported and H5a is only partially directionally supported.

It should be pointed out that because of the nature of the study design no attempt was made to improve the response rate. If a follow up e-mail had been sent, there might have been a distortion of the study results in two possible ways. Firstly, for participants who had viewed the stimulus materials twice: if on the first viewing they did not click on to do the survey but did so on the second viewing, this may have created a hierarchy-of-effects on the vividness, interactivity and personalisation constructs. The effects of these stimulus materials on the dependent variables might have had a greater impact on participants who viewed it twice compared with those who viewed it only once. Thus the study results would have been rendered unreliable. Secondly, for participants who had not viewed the stimulus materials in the first e-mail but viewed them in the follow up e-mail, the effects of the permission marketing construct might have been distorted, given that anticipated communication is a key factor of permission marketing. In order to avoid a hierarchy-of-effects issue, the initial e-mail announcement of this study only informed recipients that the mobile phone survey e-mail would be sent out within five days, without mentioning a follow up process. A follow up letter could have created a negative attitude toward permission based e-mail marketing which in turn would alter the study result.

The concern of any possible differential in respondents' and non-respondents' profiles should also be addressed. In this study, there should be no differential between the non-respondents' and respondents' profiles for two reasons. Firstly, the university student population was used as the sample because most of them had similar profiles: age, education, level of access to the Internet and environment. Secondly, the student sample was selected randomly two times. In the first round they were randomly selected from the university's active student name lists. Second they were again randomly selected and divided into twelve groups to meet the twelve experimental conditions. If a differential in the student profiles existed at all, then the twofold random selection process would have eliminated any significant risk.

Attitude toward Permission based E-mail

Although the permission concept is considered an important factor in the e-mail marketing context, it is nearly impossible for an experimental study such as this to emulate the real stimulus in a limited-time period, as stated earlier in the qualitative research section. This study, therefore, uses attitude toward permission based e-mail as a proxy of an opt-in process. It is proposed that people with a positive attitude toward permission based e-mail are more likely to have a higher perception toward an ad and a brand advertised in e-mail mediums. They are also more likely to have a higher intention to purchase products advertised through their e-mail inbox and to make recommendations to their friends about products for which they receive e-mail advertisements. To be able to test these hypotheses, subjects were classified into low and high attitudes toward permission based e-mail groups using the median (see Table 13).

It is noted that this classification results in unequal cell size within both the low and the high attitude toward permission based e-mail groups. Levene's test was therefore used to examine

whether an effect of unbalanced cell size exists for the four dependent variables in both the low and the high attitude toward permission based e-mail groups. Out of the eight Levene's tests, only purchase intention in the low attitude toward permission based e-mail group shows statistical significance. This finding confirms that there is no effect of unbalanced cell size except for one. However, as the ANOVA is robust in terms of handling unequal cells, no further action was required.

TABLE 13: The Number of Respondents in Low and High Attitudes toward Permission Groups

Condition	Low attitude toward permission group	High attitude toward permission group
Condition 1	25	20
Condition 2	14	27
Condition 3	28	32
Condition 4	20	20
Condition 5	28	31
Condition 6	22	22
Condition 7	34	34
Condition 8	33	40
Condition 9	32	28
Condition 10	34	9
Condition 11	29	32
Condition 12	27	29
Total each group	326 (50.2 percent)	324 (49.8 percent)
Total	650 (100 percent)	

The analyses were employed using the two methods: a T-test and an ANCOVA. The t-tests were run to initially examine whether attitude toward permission based e-mails affect respondents' perception toward e-mail ads. The ANCOVAs were run to examine the effects of each treatment variable on attitude toward the ad and the brand, purchase intention and friend recommendation.

A T-test was run to compare attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation, between the low and the high attitudes toward

permission based e-mail groups (see Table 14). The result shows statistical significances for all four dependent variables illustrating mean differences between the low and the high groups. An initial positive attitude toward permission based e-mail has a positive effect on consumer perception toward e-mail advertising. In other words, people with a high attitude toward permission based e-mail are more likely to have a more positive attitude toward the ad and the brand when they receive an e-mail ad. Moreover, they are more likely to have a more positive intention to purchase products advertised in the e-mail advertisement, and are more willing to recommend those products to their friends.

TABLE 14: Comparing Mean Attitude toward the Ad, Attitude toward the Brand, Purchase Intention and Friend Recommendation Between Low and High Attitude Toward Permission E-mail Groups

	Mean attitude toward permission e-mail groups	Mean	T-value	P-value
Attitude toward the ad	Low	3.2761 (1.33420)	-3.769	.000
	High	3.6744 (1.36026)		
Attitude toward the brand	Low	3.8640 (1.22492)	-2.869	.004
	High	4.1214 (1.05524)		
Purchase Intention	Low	2.0470 (1.11486)	-4.090	.000
	High	2.4362 (1.30400)		
Friend Recommendation	Low	2.5966 (.94414)	-4.090	.000
	High	2.8997 (.94507)		

These initial findings suggest the need for further analysis regarding whether there is a difference in the effect of the treatment variables on attitude toward the ad and the brand, purchase intention and friend recommendation between the low and the high attitude toward permission based e-mail groups. The following analyses (using ANCOVAs), therefore, will be done firstly on the full design response group and secondly on the low and the high attitude toward permission based e-mail groups.

Test the Effects on Attitude toward the Ad, Attitude toward the Brand, Purchase Intention and Friend Recommendation for the Full Design Response Group

ANCOVA procedures were employed in the analysis to measure attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation as dependent variables. Vividness, interactivity and personalisation were used as fixed factors, and gender, age, education level, type of user, number of e-mail accounts owned, attitude toward general e-mail usage, attitude toward e-mail service options, attitude toward spam e-mails, mobile phone involvement and knowledge of mobile phones were used as covariates.

Attitude toward the Ad for the Full Design Response Group (H1b(1), H2b(1), H3b(1), H4b(1) and H5b(1))

The ANCOVA result shows statistical significance for one main effect and three covariates (Table 15). For the main effect, the statistic shows significance for vividness ($F = 22.638$, $df = 2$ and $p = .000$), with observed moderate effect shown by $\eta^2 = .068$. For the covariates, the statistic shows significance for attitude toward general e-mail usage ($F = 28.155$, $df = 1$, and $p = .000$), attitude toward spam e-mails ($F = 47.079$, $df = 1$ and $p = .000$), and mobile phone involvement ($F = 13.533$, $df = 1$ and $p = .000$). Therefore, H2b(1), H3b(1), H4b(1), H5b(1) are not supported, and H1b(1) still requires further analysis.

TABLE 15: Dependent Variable: Attitude toward the Ad for the Full Design Response Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	.018	1	.018	.013	.910	.000	.013	.051
Age	3.952	1	3.952	2.786	.096	.004	2.786	.385
Education Level	6.095	1	6.095	4.296	.039	.007	4.296	.544
Type of user	3.181	1	3.181	2.242	.135	.004	2.242	.321
E-mail accounts owned	4.330	1	4.330	3.052	.081	.005	3.052	.415
Attitude toward general e-mail usage	39.948	1	39.948	28.155	.000**	.043	28.155	1.000
Attitude toward e-mail service options	5.021	1	5.021	3.539	.060	.006	3.539	.467
Attitude toward spam e-mails	66.798	1	66.798	47.079	.000**	.070	47.079	1.000
Mobile phone Involvement	19.202	1	19.202	13.533	.000**	.021	13.533	.957
Knowledge of mobile phone	.769	1	.769	.542	.462	.001	.542	.114
Attitude toward permission based e-mails	.001	1	.001	.001	.977	.000	.001	.050
Personalisation	1.3565	1	1.3565	.955	.329	.002	.955	.164
Interactivity	3.461	1	3.461	2.440	.119	.004	2.440	.345
Vividness	64.240	2	32.120	22.638	.000**	.068	45.276	1.000
Personalisation* Interactivity	2.907	1	2.907	2.049	.153	.003	2.049	.298
Personalisation* Vividness	7.060	2	3.530	2.488	.084	.008	4.976	.500
Interactivity*Vividness	1.259	2	.629	.444	.642	.001	.887	.122
Personalisation* Interactivity* Vividness	.127	2	.063	.045	.956	.000	.089	.057

a. Computed using alpha = .05

b. R square = .260 (adjusted R squared = .234)

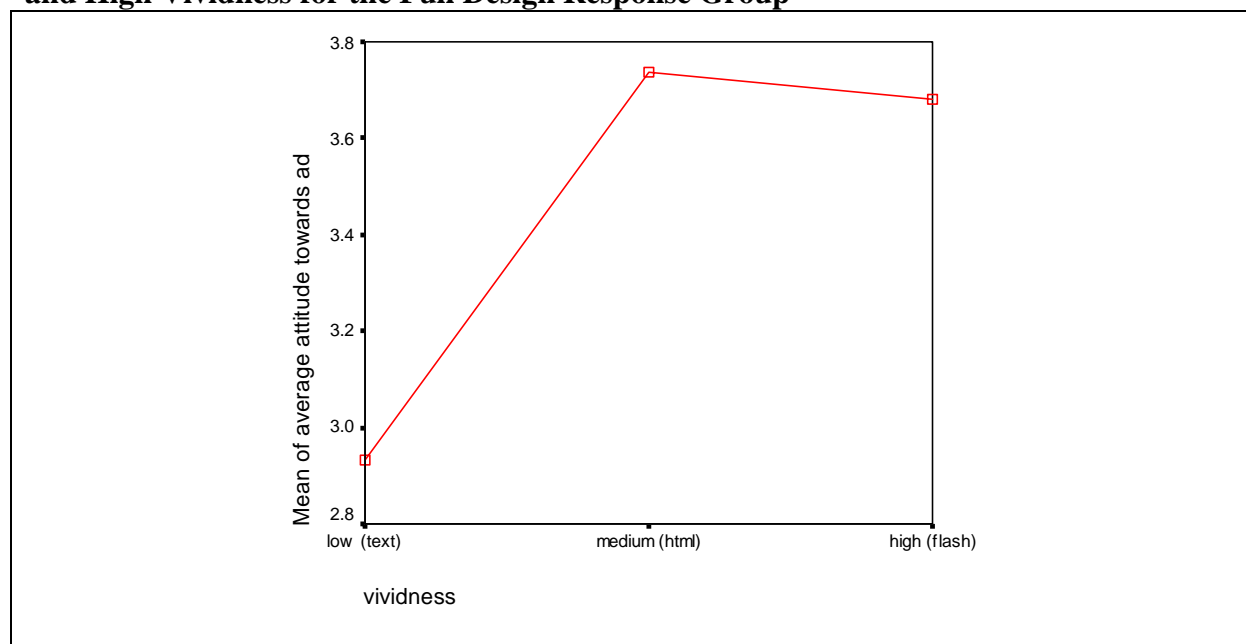
Because of the significant main effect observed for vividness (see Table 15), the attitude toward the ad between the low, medium, and high vividness levels were compared (see Table 16 for mean and Figure 9 for graph). As hypothesised, the mean attitude toward the ad is the lowest in the low vividness e-mail ad group. It is, however, the highest in the medium vivid e-mail ad group rather than in the high vivid e-mail ad group. Similarly, the Tukey test also shows significant differences between means for low and medium groups (mean difference = -.8037, $p = .000$) and between means for low and high groups (mean difference = -.7471, $p =$

.000). Therefore, H1b is statistically and partially directionally supported. There is a need to report that the effects of interactivity and personalisation on attitude toward the ad in the full design response group were contradict to the expectations. Attitude toward the ad was higher when the e-mail ad was high interactive than otherwise, and it was also higher when the e-mail ad was personalised than otherwise.

TABLE 16: Mean for Attitude toward the Ad Comparing for Main Effects in the Full Design Response Group

Conditions	Mean	SD
Low vividness (text)	2.9324	1.25456
Medium vividness (html)	3.7361	1.23372
High vividness (flash)	3.6732	1.44806
Low interactivity	3.5390	1.33958
High Interactivity	3.3949	1.38376
Non-personalisation	3.4749	1.41091
Personalisation	3.4694	1.34931
Total	3.4718	1.36120

FIGURE 9: Graph Comparing Mean Attitude toward the Ad between Low, Medium and High Vividness for the Full Design Response Group

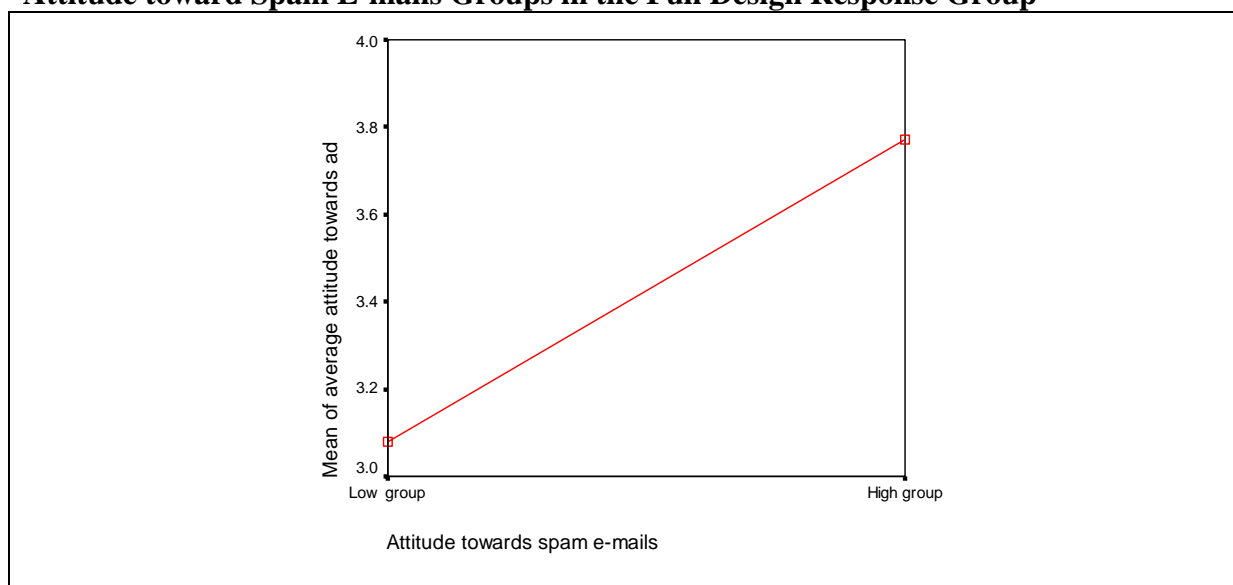


Attitude toward general e-mail usage, attitude toward spam e-mails and mobile phone involvement show statistical significance as covariates (see Table 15). It suggests that these variables have some adjustment effects on attitude toward the ad in the full design response group. Only attitude toward spam e-mails shows a moderate effect on attitude toward the ad ($\eta^2 = .070$). Subjects in the full design group, therefore, were classified into low and high attitude toward spam e-mail groups to examine its effect. As expected, the positive attitude toward spam e-mails group (high) has a higher attitude toward the ad than the negative attitude toward spam e-mails group (see Table 17 and Figure 10). This shows that respondents having a positive attitude toward spam e-mails perceive the e-mail advertisements more positively than those having a negative attitude toward spam e-mails.

TABLE 17: Comparing Mean Attitude toward the Ad between the Low and the High Attitude toward Spam E-mails Groups in the Full Design Response

Groups	Mean	T-value	P-value
Low attitude toward spam e-mails	3.0797 (1.32954)	-6.624	.000
High attitude toward spam e-mails	3.7716 (1.30935)		
Total	3.4746 (1.36089)		

FIGURE 10: Graph Comparing Mean Attitude toward the Ad for the Low and the High Attitude toward Spam E-mails Groups in the Full Design Response Group



Attitude toward the Brand for the Full Design Response Group (H1c(1), H2c(1), H3c(1), H4c(1) and H5c(1))

The ANCOVA result does not show a statistical significance for any main effect or for any interaction effects. It, however, shows statistical significance for five covariates (Table 18). For the covariate effect, the statistic shows significance for attitude toward general e-mail usage ($F = 13.938$, $df = 1$ and $p = .000$), attitude toward e-mail service options ($F = 4.758$, $df = 1$ and $p = .030$), attitude toward spam e-mails ($F = 9.043$, $df = 1$ and $p = .03$), mobile phone involvement ($F = 4.796$, $df = 1$ and $p = .029$) and Knowledge of mobile phone ($F = 9.093$, $df = 1$ and $p = .03$). Therefore, H1c(1), H2c(1), H3c(1), H4c(1) and H5c(1)) were rejected.

TABLE 18: Dependent Variable: Attitude toward the Brand for the Full Design Response Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	1.725	1	1.725	1.465	.227	.002	1.465	.227
Age	.035	1	.035	.030	.862	.000	.030	.053
Education Level	2.400	1	2.400	2.039	.154	.003	2.039	.297
Type of user	1.299	1	1.299	1.103	.294	.002	1.103	.182
E-mail accounts owned	4.386	1	4.386	3.726	.054	.006	3.726	.487
Attitude toward general e-mail usage	16.408	1	16.408	13.938	.000**	.022	13.938	.961
Attitude toward e-mail service options	5.601	1	5.601	4.758	.030**	.008	4.758	.586
Attitude toward spam e-mails	10.646	1	10.646	9.043	.003**	.014	9.043	.851
Mobile phone Involvement	5.647	1	5.647	4.796	.029**	.008	4.796	.590
Knowledge of mobile phone	10.705	1	10.705	9.093	.003**	.014	9.093	.853
Attitude toward permission based e-mails	1.737	1	1.737	1.476	.225	.002	1.476	.228
Personalisation	.142	1	.142	.121	.729	.000	.121	.064
Interactivity	3.654	1	3.654	3.104	.079	.005	3.104	.421
Vividness	3.661	2	1.830	1.555	.212	.005	3.110	.331
Personalisation* Interactivity	3.639	1	3.639	3.091	.079	.005	3.091	.419
Personalisation* Vividness	1.095	2	.547	.465	.628	.001	.930	.126
Interactivity*Vividness	1.899	2	.949	.806	.447	.003	1.613	.188
Personalisation* Interactivity* Vividness	1.614	2	.807	.686	.504	.002	1.371	.166

a. Computed using alpha = .05

b. R square = .142 (adjusted R squared = .112)

Attitude toward general e-mail usage, attitude toward e-mail service options, attitude toward spam e-mails, mobile phone involvement and Knowledge of mobile phone show statistical significance as covariates (see Table 18). It shows that these variables have some adjustment of the effects on attitude toward the brand. However, their effect sizes were considered to be small ($\eta^2 < 0.022$); as a result, this will not be analysed further.

TABLE 19: Mean for Attitude toward the Brand Comparing for Main Effects in the Full Design Response Group

Conditions	Mean	SD
Low vividness (text)	3.9252	1.14033
Medium vividness (html)	4.1325	1.06131
High vividness (flash)	3.9006	1.24179
Low interactivity	4.0742	1.16661
High Interactivity	3.8974	1.12857
Non-personalisation	3.9504	1.15647
Personalisation	4.0251	1.14809
Total	3.9918	1.15154

Purchase Intention for the Full Design Response Group (H1d(1), H2d(1), H3d(1), H4d(1) and H5d(1))

The ANCOVA result shows statistical significance for one main effect and two covariates (see Table 20). For the main effect, the statistic shows the significance for vividness ($F = 3.679$, $df = 1$ and $p = .026$) with an observed small effect as the evidence shows by $\eta^2 = .012$. For the covariates, the statistic shows significance for attitude toward spam e-mail ($F = 93.139$, $df = 1$ and $p = .000$) and mobile phone involvement ($F = 6.769$, $df = 1$ and $p = .09$). As a result, H2d(1), H3d(1), H4d(1) and H5d(1)) are not supported and H1d(1) needs further analysis.

TABLE 20: Dependent Variable: Purchase Intention for the Full Design Response Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	.478	1	.478	.394	.530	.001	.394	.096
Age	2.513	1	2.513	2.072	.151	.003	2.072	.301
Education Level	.058	1	.058	.048	.827	.000	.048	.055
Type of user	2.180	1	2.180	1.797	.181	.003	1.797	.268
E-mail accounts owned	.602	1	.602	.496	.482	.001	.496	.108
Attitude toward general e-mail usage	4.115	1	4.115	3.392	.066	.005	3.392	.452
Attitude toward e-mail service options	2.744	1	2.744	2.262	.133	.004	2.262	.324
Attitude toward spam e-mails	116.606	1	116.606	96.139	.000**	.113	96.139	1.000
Mobile phone Involvement	8.210	1	8.210	6.769	.009**	.011	6.769	.738
Knowledge of mobile phone	1.231	1	1.231	1.015	.314	.002	1.015	.172
Attitude toward permission based e-mails	4.302	1	4.302	3.547	.060	.006	3.547	.468
Personalisation	3.565	1	3.565	2.939	.087	.005	2.939	.402
Interactivity	.538	1	.538	.481	.488	.001	.481	.106
Vividness	8.924	2	3.679	3.679	.026**	.012	7.358	.676
Personalisation* Interactivity	.958	1	.958	.790	.375	.001	.790	.144
Personalisation* Vividness	1.462	2	.731	.603	.548	.002	1.206	.151
Interactivity*Vividness	.765	2	.383	.315	.730	.001	.631	.100
Personalisation* Interactivity* Vividness	.649	2	.325	.268	.765	.001	.535	.092

a. Computed using alpha = .05

b. R square = .224 (adjusted R squared = .197)

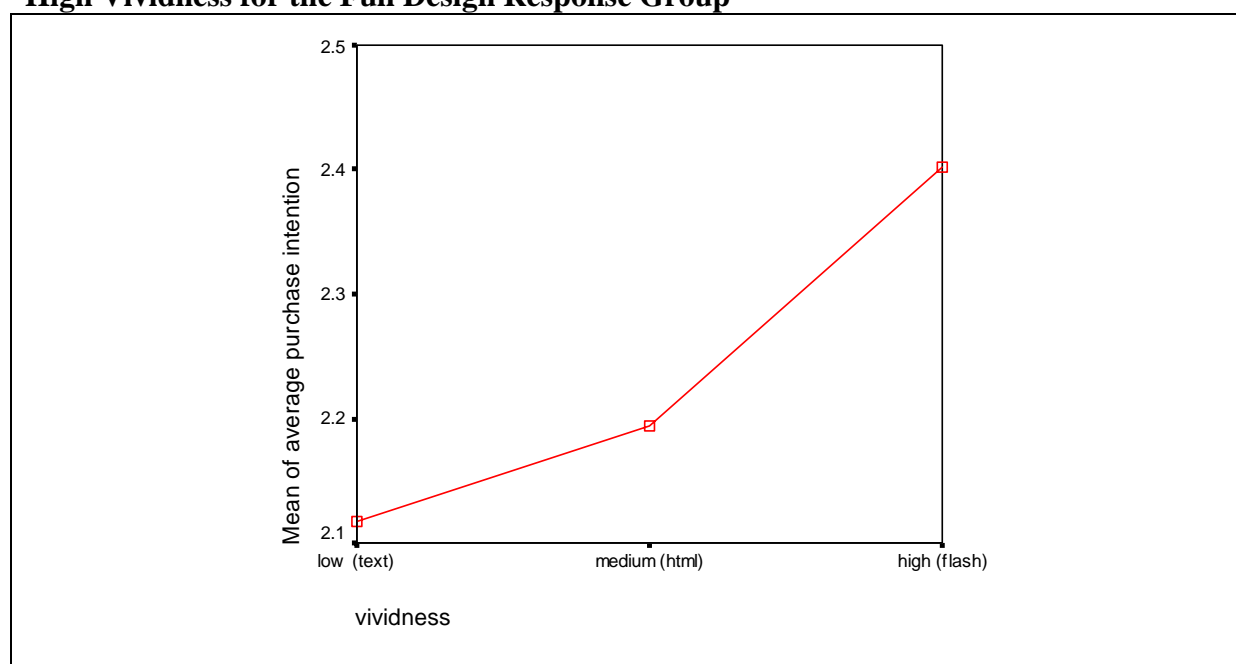
Due to an observed significant main effect for vividness (see Table 19), means for purchase intention were compared between low, medium and high vividness level groups (see Table 21 for means and Figure 11 for graph). As hypothesised, the mean purchase intention is the lowest when the e-mail ad was lowly vivid, and it is the highest when the e-mail ad was highly vivid. The Tukey test, however, shows a significant difference only between low and high vivid groups (mean difference = -.2842, $p = .048$). Therefore, H1d (1) was partially significantly and directionally supported. Even though the statistic is not significant for personalisation as a main effect, the mean purchase intention was higher when the e-mail ad

was personalised than otherwise expected, providing a directional support for H3d(1). The mean purchase intention, however, appeared to be higher for the low interactive e-mail group than for the high interactive e-mail group. Therefore, H2d(1) is not statistically and directionally supported.

TABLE 21: Mean for Purchase Intention Comparing for Main Effects in the Full Design Response Group

Conditions	Mean	SD
Low vividness (text)	2.1173	1.14397
Medium vividness (html)	2.1937	1.23858
High vividness (flash)	2.4052	1.27981
Low interactivity	2.2553	1.18689
High Interactivity	2.2263	1.27761
Non-personalisation	2.1315	1.20105
Personalisation	2.3305	1.24585
Total	2.2418	1.22913

FIGURE 11: Graph Comparing Mean Purchase Intention between Low, Medium and High Vividness for the Full Design Response Group



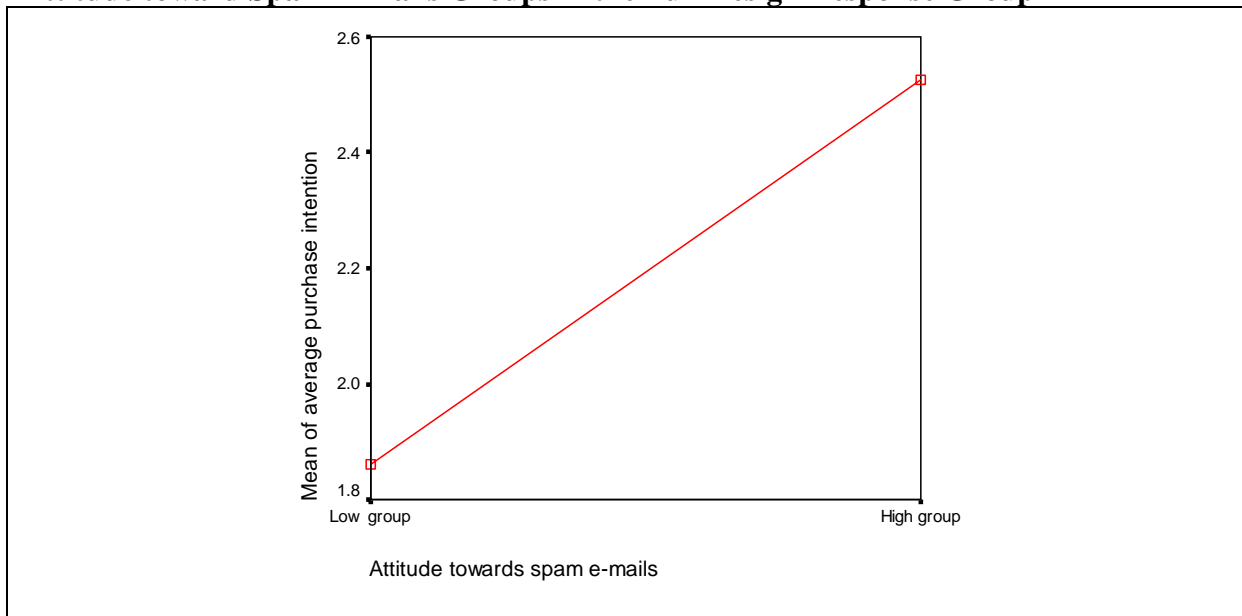
Attitude toward spam e-mails and mobile phone involvement show statistical significance as covariates for purchase intention for the full design response group. It implies that these two variables provide some adjustment of the effects on purchase intention. Only attitude toward spam e-mails, however, was examined further as its effect size was considered to be moderate

($\eta^2 = .113$). As expected, the positive attitude toward spam e-mails group (high) has a higher purchase intention than the negative attitude toward spam e-mails group (low) (see Table 22 and Figure 12 for graph). This shows that respondents who have a positive attitude toward spam e-mail have a higher intention to buy a product advertised through e-mail medium.

TABLE 22: Comparing Mean Purchase Intention between the Low and the High Attitude toward Spam E-mails Groups in the Full Design Response

Groups	Mean	T-value	P-value
Low attitude toward spam e-mails	1.8614 (1.02716)	-7.093	.000
High attitude toward spam e-mails	2.5265 (1.28825)		
Total	2.2410 (1.22744)		

FIGURE 12: Graph Comparing Mean Purchase Intention for the Low and the High Attitude toward Spam E-mails Groups in the Full Design Response Group



Friend Recommendation for the Full Design Response Group (H1e(1), H2e(1), H3e(1), H4e(1) and H5e(1))

The ANCOVA result shows statistical significance for one main effect and four covariates (Table 23). For the main effect, the statistic shows significance for vividness ($F = 4.993$, $df = 2$ and $p = .007$), with observed moderate (small) effect was shown by $\eta^2 = .016$. For the covariates, the statistic shows significance for attitude toward general e-mail usage ($F = 12.937$, $df = 1$ and $p = .000$), attitude toward spam e-mails ($F = 37.803$, $df = 1$ and $p = .000$),

mobile phone involvement ($F = 6.946$, $df = 1$ and $p = .009$) and Knowledge of mobile phone ($F = 8.897$, $df = 1$ and $p = .003$). Therefore, H2e(1), H3e(1), H4e(1) and H5e(1) are not supported and H1e(1) is required further analysis.

TABLE 23: Dependent Variable: Friend Recommendation for the Full Design Response Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	1.397	1	1.397	1.797	.181	.003	1.397	.268
Age	.421	1	.421	.542	.462	.001	.421	.114
Education Level	.349	1	.349	.448	.503	.001	.349	.103
Type of user	.680	1	.680	.875	.350	.001	.680	.154
E-mail accounts owned	.587	1	.587	.755	.385	.001	.587	.140
Attitude toward general e-mail usage	10.053	1	10.053	12.937	.000**	.020	10.053	.949
Attitude toward e-mail service options	.122	1	.122	.157	.692	.000	.122	.068
Attitude toward spam e-mails	29.375	1	29.375	37.803	.000**	.057	29.375	1.000
Mobile phone Involvement	5.397	1	5.397	6.946	.009**	.011	5.397	.749
Knowledge of mobile phone	6.914	1	6.914	8.897	.003**	.014	6.914	.846
Attitude toward permission based e-mails	2.329	1	2.329	2.998	.084	.005	2.329	.409
Personalisation	.026	1	.026	.034	.854	.000	.026	.054
Interactivity	.312	1	.312	.401	.527	.001	.312	.097
Vividness	7.760	2	3.880	4.993	.007**	.016	9.986	.813
Personalisation* Interactivity	2.423E-05	1	2.423E-05	.000	.996	.000	.000	.050
Personalisation* Vividness	.274	2	.137	.176	.838	.001	.353	.077
Interactivity*Vividness	3.158	2	1.579	2.032	.132	.006	4.063	.419
Personalisation* Interactivity* Vividness	2.176	2	1.088	1.400	.247	.004	2.800	.301

a. Computed using alpha = .05

b. R square = .179 (adjusted R squared = .150)

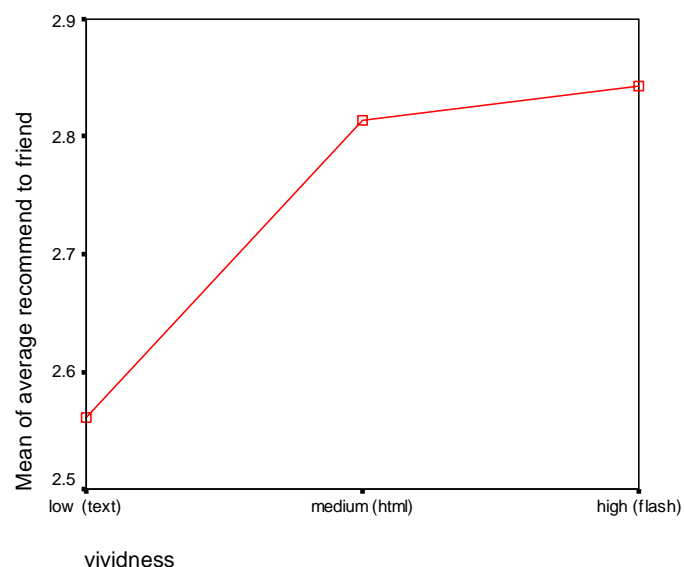
Due to the significant main effect observed on vividness, the means of friend recommendation of the full design response group were compared between low, medium and high vividness level groups (see Table 24 for means and Figure 13 for graph). As expected, the mean friend recommendation is the lowest when the e-mail contained low vividness and highest when the

e-mail was highly vivid. Furthermore, the Tukey test shows significant differences between means for low and medium groups (mean difference = -.2529, $p = .017$) and between means for low and high medium groups (mean difference = -.2820, $p = .007$). Therefore, H1e(1) is statistically and partially directionally supported. Although there is no statistical significance for personalisation, the mean friend recommendation was higher when the e-mail ad was personalised than otherwise expected. Therefore, H3e(1) is directionally supported, but not statistically supported. The mean friend recommendation for interactivity, however, was higher when the e-mail ad was low interactive than when it was high interactive. Therefore, H2e(1) is not directionally and statistically supported.

TABLE 24: Mean for Friend Recommendation Comparing for Main Effects in the Full Design Response Group

Conditions	Mean	SD
Low vividness (text)	2.5612	.92200
Medium vividness (html)	2.8141	.96319
High vividness (flash)	2.8372	.95996
Low interactivity	2.7572	.91304
High Interactivity	2.7318	1.00460
Non-personalisation	2.7145	.94410
Personalisation	2.7702	.96632
Total	2.7454	.95614

FIGURE 13: Graph Comparing Mean Friend Recommendation between Low, Medium and High Vividness for the Full Design Response Group



Attitude toward general e-mail usage, attitude toward spam e-mails, mobile phone involvement and Knowledge of mobile phone show statistical significance as covariates. It explains that these variables provide some adjustment of the effects on friend recommendation. Due to a relatively small effect level ($\eta^2 < 0.057$), however, they will not need further analysis.

Test the Effects on Attitude toward the Ad for the Low and the High Attitude toward Permission based E-mail Groups

Similar to the analysis for the full design response group, ANCOVA procedures were employed in the analysis to measure attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation as dependent variables. They, however, were separately run for both low and high attitude toward permission based e-mail groups. Vividness, interactivity and personalisation were used as fixed factors, and gender, age, education level, type of user, the number of e-mail accounts owned, attitude toward general e-mail usage, attitude toward e-mail service options, attitude toward spam e-mails, mobile phone involvement and knowledge of mobile phones were used as covariates.

Attitude toward the Ad for the Low Attitude toward Permission based E-mail Group (H1b(1), H2b(2), H3b(2), H4b(2) and H5b(2))

The results of the ANCOVA analysis (Table 25) show statistical significance for one main effect and three covariate effects. For the main effect, the statistics show significance for vividness ($F = 9.780$, $df = 2$ and $p = .000$), with an observed moderate effect as evidenced by $\eta^2 = .06$. For the covariate effects, the statistic shows significance for the number of e-mail accounts owned ($F = 6.067$, $df = 1$ and $p = .014$), attitude toward e-mail service options ($F = 15.507$, $df = 1$ and $p = .000$) and attitude toward spam e-mail ($F = 5.132$, $df = 1$ and $p = .024$).

Therefore, H2b(2), H3b(2), H4b(2) and H5b(2) are not supported, and H1b(2) requires further analysis.

TABLE 25: Dependent Variable: Attitude toward the ad for the Low Attitude toward Permission E-mail Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	3.586E-02	1	3.586E-02	.024	.876	.000	.024	.053
Age	2.640	1	2.640	1.788	.182	.006	1.788	.266
Education Level	3.894	1	3.894	2.638	.105	.009	2.638	.367
Type of user	1.313	1	1.313	.890	.346	.003	.890	.156
E-mail accounts owned	8.956	1	8.956	6.067	.014*	.020	6.067	.690
Attitude toward general e-mail usage	.415	1	.415	.281	.596	.001	.281	.083
Attitude toward e-mail service options	22.890	1	22.890	15.507	.000*	.049	15.507	.975
Attitude toward spam e-mails	7.575	1	7.575	5.132	.024*	.017	5.132	.617
Mobile phone Involvement	5.399	1	5.399	3.658	.057	.012	3.658	.479
Knowledge of mobile phone	8.308E-02	1	8.308E-02	.056	.813	.000	.056	.056
Personalisation	.686	1	.686	.465	.496	.002	.465	.104
Interactivity	.922	1	.922	.624	.430	.002	.624	.124
Vividness	28.874	2	14.437	9.780	.000*	.061	19.560	.982
Personalisation* Interactivity	.711	1	.711	.482	.488	.002	.482	.106
Personalisation* Vividness	5.477	2	2.738	1.855	.158	.012	3.710	.385
Interactivity* Vividness	.133	2	6.643E-02	.045	.956	.000	.090	.057
Personalisation* Interactivity* Vividness	1.315	2	.657	.445	.641	.003	.891	.122

c. Computed using alpha = .05

d. R square = .228 (adjusted R squared = .174)

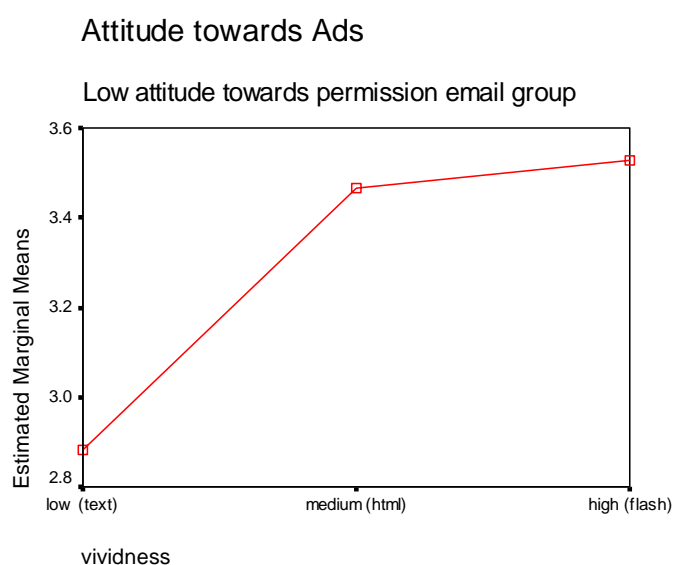
Because of the significant main effect observed for vividness (see Table 25), the attitude toward the ad between the low, medium and high vividness levels were compared (see Table 26 for means and Figure 14 for graph). As hypothesised, in the low attitude toward permission based e-mail group, the mean attitude toward the ad is the lowest when the e-mail ad has low vividness (text), and it is the highest when the e-mail ad was highly vivid

(FLASH). Furthermore, the Tukey test shows differences that are significant between low and medium vivid groups (mean difference = $-.7643$, $p = .000$) and between low and high vivid groups (mean difference = $-.7647$, $p = .000$). Therefore, H1b(2) was statistically and directionally supported. There is, however, a need to report unexpected effects of personalisation and interactivity on attitude toward the ad in the low attitude toward permission based e-mail group. The mean is higher when the e-mail ad is non-personalised and when it is low interactive than otherwise expected. Hence, H2b(2) and H3b(2) were not directionally supported.

TABLE 26: Mean for Attitude toward the Ad Comparing for Main Effects in the Low Attitude toward Permission E-mail Group

Conditions	Mean	SD
Low vividness (text)	2.7765	1.22082
Medium vividness (html)	3.4123	1.17117
High vividness (flash)	3.4643	1.52753
Low interactivity	3.3636	1.32531
High Interactivity	3.1844	1.34541
Non-personalisation	3.2893	1.31668
Personalisation	3.2819	1.35371
Total	3.2754	1.33620

FIGURE 14: Graph Comparing Mean Attitude toward the Ad between Low, Medium and High Vividness for the Low Attitude toward Permission E-mail Group



Based on the mean for attitude toward the ad (see Appendix Mean), H4b(2) and H5b(2) were also not directionally supported. In the low attitude toward permission based e-mail group, attitude toward the ad is at the highest when the e-mail ad has medium vividness, low interactivity and is personalised, and is at the lowest when the e-mail ad has low vividness, high interactivity and is personalised.

The number of e-mail accounts owned, attitude toward e-mail service options and attitude toward spam e-mails all show statistical significance as covariates for attitude toward the ad in the low attitude toward permission e-mail group (see Table 25). It implies that these variables provide some adjustment of the effects on attitude toward the ad. Their effect sizes, however, were considered to be small ($\eta^2 < .047$), therefore, it will not be examined further.

Attitude toward the Ad for the High Attitude toward Permission based E-mail Group (H1b(1), H2b(2), H3b(2), H4b(2) and H5b(2))

The results of the ANCOVA analysis (Table 27) show statistical significance for one main effect and four covariate effects. For the main effect, the statistics show significant support for vividness ($F = 10.952$, $df = 2$ and $p = .000$), with an observed moderate effect as the evidence shows by $\eta^2 = .07$. For the covariate effects, the statistics show a significance for attitude toward general e-mail usage ($F = 4.724$, $df = 1$ and $p = .040$), attitude toward e-mail service options ($F = 18.198$, $df = 1$ and $p = .057$), attitude toward spam e-mails ($F = 50.238$, $df = 1$ and $p = .000$) and mobile phone involvement ($F = 9.564$, $df = 1$ and $p = .002$). Therefore, similar to the low attitude toward permission e-mail based group, H2b(2), H3b(2), H4b(2) and H5b(2) are not supported, and H1b(2) still requires further analysis.

TABLE 27: Dependent Variable: Attitude toward the Ad for the High Attitude toward Permission E-mail Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	.226	1	.226	.163	.687	.001	.163	.069
Age	1.649	1	1.649	1.190	.276	.004	1.190	.193
Education Level	1.787	1	1.787	1.290	.257	.004	1.290	.205
Type of user	2.147	1	2.147	1.550	.214	.005	1.550	.237
E-mail accounts owned	3.058E-02	1	3.058E-02	.022	.882	.000	.022	.053
Attitude toward general e-mail usage	5.919	1	5.919	4.724	.040*	.014	4.274	.540
Attitude toward e-mail service options	25.204	1	25.204	18.198	.000*	.057	18.198	.989
Attitude toward spam e-mails	69.578	1	69.578	50.238	.000*	.143	50.238	1.000
Mobile phone Involvement	13.245	1	13.245	9.564	.002*	.031	9.564	.869
Knowledge of mobile phone	1.613	1	1.613	1.165	.281	.004	1.165	.190
Personalisation	.602	1	.602	.435	.510	.001	.435	.101
Interactivity	1.780	1	1.780	1.285	.258	.004	1.285	.204
Vividness	30.336	2	15.168	10.952	.000*	.068	21.904	.991
Personalisation* Interactivity	2.976	1	2.976	2.149	.144	.007	2.149	.309
Personalisation* Vividness	3.431	2	1.715	1.239	.291	.008	2.477	.269
Interactivity*Vividness	.875	2	.437	.316	.730	.002	.631	.100
Personalisation* Interactivity* Vividness	.871	2	.436	.315	.730	.002	.629	.100

a. Computed using alpha = .05

b. R square = .300 (adjusted R squared = .251)

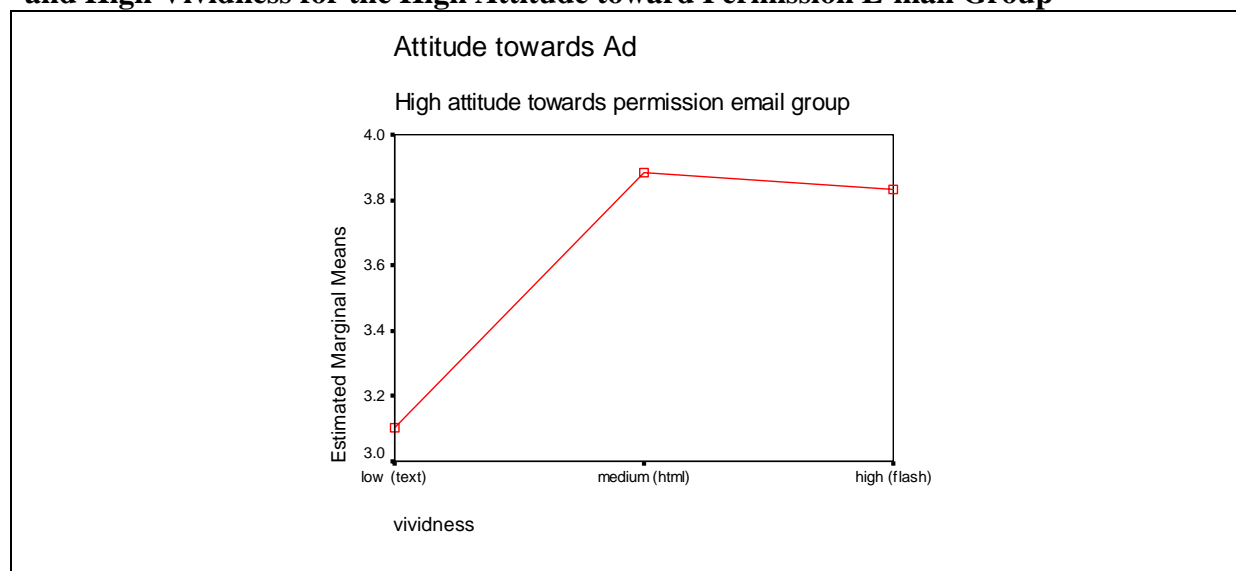
Due to an observed significant main effect for vividness, similar to the low attitude toward permission e-mail group, the means for attitude toward the ad were compared between the low, medium and high vividness groups (see Table 28 for means and Figure 15 for a graph). As expected, attitude toward the ad is the lowest in the low vividness e-mail ad group. It is, however, the highest in the medium vivid e-mail ad group rather than in the high vivid e-mail ad group. In addition, the Tukey test also shows significant differences between means for low and medium groups (mean difference = -.7477, $p = .000$) and between means for low and

high groups (mean difference = $-.6707$, $p = .002$). Therefore, H1b(2) is statistically and partially directionally supported. Although the statistic is not significant for personalisation as a main effect, the mean attitude toward the ad for the high attitude toward permission based e-mail group was higher when the e-mail ad was personalised than otherwise expected. Therefore, H3b(2) is directionally supported, but not statistically supported. For interactivity, however, the low interactive e-mail ad group, appeared to have higher attitude toward the ad than the high group. Therefore, H2b(2) is not directionally and statistically supported.

TABLE 28: Mean for Attitude toward the Ad Comparing for Main Effects in the High Attitude toward Permission E-mail Group

Conditions	Mean	SD
Low vividness (text)	3.1446	1.25919
Medium vividness (html)	3.8923	1.26021
High vividness (flash)	3.8023	1.44949
Low interactivity	3.6989	1.33612
High Interactivity	3.6320	1.39264
Non-personalisation	3.6628	1.40931
Personalisation	3.6754	1.31783
Total	3.6695	1.35953

FIGURE 15: Graph Comparing Mean Attitude toward the Ad between Low, Medium and High Vividness for the High Attitude toward Permission E-mail Group



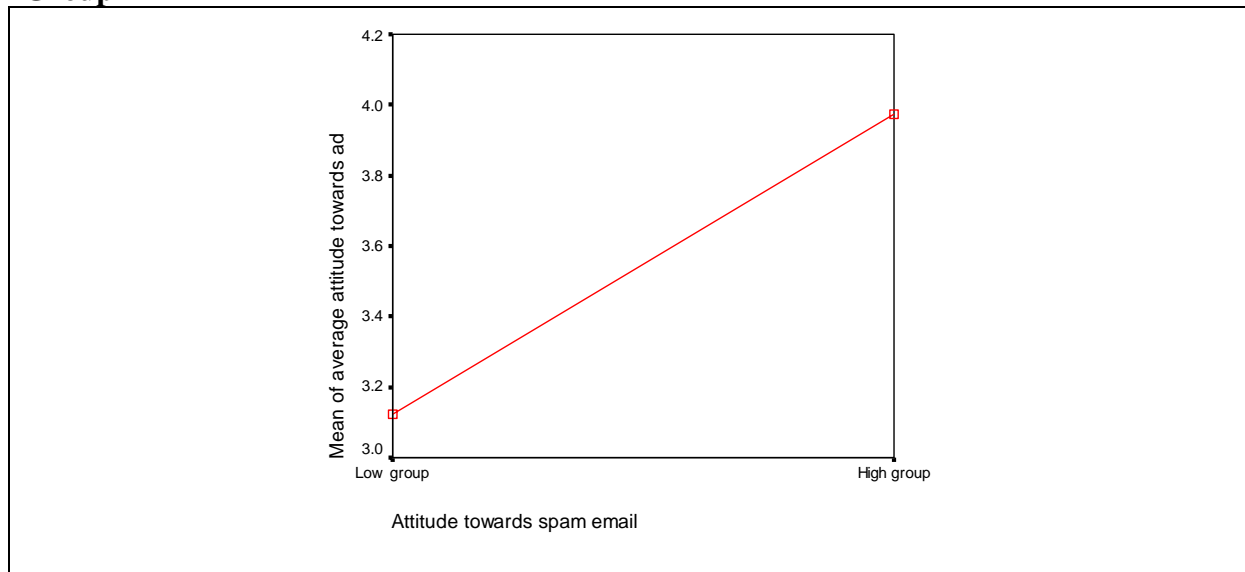
Even though there is no statistical significance for the three-way interaction effect, the means show partial directional support for H4b(2) and directional support for H5b(2). In the high attitude toward permission based e-mail group, attitude toward the ad is at the highest when the e-mail ad has high vividness, low interactivity and is personalised, and it is the lowest when the e-mail ad has low vividness, low interactivity and is non-personalised.

Attitude toward general e-mail usage, attitude toward e-mail service options, attitude toward spam e-mails, and mobile phone involvement showed statistical significance as covariates for attitude toward the ad, in the high attitude toward permission based e-mail group. This implies that these four variables provide some adjustment of the effects on attitude toward the ad. Of the four covariates, only attitude toward spam e-mails shows a moderate effect on attitude toward the ad ($\eta^2 = .143$). Subjects in the high attitude toward permission based e-mail group, therefore, were classified into low and high attitude toward spam e-mails groups to examine its effect. As expected, the positive attitude toward spam e-mails group (high) has a higher attitude toward the ad than the negative attitude toward spam e-mails group (see Table 29 and Figure 16). This shows that respondents who have a positive attitude toward permission based e-mail and spam e-mail are more willing to perceive the e-mail advertisement in a positive way.

TABLE 29: Comparing Mean Attitude toward the Ad between the Low and the High Attitude toward Spam E-mails Groups in the High Attitude toward Permission E-mail Group

Groups	Mean	T-value	P-value
Low attitude toward spam e-mails	3.1250 (1.31753)	-5.569	.000
High attitude toward spam e-mails	3.9726 (1.29113)		
Total	3.6695 (1.35953)		

FIGURE 16: Graph Comparing Mean Attitude toward the Ad for the Low and the High Attitude toward Spam E-mail Groups in the High Attitude toward Permission E-mail Group



Test the Effects on Attitude toward the brand for the Low and the High Attitude toward Permission based E-mail Groups

Attitude toward the brand for the Low Attitude toward Permission based E-mail Group (H1c(1), H2c(2), H3c(2), H4c(2) and H5c(2))

The ANCOVA result shows statistical significance for one interaction effect and two covariate effects (Table 30). For an interaction effect, the statistic shows significance between interactivity and personalisation ($F = 4.298$, $df = 1$ and $p = .039$) with an observed small effect as shown by $\eta^2 = .014$. For the covariates, the statistic shows significance for attitude toward e-mail service options ($F = 14.360$, $df = 1$ and $p = .000$) and knowledge of mobile phones ($F = 7.224$, $df = 1$ and $p = .000$). Therefore, H1c(2), H2c(2) and H3c(2) are not supported and H4c(2) and H5c(2) require further analysis.

TABLE 30: Dependent Variable: Attitude toward the Brand for the Low Attitude toward Permission E-mail Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	1.919	1	1.919	1.433	.232	.005	1.433	.222
Age	.171	1	.171	.128	.721	.000	.128	.065
Education Level	.554	1	.554	.414	.521	.001	.414	.098
Type of user	.698	1	.698	.521	.471	.002	.521	.111
E-mail accounts owned	4.465	1	4.465	3.335	.069	.011	3.335	.445
Attitude toward general e-mail usage	1.070	1	1.070	.799	.372	.003	.799	.145
Attitude toward e-mail service options	19.225	1	19.225	14.360	.000*	.046	14.360	.965
Attitude toward spam e-mails	.639	1	.639	.477	.490	.002	.477	.106
Mobile phone Involvement	.766	1	.766	.572	.450	.002	.572	.117
Knowledge of mobile phone	9.671	1	9.671	7.224	.008*	.024	7.224	.764
Personalisation	9.094E-02	1	9.094E-02	.068	.795	.000	.068	.058
Interactivity	3.621E-02	1	3.621E-02	.027	.869	.000	.027	.053
Vividness	1.432	2	.716	.535	.586	.004	1.070	.138
Personalisation* Interactivity	5.754	1	5.754	4.298	.039*	.014	4.298	.542
Personalisation* Vividness	2.212	2	1.106	.826	.439	.005	1.652	.191
Interactivity*Vividness	4.840	2	2.420	1.808	.166	.012	3.615	.376
Personalisation* Interactivity* Vividness	1.925	2	.963	.719	.488	.005	1.438	.171

a. Computed using alpha = .05

b. R square = .176 (adjusted R squared = .118)

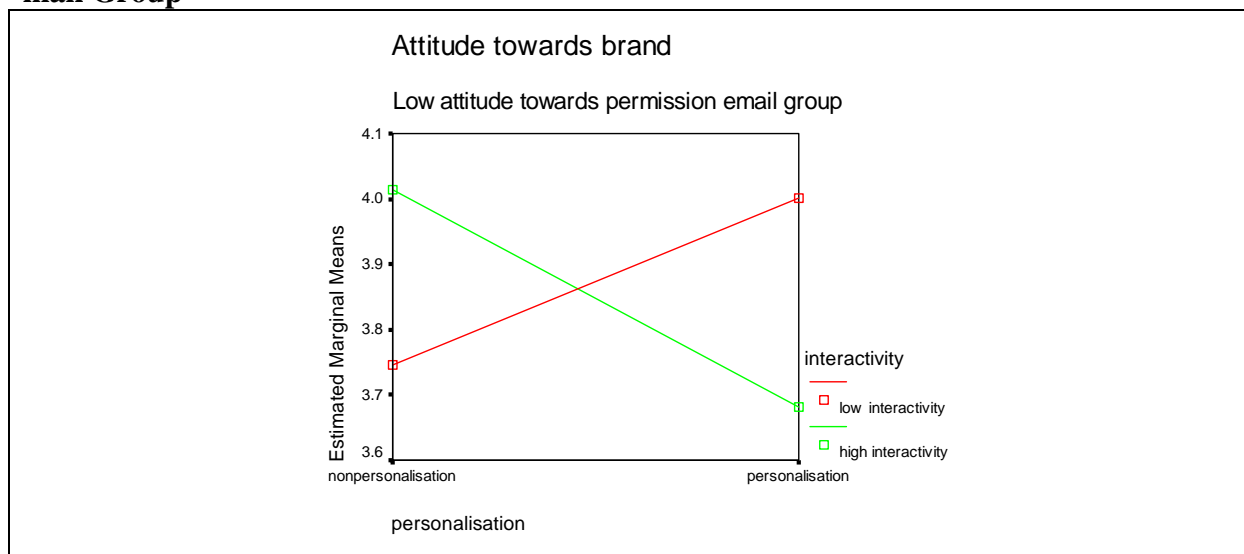
Due to a significant two-way interaction effect observed between interactivity and personalisation, the means of attitude toward the brand for the low attitude toward permission based e-mail group were compared (see Table 31 and Figure 17). Surprisingly, the mean attitude toward the brand is the highest when the e-mail ad has low interactivity and is personalised, and it is the lowest when the e-mail ad has high interactivity and is personalised. Therefore, H4c(2) is statistically and partially directionally supported, and H5c is not supported. The directions for the three-way interaction effects, however, are partially

supported for H4c(2) and H5c(2). In the low attitude toward permission based e-mail group, attitude toward the brand is the highest when the e-mail ad has moderate vividness, low interactivity and is personalised, and it is the lowest when the e-mail ad has low vividness, low interactivity and is non-personalised (see Appendix Mean).

TABLE 31: Mean for Attitude toward the Brand for a Significant Interaction Effect between Interactivity and Personalisation for the Low Attitude toward Permission E-mail Group

Mean	Mean	SD
Low interactivity with non personalisation	3.7015	1.15490
Low interactivity with personalisation	4.0816	1.31870
High interactivity with non personalisation	3.9381	1.20157
High interactivity with personalisation	3.6852	1.16799
Total	3.8626	1.22653

FIGURE 17: Graph Showing an Interaction Effect between Interactivity and Personalisation on Attitude toward the Brand in the Low Attitude toward Permission E-mail Group



Even though there is no statistical significance for any main effect, the mean attitude toward the brand in the low attitude toward permission based e-mail group shows that one has directional support and one has partial directional support. Attitude toward the brand is higher in personalised e-mail ads than in generic e-mail ads, providing directional support for H3c(2). It is the highest in moderately vivid e-mail ads but it is the lowest in highly vivid ones, providing partial directional support for H1c(2) (see Table 32). There is a contradictory

directional finding for H2c(2). The mean attitude toward the brand is higher in a low interactivity e-mail ad than in high interactivity ones.

TABLE 32: Mean for Attitude toward the Brand Comparing for Main Effects in the Low Attitude toward Permission E-mail Group

Conditions	Mean	SD
Low vividness (text)	3.7729	1.24584
Medium vividness (html)	4.0641	1.09138
High vividness (flash)	3.7623	1.31376
Low interactivity	3.9273	1.26506
High Interactivity	3.7958	1.18575
Non-personalisation	3.8224	1.18062
Personalisation	3.8918	1.26124
Total	3.8626	1.22653

Attitude toward e-mail service options and Knowledge of mobile phones show statistical significance as covariates (see Table 30). It suggests that attitude toward e-mail service options and knowledge of mobile phones command some adjustment to the effects on attitude toward the brand. The levels, however, were considered to be small ($\eta^2 = .046$ and $\eta^2 = .024$ respectively), therefore they will not be examined further.

Attitude toward the brand for the High Attitude toward Permission based E-mail Group (H1c(1), H2c(2), H3c(2), H4c(2) and H5c(2))

The results of the ANCOVA analysis (Table 33) shows statistical significance for one main effect, one interaction effect and three covariate effects. For the main effect, the statistics show a significance for interactivity ($F = 5.6858$, $df=1$ and $p = .018$), with an observed small effect as evidenced by $\eta^2 = .019$. For a three-way interaction effect, the statistics show a significance between vividness, interactivity and personalisation ($F = 4.644$, $df = 2$ and $p = .010$), with a small observed effect as shown by $\eta^2 = .03$. For the covariates, there is statistical significance for attitude toward general e-mail usage ($F = 18.2181$, $df = 1$ and $p = .000$), attitude toward spam e-mails ($F = 13.201$, $df=1$ and $p = .000$) and mobile phone involvement

($F = 6.283$, $df = 1$ and $p = .013$). Therefore, H1c(2) and H3c(2) are not supported, and H2c(2), H4c(2) and H5c(2) require further analysis.

TABLE 33: Dependent Variable: Attitude toward the Brand for the High Attitude toward Permission E-mail Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	1.047E-03	1	1.047E-03	.001	.974	.000	.001	.050
Age	9.732E-03	1	9.732E-03	.010	.920	.000	.010	.051
Education Level	1.564	1	1.564	1.630	.203	.005	1.630	.247
Type of user	.338	1	.338	.353	.553	.001	.353	.091
E-mail accounts owned	.824	1	.824	.859	.355	.003	.859	.152
Attitude toward general e-mail usage	17.540	1	17.540	18.281	.000*	.057	18.281	.989
Attitude toward e-mail service options	2.975	1	2.975	3.100	.079	.010	3.100	.419
Attitude toward spam e-mails	13.201	1	13.201	13.759	.000*	.044	13.759	.959
Mobile phone Involvement	6.029	1	6.029	6.283	.013*	.020	6.283	.705
Knowledge of mobile phone	3.467	1	3.467	3.614	.058	.012	3.614	.474
Personalisation	2.582E-04	1	2.5824E-04	.000	.987	.000	.000	.050
Interactivity	5.454	1	5.454	5.685	.018*	.019	5.685	.662
Vividness	.711	2	.356	.371	.691	.002	.741	.109
Personalisation* Interactivity	.663	1	.663	.691	.407	.002	.691	.132
Personalisation* Vividness	4.573	2	2.286	2.683	.094	.016	4.766	.480
Interactivity*Vividness	.137	2	6.860E-02	.071	.931	.000	.143	.061
Personalisation* Interactivity* Vividness	8.912	2	4.456	4.644	.010*	.030	9.289	.780

a. Computed using alpha = .05

b. R square = .197 (adjusted R squared = .141)

Because of a significant interaction effect between vividness, interactivity and personalisation, the mean attitude toward the brand variables were compared (see Table 34 for mean and Figure 18 for graph). Surprisingly, this shows the unexpected interaction effects between the three variables on attitude toward the brand, in the high attitude toward

permission based e-mail group. Attitude toward the brand is the highest when the e-mail ad is highly vivid, has low interactivity and is personalised to the receiver's name, and it is the lowest when the e-mail ad is highly vivid, has low interactivity and is non-personalised (generic). Therefore, both H4c(2) and H5c(2) are statistically and partially directionally supported.

Examining the three-way interaction effects by using vividness levels as a main consideration, it shows that in the high attitude toward permission based e-mail group there is an inverted U relationship between vividness levels and attitude toward the brand in two conditions: 1) when the e-mail ad has low interactivity and is non-personalised, and 2) when the e-mail ad has high interactivity and is personalised. In other words, for attitude toward the brand, HTML e-mail ads gave the best result when the e-mail ad has low interactivity and is non-personalised and when it has high interactivity and is personalised. More surprisingly, in these two conditions, Flash e-mail ads appeared to perform worse than text based e-mail ads. These findings suggest that congruence of the format in which information is presented may be critical in the way consumers process the message. However, when this information is highly complex and personalised, there appears to be a plateau effect where consumer reaction becomes less positive.

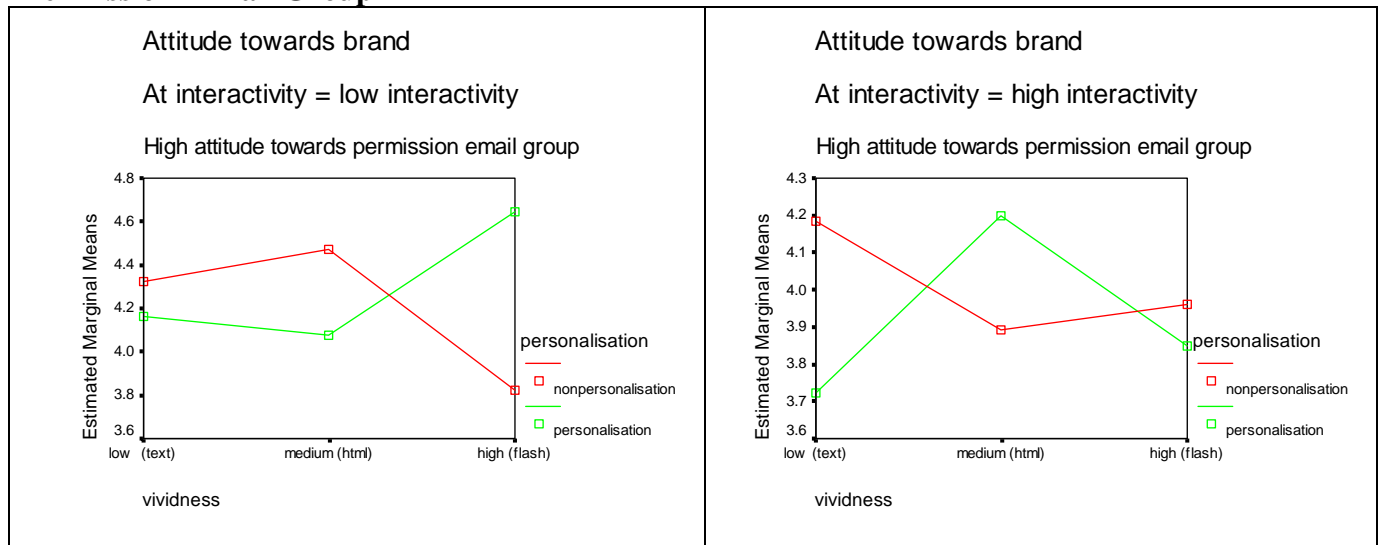
Examining the three-way interaction effects by using personalisation as a main consideration, personalisation appears to have an influence on attitude toward the brand only in high vividness e-mail ad conditions. In other words, with the same level of vividness and interactivity, compared to non-personalised e-mail, attitude toward the brand is only higher when the e-mail ad is highly vivid and personalised with the receiver's name. This may require some explanation as to why attitude toward the brand for non-personalised e-mail ads

in low and medium vivid conditions is higher than those for personalised e-mail ads in high vivid conditions. It might be the case that when a recipient considers e-mail ads as a personalised tool, their expectation of the e-mail ad quality or presentation (both interactivity and vividness) will be higher than when it is non-personalised. If their expectation is not met, their perceptions of the e-mail ad and brand advertised in that e-mail will be low. Similar to this result, when respondents received a personalised e-mail ad, they expected the e-mail would be highly interactive and highly vivid. But when it was not (as in low and medium vividness), their perception of that e-mail was low. In contrast, with a non-personalised e-mail, the recipient will have a low expectation of the quality of the e-mail. When it appears to have low or medium vividness, their expectations are still met. Their perception of the e-mail and brand is therefore more positive. This might explain the higher mean attitude toward the brand observed in the non-personalised e-mail ad for low and medium vividness, compared to the personalised e-mail condition.

TABLE 34: Mean of Attitude toward the Brand: an Interaction Effect between Personalisation, Interactivity and Vividness for the High Attitude toward Permission E-mail Group

	Non personalisation & Low interactivity	Non personalisation & High Interactivity	Personalisation & Low Interactivity	Personalisation & High Interactivity
Low Vividness	4.2333 (1.02655)	4.1000 (.87258)	4.1373 (1.04162)	3.9630 (.58794)
Medium Vividness	4.5062 (1.07564)	4.0108 (1.09708)	4.0917 (.83372)	4.2083 (1.15703)
High Vividness	3.7812 (1.25184)	3.8333 (1.24191)	4.6429 (.95119)	3.8810 (.99055)
	Invert-U	negative	U	Invert-U

FIGURE 18: Graphs Showing an Interaction Effect between Personalisation, Interactivity and Vividness on Attitude toward the Brand in the High Attitude toward Permission E-mail Group

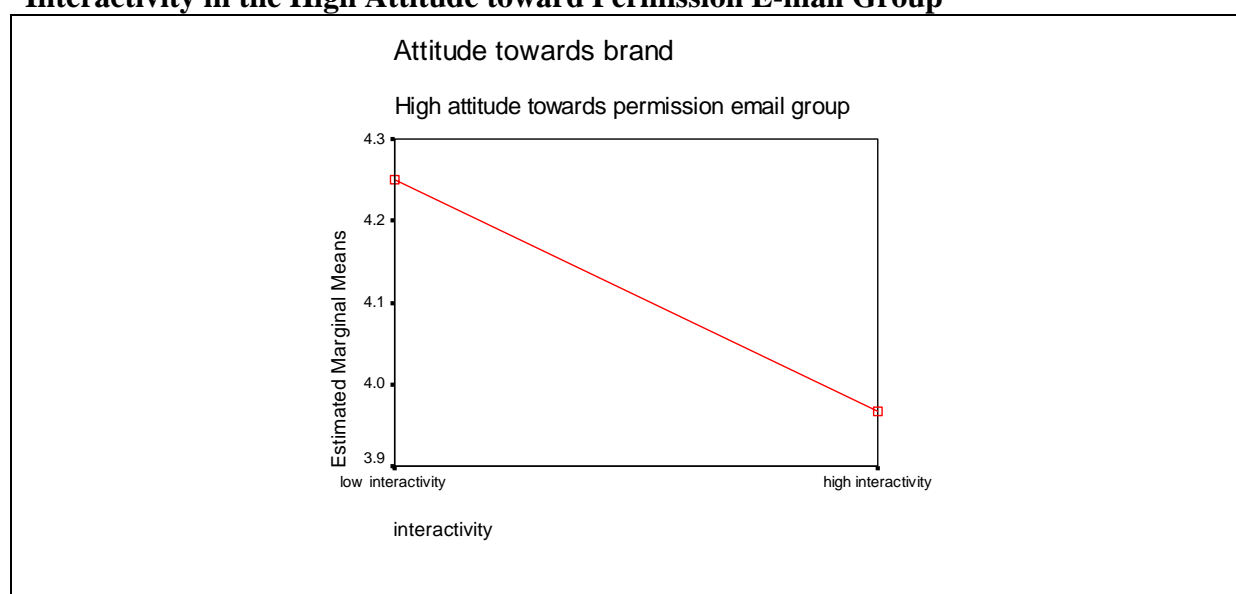


Due to an observed significant main effect for interactivity (see Table 33), means for attitude toward the brand were compared between the low and high interactivity groups (see Table 35 for means and Figure 19 for graph). Unexpectedly, in the high attitude toward permission based e-mail group, the mean attitude toward the brand was higher when the e-mail ad was low in interactivity. Therefore, H2c(2) is not supported. Although there is no statistical significance for vividness and personalisation as main effects, it is still useful to examine the directional effect for the two hypotheses (H1c(2) and H3c(2)). Contrary to the hypothesis, there is an inverted-U relationship between attitude toward the brand and vividness levels. Attitude toward the brand was highest when the e-mail ad was moderately vivid (HTML e-mail ad), and lowest when the e-mail ad was low vividness (text-based e-mail ad). H1c(2), therefore, is partially directionally supported. Surprisingly, the mean attitude toward the brand for personalised to the receiver's name e-mail ad appeared to be higher than for the general e-mail ad, providing directional support for H3c(2).

TABLE 35: Mean for Attitude toward the Brand Comparing Main Effects in the High Attitude toward Permission E-mail Group

Conditions	Mean	SD
Non-personalisation	4.0658	1.12568
Personalisation	4.1715	.99236
Low interactivity	4.2081	1.05481
High Interactivity	4.0117	1.05290
Low vividness (text)	4.1325	1.03762
Medium vividness (html)	4.1872	1.03762
High vividness (flash)	4.0364	1.15677
Total	4.1218	1.05685

FIGURE 19: Graph Comparing Mean Attitude toward the Brand for Low and High Interactivity in the High Attitude toward Permission E-mail Group



Attitude toward general e-mail usage, attitude toward spam e-mails, and mobile phone involvement show statistical significance as covariates for attitude toward the brand in the high attitude toward permission based e-mail group. It implies that these variables provide some adjustment of the effects on attitude toward the brand. Due to a relatively small effect size ($\eta^2 \leq .05$), however, they will not need further analysis.

**Test the Effects on Purchase Intention for the Low and the High Attitude toward
Permission based E-mail groups**

**Purchase Intention for the Low Attitude toward Permission based E-mail Group
(H1d(1), H2d(2), H3d(2), H4d(2) and H5d(2))**

The result of the ANCOVA analysis (Table 36) shows statistical significance for one main effect and two covariate effects. For the main effect, the statistic shows significance for vividness ($F = 4.010$, $df = 2$ and $p = .019$), with an observed small effect as shown by $\eta^2 = .026$. For the covariate effects, the statistic shows significance for attitude toward e-mail service options ($F = 4.445$, $df = 1$ and $p = .036$) and attitude toward spam e-mails ($F = 19.648$, $df = 1$ and $p = .000$). Therefore, H2d(2), H3d(2), H4d(2) and H5d(2) are not supported, and H1d(2) requires further analysis.

TABLE 36: Dependent Variable: Purchase Intention for the Low Attitude toward Permission E-mail Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	1.182	1	1.182	1.064	.303	.004	1.064	.177
Age	.615	1	.615	.554	.457	.002	.554	.115
Education Level	1.139	1	1.139	1.025	.312	.003	1.025	.172
Type of user	4.163	1	4.163	3.747	.054	.012	3.747	.488
E-mail accounts owned	.202	1	.202	.182	.670	.001	.182	.071
Attitude toward general e-mail usage	.778	1	.778	.700	.403	.002	.700	.133
Attitude toward e-mail service options	4.939	1	4.939	4.445	.036*	.015	4.445	.556
Attitude toward spam e-mails	21.830	1	21.830	19.648	.000*	.061	19.648	.993
Mobile phone Involvement	.332	1	.332	.299	.585	.001	.299	.085
Knowledge of mobile phone	1.449	1	1.449	1.304	.254	.004	1.304	.207
Personalisation	.545	1	.545	.491	.484	.002	.491	.107
Interactivity	.637	1	.637	.573	.450	.002	.573	.117
Vividness	8.910	2	4.455	4.010	.019*	.026	8.019	.714
Personalisation* Interactivity	.844	1	.844	.760	.384	.003	.760	.140
Personalisation* Vividness	1.819	2	.909	.818	.442	.005	1.637	.190
Interactivity*Vividness	.346	2	.173	.156	.856	.001	.312	.074
Personalisation* Interactivity* Vividness	.776	2	.388	.349	.706	.002	.698	.106

a. Computed using alpha = .05

b. R square = .172 (adjusted R squared = .114)

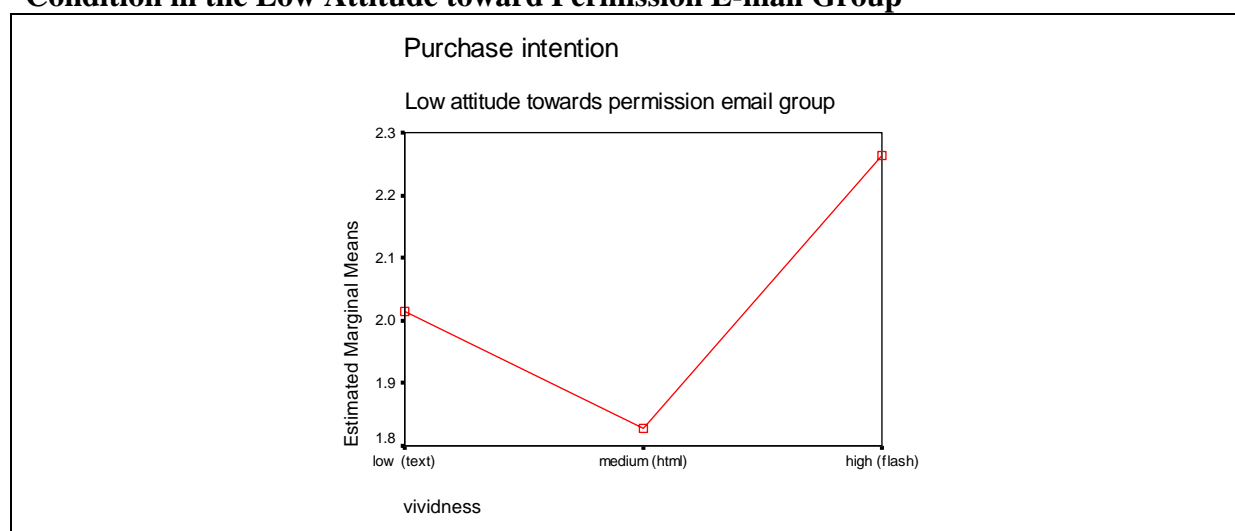
As a result of the significant main effect observed for vividness, mean purchase intention was compared between vividness levels (see Table 37 for mean and Figure 20 for graph). As hypothesised, in the low attitude toward permission based e-mail group the mean purchase intention is highest when the e-mail ad is highly vivid (Flash format). Surprisingly, mean purchase intention for the low vividness e-mail ad was higher than the mean for the moderately vivid e-mail ad. In addition, the Tukey test shows significant differences between the medium and high groups (mean difference = -.4225, $p = .015$). Therefore, H1d(2) is

partially directionally supported. The U-shaped response means that consumers respond best to extreme conditions, either plain text or highly vivid and in between options are unattractive.

TABLE 37: Mean for Purchase Intention Comparing for Main Effects in the Low Attitude toward Permission E-mail Group

Conditions	Mean	SD
Low vividness (text)	2.0000	1.13389
Medium vividness (html)	1.8558	.91584
High vividness (flash)	2.2840	1.23535
Low interactivity	1.9960	1.01479
High Interactivity	2.1021	1.21313
Non-personalisation	1.9708	1.05446
Personalisation	2.1046	1.15893
Total	2.0482	1.11638

FIGURE 20: Graph Comparing Mean Purchase Intention between Each Vividness Condition in the Low Attitude toward Permission E-mail Group



Although the four hypotheses on purchase intention in the low attitude toward permission based e-mail group were not fully supported, they were all directionally supported. The mean purchase intention was higher when personalised with the receiver's name e-mail ad than in a generic e-mail ad, and it was higher in the high interactive e-mail ad than in the low interactive e-mail ad (see Table 37). Similarly, as hypothesised, purchase intention was highest when the e-mail ad was highly vivid, high interactive and personalised with the receiver's name, and it was the lowest when the e-mail ad had low vividness, low interactivity

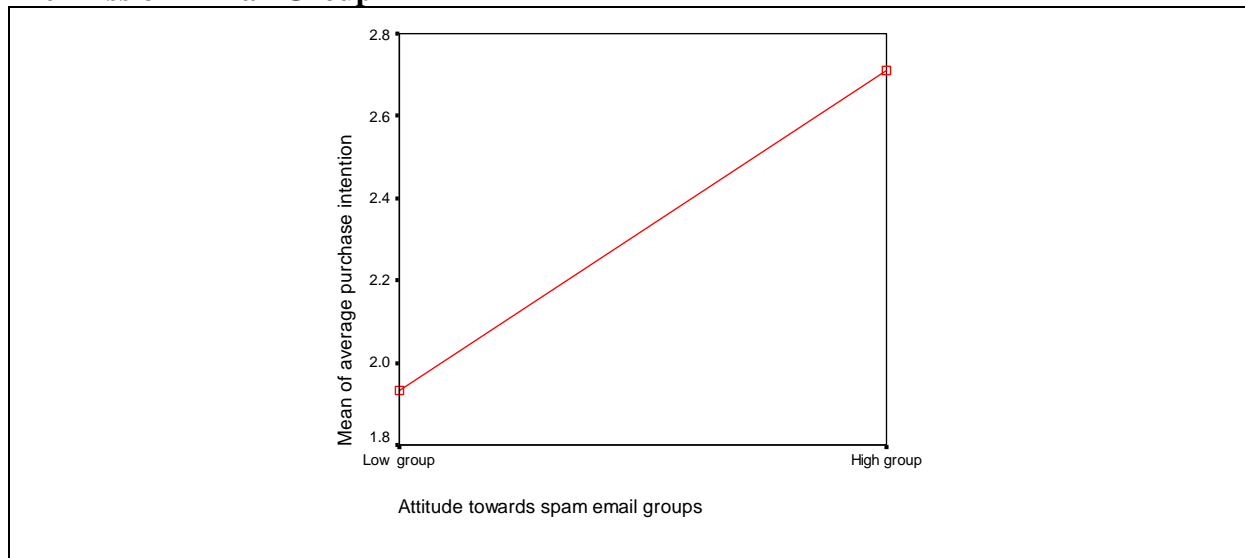
and was generic (see Appendix Mean). Therefore, H1d(2), H2d(2), H4d(2) and H5d(2) are directionally supported.

Attitude toward e-mail service options and attitude toward spam e-mails show statistical significances as covariates. It illustrates that attitude toward e-mail service options and attitude toward spam e-mails provide some adjustment of the effects on purchase intention in the low attitude toward permission e-mail ads group. Only attitude toward spam e-mails, however, was examined further, as its effect size was considered to be moderate ($\eta^2 = .061$). Subjects in the low attitude toward permission based e-mail group, therefore, were classified into low and high attitude toward spam e-mails groups to examine its effect. As expected, the mean purchase intention for a positive attitude toward spam e-mail group (high) was higher than for a negative one (low) (see Table 38 for means and Figure 21 for graph). This suggests that consumers predisposed to receive commercial content via e-mail are more likely to also purchase goods online.

TABLE 38: Comparing Mean Purchase Intention between the Low and High Attitude toward Spam E-mails Groups in the Low Attitude toward Permission E-mail Group

Groups	Mean	T-value	P-value
Low attitude toward spam e-mails	1.9327 (1.02973)	-5.779	.000
High attitude toward spam e-mails	2.7095 (1.35695)		
Total	2.0482 (1.11638)		

FIGURE 21: Graph Comparing Mean Purchase Intention for Positive (High) and Negative (Low) Attitude toward Spam E-mails Group in the Low Attitude toward Permission E-mail Group



Purchase Intention for the High Attitude toward Permission based E-mail Group (H1d(1), H2d(2), H3d(2), H4d(2) and H5d(2))

The result of the ANCOVA analysis (Table 39) shows statistical significance for one main effect, one interaction effect and two covariates effects. Interactivity shows statistical significance as a main effect ($F = 3.983$, $df = 1$ and $p = .047$), with an observed small effect as evidenced by $\eta^2 = .013$. For the two-way interaction effect, the statistic shows significance between personalisation and vividness ($F = 5.055$, $df = 1$ and $p = .007$), with an observed small effect as evidenced by $\eta^2 = .032$. For the covariates, the statistics show significance for attitude toward spam e-mails ($F = 84.346$, $df = 1$ and $p = .000$) and mobile phone involvement ($F = 11.474$, $df = 1$ and $p = .001$). Therefore, H1e(2) and H3e(2) are not supported, and H2e(2), H4e(2) and H5e(2) needs further examination.

TABLE 39: Dependent Variable: Purchase Intention for the High Attitude toward Permission E-mail Group

Sources	Type III Sum of Square	Df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	1.661E-03	1	1.661E-03	.001	.971	.000	.001	.050
Age	3.744	1	3.744	2.964	.086	.010	2.964	.404
Education Level	.428	1	.428	.339	.561	.001	.339	.089
Type of user	4.209E-02	1	4.209E-02	.033	.855	.000	.033	.054
E-mail accounts owned	1.300	1	1.300	1.029	.311	.003	1.029	.173
Attitude toward general e-mail usage	.956	1	.956	.757	.385	.003	.757	.140
Attitude toward e-mail service options	2.474	1	2.474	1.958	.163	.006	1.958	.286
Attitude toward spam e-mails	106.547	1	106.547	84.346	.000*	.219	84.346	1.000
Mobile phone Involvement	14.494	1	14.494	11.474	.001*	.037	11.474	.922
Knowledge of mobile phone	.397	1	.397	.314	.576	.001	.314	.086
Personalisation	1.711	1	1.711	1.355	.245	.004	1.355	.213
Interactivity	5.031	1	5.031	3.983	.047*	.013	3.983	.512
Vividness	7.152	2	3.576	2.831	.061	.018	5.661	.553
Personalisation* Interactivity	.614	1	.614	.486	.486	.002	.486	.107
Personalisation* Vividness	12.771	2	6.386	5.055	.007*	.032	10.110	.816
Interactivity*Vividness	.994	2	.497	.393	.675	.003	.787	.113
Personalisation* Interactivity* Vividness	2.987	2	1.494	1.182	.308	.008	2.365	.258

a. Computed using alpha = .05

b. R square = .308 (adjusted R squared = .259)

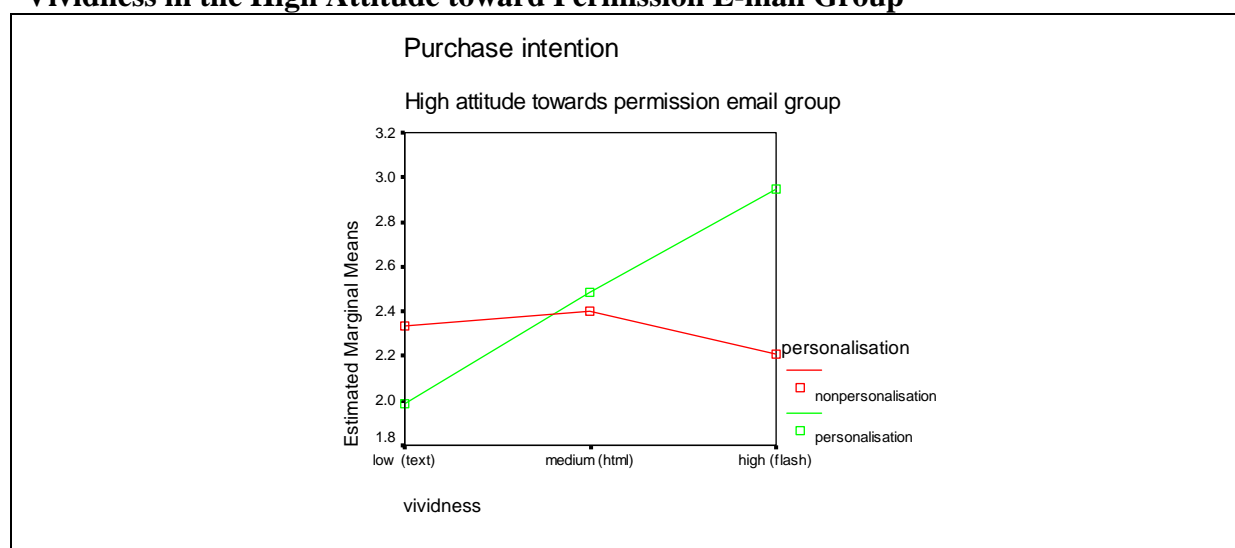
By reason of a significance of two-way interaction effects between vividness and personalisation, the mean purchase intention for the high attitude toward permission based e-mail group was compared (see Table 40 for means Figure 22 for graph). As expected, with the same vividness level, the mean purchase intention was higher for the personalised with the receiver's name e-mail group than for the generic e-mail group. Within the three personalised e-mail conditions, purchase intention was highest when the e-mail ad was highly vivid (Flash). Within the three non-personalised e-mail conditions, however, it was the highest when the e-mail ad was moderately vivid (HTML). The interaction effect between vividness

and personalisation on purchase intention in the high attitude toward permission e-mail group shows the best result in the highly vivid personalised e-mail ad, which should be adopted for use in practice. Therefore, H4d(2) and H5d(2) are partially supported. Again, results suggest that there appears to be an expectation of congruity between the complexity of a personalised message and the sophistication of the message. These should go hand in hand to maximise a positive effect. To extend the analysis, mean purchase intentions were compared to verify the directional support for the hypotheses. Purchase intention was the highest when the e-mail ad was highly vivid, had low interactivity and was personalised, and it was the lowest when the e-mail ad was highly vivid, had high interactivity and was non-personalised (see Appendix Mean). Therefore, H4d(2) is partially directionally supported and H5d(2) is not directionally supported.

TABLE 40: Mean for Purchase Intention for a Significant Interaction Effect between Personalisation and Vividness for the High Attitude toward Permission E-mail Group

Mean	Mean	SD
Non personalisation with low vividness	2.2583	1.19707
Non personalisation with medium vividness	2.4195	1.43414
Non personalisation with high vividness	2.1358	1.24473
Personalisation with low vividness	2.2946	1.10843
Personalisation with medium vividness	2.5000	1.36466
Personalisation with high vividness	2.8988	1.28538
Total	2.4365	1.30601

FIGURE 22: Graph Showing an Interaction Effect between Personalisation and Vividness in the High Attitude toward Permission E-mail Group

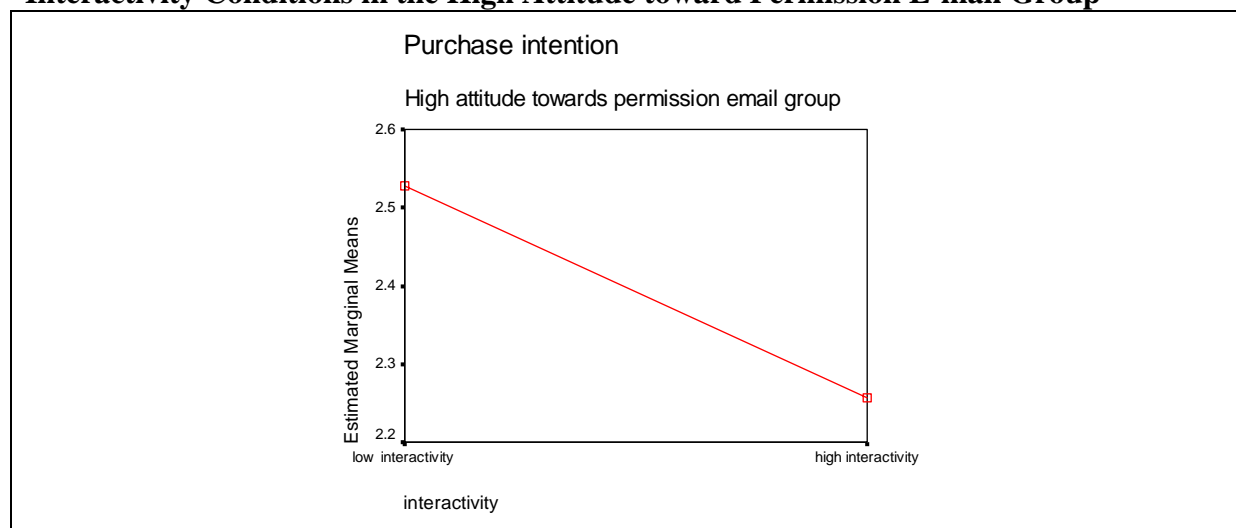


Due to a significant main effect observed for interactivity, mean purchase intentions in the high attitude toward permission based e-mail group were compared between the low and high interactivity groups (see Table 41 for means and Figure 23 for graph). Contrary to the hypothesis, purchase intention for the high interactive e-mail group is lower than for the low group. Therefore, H2d(2) is not supported. Although none of the main effects hypotheses for purchase intention in the high attitude toward permission based e-mail group are statistically supported, two out of three are directionally supported. As hypothesised, purchase intention for the personalised to the receiver's name e-mail group was higher than for the generic one, and it was also the highest in a highly vivid e-mail ad (Flash) and the lowest in a low vividness e-mail ad (text-based) (see Table 40). Therefore, H1d(2) and H3d(2) are directionally supported.

TABLE 41: Mean for Purchase Intention Comparing for Main Effects in the High Attitude toward Permission E-mail Group

Conditions	Mean	SD
Low vividness (text)	2.2771	1.14506
Medium vividness (html)	2.4641	1.39118
High vividness (flash)	2.5242	1.31676
Low interactivity	2.4917	1.28215
High Interactivity	2.3662	1.33706
Non-personalisation	2.2763	1.30589
Personalisation	2.5789	1.29331
Total	2.4365	1.31676

FIGURE 23: Graph Comparing Purchase Intention Mean between Low and High Interactivity Conditions in the High Attitude toward Permission E-mail Group

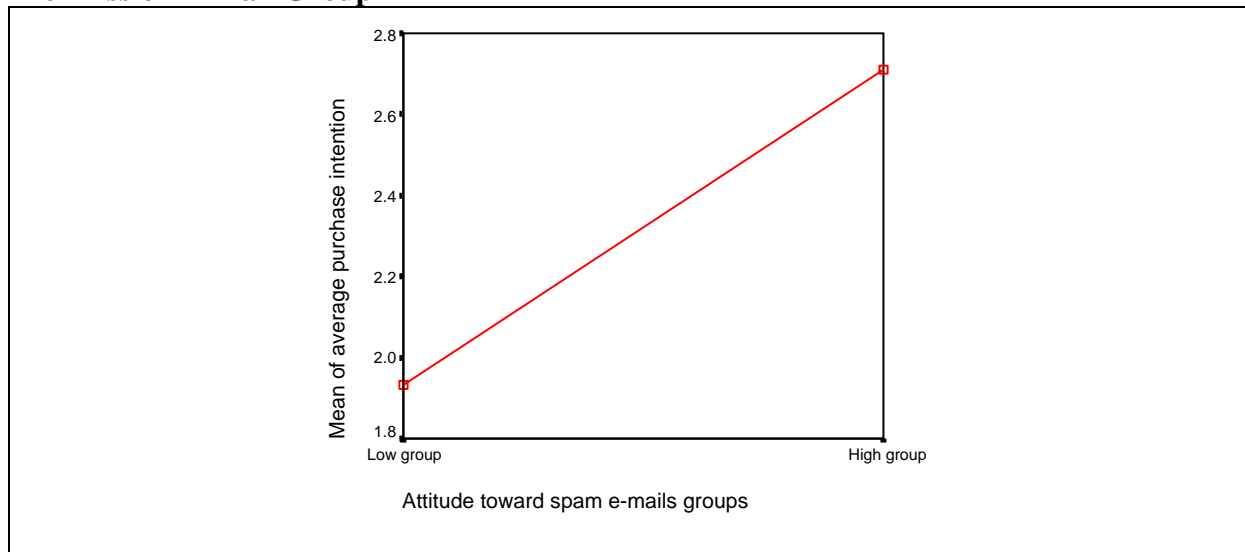


Attitude toward spam e-mails and mobile phone involvement show statistical significance as covariates (see Table 39). It indicates that these two variables provide some adjustment on the effects on purchase intention in the high attitude toward permission based e-mail group. Taking the effect level into consideration, it appears that attitude toward spam e-mails has a great effect on purchase intention ($\eta^2 = .219$). Therefore, subjects in the high attitude toward permission based e-mail group were categorised into low and high attitude toward spam e-mails groups to examine its effect. As expected, respondents with a positive attitude toward spam e-mail (high) have higher purchase intention than those with a negative attitude (low) (see Table 42 for means and Figure 24 for graph). Again, the similar result to the low attitude toward permission based e-mail group suggest that consumers predisposed to receive commercial content via e-mail are more likely to also purchase goods online. It is important to mention, however, that the extent of adjustment effect of attitude toward spam e-mails on purchase intention is not equal between the low and high attitude toward permission based e-mail groups. The adjustment effect is greater in the high group than in the low group.

TABLE 42: Compares Mean Purchase Intention between Low and High Attitude toward Spam E-mails Groups in the High Attitude toward Permission E-mail Group

Groups	Mean	T-value	P-value
Low attitude toward spam e-mails	1.9327 (1.02973)	-5.334	.000
High attitude toward spam e-mails	2.7095 (1.35695)		
Total	2.4365 (1.30601)		

FIGURE 24: Graph Comparing Mean Purchase Intention for Positive (High) and Negative (Low) Attitude toward Spam E-mails Group in the High Attitude toward Permission E-mail Group



Test the Effects on Friend Recommendation for the Low and the High Attitude toward Permission based E-mail Groups

Friend Recommendation for the Low Attitude toward Permission E-mail Group (H1e(1), H2e(2), H3e(2), H4e(2) and H5e(2))

The result of the ANCOVA shows that there is no statistical significance for main or interaction effects for friend recommendation in the low attitude toward permission e-mail group (see Table 43). However, there is statistical significance for three covariates: attitude toward e-mail service options ($F = 7.531$, $df = 1$ and $p = .006$), attitude toward spam e-mails ($F = 1.069$, $df = 1$ and $p = .005$) and knowledge of mobile phone ($F = 4.812$, $df = 1$ and $p = .029$) (see Table 32). Therefore, H1e(2), H2e(2), H3e(2), H4e(2) and H5e(2) for the low attitude toward permission based e-mail group are not statistically supported.

TABLE 43: Dependent Variable: Recommend to Friends for the Low Attitude toward Permission E-mail Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	3.776	1	3.776	4.648	.032*	.015	4.648	.575
Age	.356	1	.356	.438	.509	.001	.438	.101
Education Level	.241	1	.241	.296	.587	.001	.296	.084
Type of user	.333	1	.333	.410	.523	.001	.410	.098
E-mail accounts owned	.667	1	.667	.821	.365	.003	.821	.147
Attitude toward general e-mail usage	.172	1	.172	.212	.645	.001	.212	.074
Attitude toward e-mail service options	6.118	1	6.118	7.531	.006*	.024	7.531	.781
Attitude toward spam e-mail	6.625	1	6.625	8.155	.005*	.026	8.155	.812
Mobile phone Involvement	.869	1	.869	1.069	.302	.004	1.069	.178
Knowledge of mobile phone	3.909	1	3.909	4.812	.029*	.016	4.812	.590
Personalisation	5.546E-02	1	5.546E-02	.068	.794	.000	.068	.058
Interactivity	3.131E-06	1	3.131E-06	.000	.998	.000	.000	.050
Vividness	2.294	2	1.147	1.142	.245	.009	2.824	.302
Personalisation* Interactivity	1.400E-02	1	1.400E-02	.017	.896	.000	.017	.052
Personalisation* Vividness	.631	2	.315	.388	.679	.003	.776	.112
Interactivity*Vividness	1.363	2	.682	.839	.433	.006	1.678	.193
Personalisation* Interactivity* Vividness	.400	2	.200	.246	.782	.002	.492	.089

a. Computed using alpha = .05

b. R square = .151 (adjusted R squared = .092)

Although the statistics do not show any significance, mean friend recommendations were examined for the directional testing. Surprisingly, there is an inverted U-shape relationship between vividness levels and friend recommendation in the low attitude toward permission based e-mail group. Friend recommendation was the highest in the moderately vivid e-mail ad (HTML format). Therefore, H1e(2) is partially directionally supported. Contrary to the hypothesis, friend recommendation for the low interactive e-mail ad was higher than that for the high interactive e-mail ad. Therefore, H2e(2) is not directionally supported. As expected, a

personalised e-mail ad results in higher friend recommendation than a generic e-mail ad (see Table 44), providing directional support for H3e(2).

TABLE 44: Mean for Friend Recommendation Comparing for Main Effects in the Low Attitude toward Permission E-mail Group

Conditions	Mean	SD
Non-personalisation	2.5766	.93520
Personalisation	2.6037	.94989
Low interactivity	2.5939	.87406
High Interactivity	2.5906	1.01075
Low vividness (text)	2.4513	.91604
Medium vividness (html)	2.6923	.94845
High vividness (flash)	2.6435	.95470
Total	2.5923	.94237

Considering the mean friend recommendation for the three-way interaction effects, it was highest in highly vivid, highly interactive and personalised e-mail ad, and lowest in the low vividness, low interactive and generic e-mail ad. Therefore, H4e(2) and H5e(2) are directionally supported.

Attitude toward e-mail service options, attitude toward spam e-mails and knowledge of mobile phones show statistical significance as covariates for friend recommendation in the low attitude toward permission based e-mail group (see Table 43). This implies that these variables provide some adjustment of the effects on friend recommendation. Their effect levels, however, were considered to be low ($\eta^2 < .026$), and therefore they will not be examined further.

Friend Recommendation for the High Attitude toward Permission based E-mail Group (H1e(1), H2e(2), H3e(2), H4e(2) and H5e(2))

The ANCOVA result shows statistical significance for one main effect; one three-way interaction effect and four covariates (see Table 45). For the main effect, the statistics show a

significance for vividness ($F = 4.960$, $df = 2$ and $p = .008$), with an observed small effect as shown by $\eta^2 = .032$. For the interaction effect, there is a statistical significance between vividness, interactivity and personalisation ($F = 4.557$, $df = 2$ and $p = .011$), with an observed small effect as shown by $\eta^2 = .029$. For the covariates, there is statistical significance for attitude toward e-mail service options ($F = 7.216$, $df = 1$ and $p = .008$), attitude toward spam e-mails ($F = 36.361$, $df = 1$ and $p = .000$), mobile phone involvement ($F = 9.480$, $df = 1$ and $p = .002$) and knowledge of mobile phones ($F = 4.960$, $df = 1$ and $p = .024$). Therefore, H2e(2) and H3e(2) are not supported, and H1e(2), H4e(2) and H5e(2) still require further analysis.

TABLE 45: Dependent Variable: Friends Recommendation for the High Attitude toward Permission E-mail Group

Sources	Type III Sum of Square	df	Mean Square	F	Sig.	Eta Squared	Noncent Parameter	Observed Power
Gender	.204	1	.204	.272	.602	.001	.272	.081
Age	.332	1	.332	.443	.506	.001	.443	.102
Education Level	.573	1	.573	.764	.383	.003	.764	.140
Type of user	.353	1	.353	.470	.493	.002	.470	.105
E-mail accounts owned	.159	1	.159	.212	.646	.001	.212	.074
Attitude toward general e-mail usage	.655	1	.655	.874	.350	.003	.874	.154
Attitude toward e-mail service options	5.409	1	5.409	7.216	.008*	.023	7.216	.764
Attitude toward spam e-mail	27.255	1	27.255	36.361	.000*	.108	36.361	1.000
Mobile phone Involvement	7.106	1	7.106	9.480	.002*	.031	9.480	.866
Knowledge of mobile phone	3.847	1	3.847	5.132	.024*	.017	5.132	.617
Personalisation	9.459E-03	1	9.459E-03	.013	.911	.000	.013	.051
Interactivity	.942	1	.942	1.257	.263	.004	1.257	.201
Vividness	7.436	2	3.718	4.960	.008*	.032	9.920	.808
Personalisation* Interactivity	.130	1	.130	.173	.677	.001	.173	.070
Personalisation* Vividness	2.416	2	1.208	1.612	.201	.011	3.223	.340
Interactivity*Vividness	2.785	2	1.393	1.858	.158	.012	3.716	.386
Personalisation* Interactivity* Vividness	6.832	2	3.416	4.557	.011*	.029	9.114	.772

a. Computed using alpha = .05

b. R square = .218 (adjusted R squared = .163)

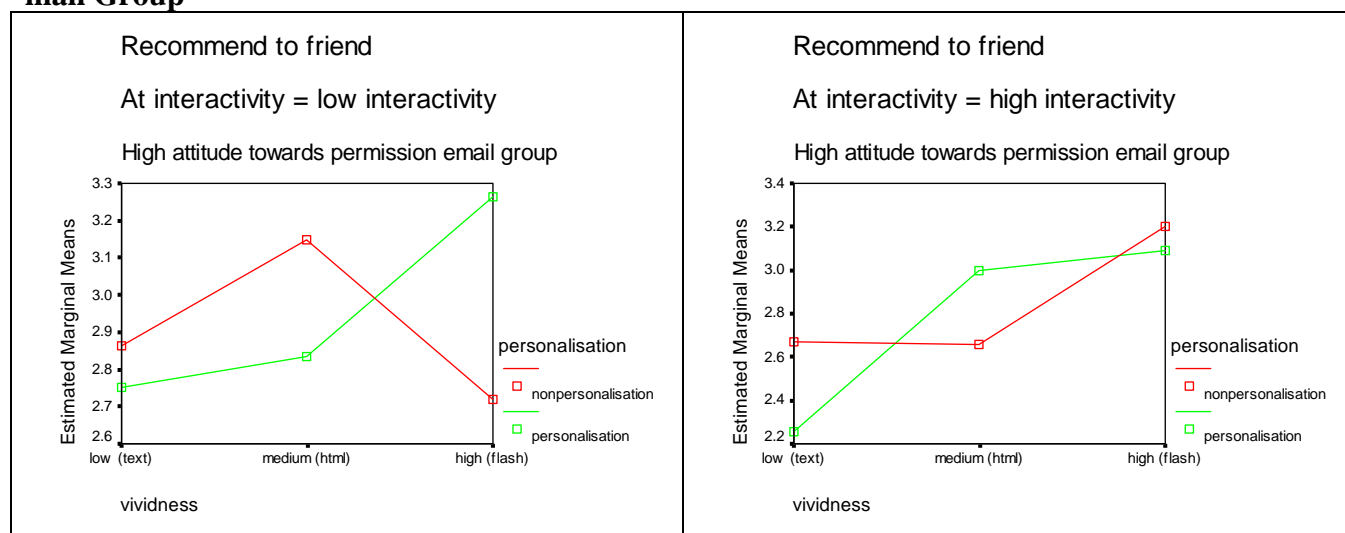
Due to observed significant interaction effects between vividness, interactivity and personalisation, the means for friend recommendation were compared (see Table 46 for mean and Figure 25 for graphs). In the high attitude toward permission based e-mail group, friend recommendation was highest when the e-mail ads were highly vivid, low interactive and personalised for the receiver's name, and lowest when the e-mail ad had low vividness, was highly interactive and generic. Therefore, H4e(2) and H5e(2) are partially supported.

Although the results show that personalisation, vividness and interactivity have effects on friend recommendation for the high attitude toward permission based e-mail group, their effects are different from those expected. Personalisation and vividness appear to have a positive effect, while interactivity has a negative effect. If the high attitude toward permission based e-mail group can be represented by a person who opts-in for an e-mail ad, this unexpected result might be explained as follows. In the e-mail advertising context, if a person opts in for an e-mail ad, they would generally appreciate receiving an e-mail with their name in the subject and greeting lines. They would also enjoy receiving vivid e-mail ads as an optional media feature. However, they might not consider interactivity (links in the e-mail ad) important because e-mail is in itself an interactive media tool. If e-mail recipients would like more information from e-mail marketers, they could reply to the e-mail asking for it. If recipients were satisfied with the e-mail's presentation, they would probably be willing to recommend the information they receive to their friends.

TABLE 46: Mean of Friend Recommendation: an Interaction Effect between Personalisation, Interactivity and Vividness for the High Attitude toward Permission E-mail Group

	Non personalisation & Low interactivity	Non personalisation & High Interactivity	Personalisation & Low Interactivity	Personalisation & High Interactivity
Low Vividness	2.7750 (.71589)	2.6000 (1.10739)	2.7941 (.91385)	2.5000 (.93541)
Medium Vividness	3.1296 (.88353)	2.7419 (.98210)	2.8000 (.92542)	3.0313 (1.06208)
High Vividness	2.7188 (.91526)	3.0682 (.95488)	3.2857 (1.04020)	3.0893 (.74602)
	Inverted -U	U	positive	positive

FIGURE 25: Graphs Showing Interaction Effect between Personalisation, Interactivity and Vividness on Friend Recommendation in the High Attitude toward Permission E-mail Group



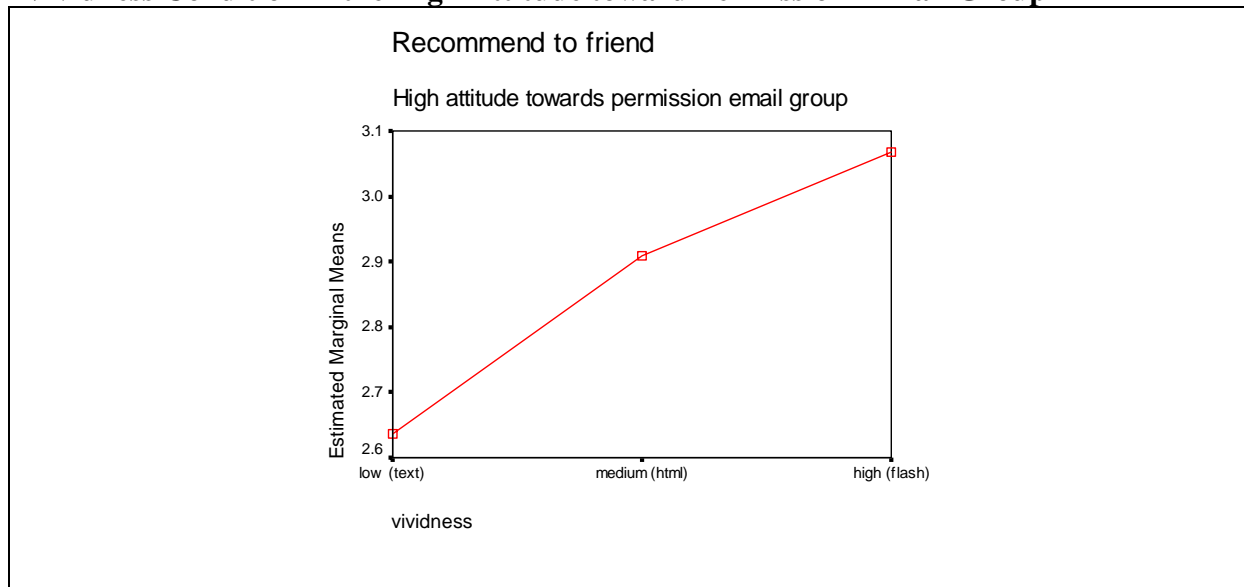
Due to an observed significant main effect for vividness, the means for friend recommendation were compared between the low, medium and high vividness groups (see Table 47 for means and Figure 26 for Graph). As expected, in the high attitude toward permission based e-mail group, friend recommendation was the highest in the highly vivid e-mail ad and was the lowest in the low vividness e-mail ad. Thus H1e is supported. Although there is no statistical significance for personalisation as a main effect, there is still directional support for H3e(2). In the high attitude toward permission based e-mail group, friend recommendation was higher in a personalised e-mail ad than in a generic e-mail ad (see Table

47). Unexpectedly, friend recommendation was higher for high interactive e-mail ads than for low interactive e-mail ads. Therefore H2e(2) is not directionally supported.

TABLE 47: Mean for Friend Recommendation Comparing for Main Effects in the High Attitude toward Permission E-mail Group

Conditions	Mean	SD
Low vividness (text)	2.7108	.91439
Medium vividness (html)	2.9115	.96743
High vividness (flash)	3.0273	.93071
Low interactivity	2.9061	.92467
High Interactivity	2.8908	.97689
Non-personalisation	2.8388	.93780
Personalisation	2.9532	.95371
Total	2.8994	.94652

FIGURE 26: Graph Comparing Mean Friend Recommendation between Each Vividness Condition in the High Attitude toward Permission E-mail Group



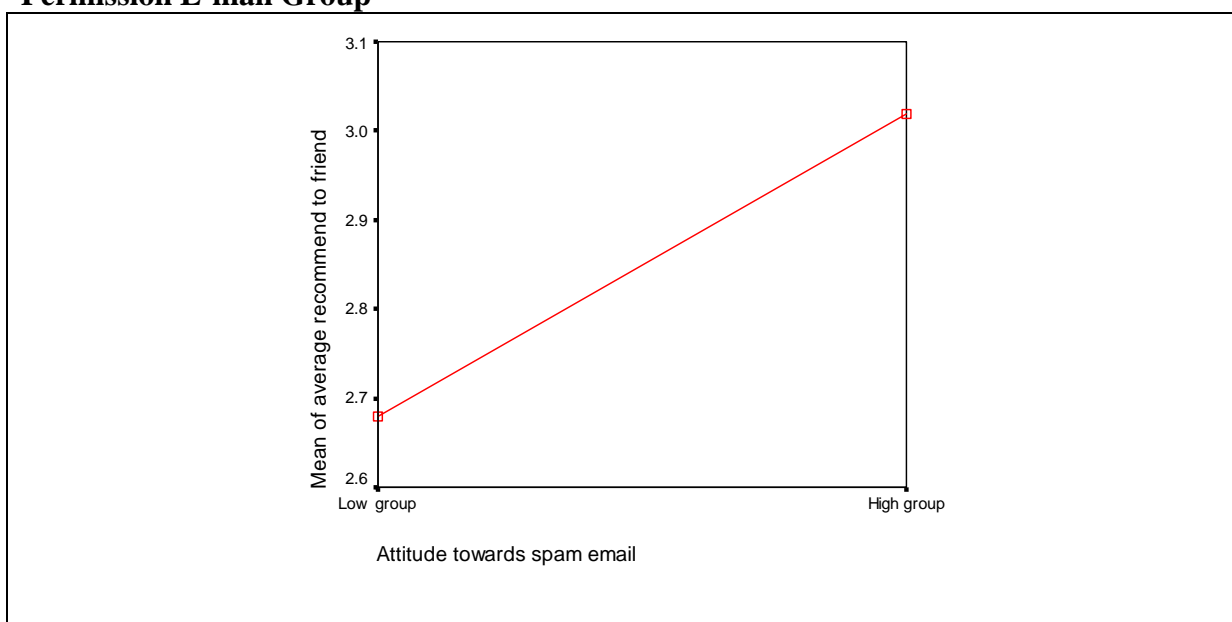
Attitude toward e-mail service options, attitude toward spam e-mails, mobile phone involvement and knowledge of mobile phones all show statistical significance as covariates for friend recommendation in the high attitude toward permission based e-mail group. It implies that these variables provide some adjustment of the effects on friend recommendation. Considering their size effects, however, only attitude toward spam e-mails shows a moderate adjustment size effect on friend recommendation ($\eta^2 = .106$), and therefore needs further analysis. Subjects in the high attitude toward permission based e-mail group, therefore, were

classified into low and high attitude toward spam e-mails groups to examine its effect. Respondents with a positive attitude toward spam e-mails group (high) had higher friend recommendation than those with a negative attitude (low) (see Table 48 for means and Figure 27 for graph). This suggests that consumers predisposed to receive commercial content via e-mail are more likely to recommend products advertised in the e-mail ad to their friends.

TABLE 48: Comparing Mean Friend Recommendation between Low and High Attitude toward Spam E-mails Groups in the High Attitude toward Permission E-mail Group

Groups	Mean	T-value	P-value
Low attitude toward spam e-mails	2.6798 (.91237)	-3.127	.002
High attitude toward spam e-mails	3.0190 (.94318)		
Total	2.8994 (.93071)		

FIGURE 27: Graph Comparing Mean Friend Recommendation between Positive (High) and Negative (Low) Attitude toward Spam E-mails in the High Attitude toward Permission E-mail Group



Differences in findings on Attitude toward the Ad and Brand, Purchase Intention and Friend Recommendation between Low and High Attitude toward Permission based E-mail Groups

Table 49 summarises and compares the significant similarities and differences in findings of the three manipulations (personalisation, vividness and interactivity), and covariate factors (gender, age, education level, type of e-mail user, the number of e-mail accounts owned, attitude toward general e-mail usage, attitude toward e-mail service options, attitude toward spam e-mails, mobile phone involvement and knowledge of mobile phone), on attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation between the full design response group and the low and high attitude toward permission based e-mail groups. The following section will first discuss significant findings in the full design response group and in each low and high attitude toward permission based e-mail group, and then will compare the similarities and differences in findings between the low and high groups.

For the full design response group, only vividness as a main effect showed significant effects on attitude toward the ad, purchase intention and friend recommendation. No significant interaction effect was shown in this group. As covariates, attitude toward spam e-mails and mobile phone involvement showed statistical significance for all four dependent variables. Attitude toward general e-mail usage had significant influence on attitude toward the ad and the brand. Attitude toward e-mail service option and knowledge of mobile phones appeared to have an influential effect on attitude toward the brand and friend recommendation.

For the low attitude toward permission based e-mail group, as a main effect, only vividness showed significant effects on attitude toward the ad and purchase intention. There was a significant, two-way interaction effect between personalisation and interactivity on attitude toward the brand. There was no significant main and interaction effect on friend

recommendation. As covariates, attitude toward e-mail service options showed statistical significance for all dependent variables, while attitude toward spam e-mails showed statistical significance for three dependent variables (attitude toward the ad, purchase intention and friend recommendation). Knowledge of mobile phones also showed significant effects on attitude toward the brand and friend recommendation.

For the high attitude toward permission based e-mail group, as a main effect, vividness showed significant influence on attitude toward the ad and friend recommendation, and interactivity showed significant impact on attitude toward the brand and purchase intention. There were two significant three-way interaction effects between personalisation, vividness and interactivity, on attitude toward the brand and friend recommendation, and there was a significant two-way interaction effect between personalisation and vividness on purchase intention. As covariates, attitude toward spam e-mails and mobile phone involvement showed significant influence on all four dependent variables. Attitude toward general e-mail usage had significant influence on attitude toward the ad and attitude toward the brand. Attitude toward e-mail service options had significant effects on attitude toward the ad and friend recommendation, and Knowledge of mobile phones had a significant effect on friend recommendation.

Comparing low and high attitude toward permission based e-mail groups, only vividness, as a main effect, appeared to have a moderate effect on attitude toward the ad in both the low and high group. Vividness did have a small effect on purchase intention in the low group; it did not have any effect in the high group. Similarly, vividness showed a small impact on friend recommendation in the high group but it did not have any influence in the low group. Interactivity was found to have a small effect on attitude toward the brand and purchase

intention in the high group; however, it did not have any effect in the low groups. The three-way interaction effects between personalisation, vividness and interactivity appeared to have a small impact on attitude toward the brand and friend recommendation in the high group but not in the low group. The two-way interaction effects between personalisation and vividness had significant effects on purchase intention in the high group, but not in the low group.

TABLE 49: Summary of the Variation in Findings between the Full Design Response Group and the Low and High Attitude toward Permission E-mail Groups for the Four Dependent Variables

The Full Design Response Group			Low Attitude toward Permission E-mail Group		High Attitude toward Permission E-mail Group		
	Main Effects & its significance	Eta Squared		Main Effects & its significance	Eta Squared		
Attitude toward the ad	Vividness (.000)	.068		Vividness (.000)	.061	Vividness (.000)	.068
	-			E-mail account owned (.014)	.020	-	
	Attitude toward general e-mail usage (.000)	.043				Attitude toward general e-mail usage (.040)	.014
	Attitude toward spam e-mails (.000)	.070	Attitude toward e-mail service options (.000)	.049	Attitude toward e-mail service options (.000)	.057	
	Mobile phone Involvement (.000)	.021	Attitude toward spam e-mails (.024)	.017	Attitude toward spam e-mails (.000)	.143	
						Mobile phone Involvement (.002)	.031
Attitude toward the brand	-			-		Interactivity (.018)	.019
	-		Personalisation*Interactivity (.039)	.014	-		
	-			-	Personalisation*Interactivity*Vividness (.010)	.030	
	Attitude toward general e-mail usage (.000)	.022			Attitude toward general e-mail usage (.000)	.057	
	Attitude toward e-mail service options (.030)	.008	Attitude toward e-mail service options (.000)	.046			
	Attitude toward spam e-mails (.003)	.014			Attitude toward spam e-mails (.000)	.044	
	Mobile phone Involvement (.029)	.008			Mobile phone Involvement (.013)	.020	
	Knowledge of mobile phone (.003)	.014	Knowledge of mobile phone (.008)	.024			
	Purchase Intention	Vividness (.026)	.012		Vividness (.019)	.026	-
-				-		Interactivity (.047)	.013
-				-		Personalisation*Vividness (.007)	.032
-			Attitude toward e-mail service options (.036)	.015	-		
Attitude toward spam e-mails (.000)		.113	Attitude toward spam e-mails (.000)	.061	Attitude toward spam e-mails (.000)	.219	
Mobile phone Involvement (.009)		.011			Mobile phone Involvement (.001)	.037	
Friend Recommendation	Vividness (.007)	.016				Vividness (.008)	.032
	-					Personalisation*Interactivity*Vividness (.011)	.029
	Attitude toward e-mail service options (.000)	.020	Attitude toward e-mail service options (.006)	.024	Attitude toward e-mail service options (.008)	.023	
	Attitude toward spam e-mails (.000)	.057	Attitude toward spam e-mails (.005)	.026	Attitude toward spam e-mails (.000)	.108	
	Mobile phone Involvement (.009)	.011			Mobile phone Involvement (.002)	.031	
	Knowledge of mobile phone(.003)	.014	Knowledge of mobile phone(.029)	.016	Knowledge of mobile phone(.024)	.017	

Note: Eta Square Effect 0-.05 is small, .06-.15 is moderate and more than .15 is large effect.

For covariate effects, mobile phone involvement had significant effects on all dependent variables in the high group, but not in the low group. Attitude toward general e-mail usage had significant influences on attitude toward the ad and the brand in the high group but not for the low group. Attitude toward e-mail service options had significant influence for all four dependent variables in the low group; however, it had significant effects only on attitude toward the ad and friend recommendation in the high group. Knowledge of mobile phones, unsurprisingly, had an influence on friend recommendation for both low and high groups. However, it had an effect on attitude toward the brand in the low group, but not in the high group.

Reviews of Hypotheses

Table 50 and 51 provide a summary of the hypotheses' test results for the full design response group and for the low and high attitude toward permission based e-mail groups respectively.

Table 50 shows that of the five hypotheses on response rate, one is supported by the data and four are not supported; however, three out of these four are partially directionally supported. Of the twelve hypotheses on the main effect for the full design response group, two are supported, one is partially supported and nine are not supported. However, three of these nine are directionally supported. Of the eight hypotheses on the interaction effects, none of them is statistically supported. However, one is directionally supported and two are partially directionally supported.

Table 51 shows that of the twelve hypotheses on the main effect for the low attitude toward permission based e-mail group, one is supported, one is partially supported and ten are not supported. However, five out of these ten are directionally supported and one out of these ten is partially directionally supported. Of the twelve hypotheses on the main effect for the high

attitude toward permission based e-mail group, one is supported, one is partially supported and ten are not supported. However, six out of these ten are directionally supported. Of the eight hypotheses on the interaction effects for the low attitude toward permission based e-mail group, two are partially supported and six are not supported. However, four out of these six are directionally supported. Of the eight hypotheses on the interaction effects for the high attitude toward permission based e-mail group, four are partially supported and four are not supported. However, one of these four is directionally supported and another one is partially directionally supported.

Table 50: A summary of Hypotheses Testing Results for the Full Design Response Group

HYPOTHESES		EMPIRICAL RESULTS (The Full Design Response Group)
H1a:	The response rate resulting from exposure to an e-mail message will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].	Not statistically supported, but partially directionally supported. Response rate is lowest in low vivid e-mail ad (text e-mail); however, it is the highest in the moderately vivid one (HTML e-mail).
H2a:	The response rate resulting from exposure to an e-mail message will be directly correlated with the level of interactivity of the message.	Statistically significant, but not directionally supported. Low interactive e-mail ads have higher response rate.
H3a:	The response rate resulting from exposure to an e-mail message will be directly correlated with the level of personalisation of the message.	Supported. Response rate is higher in the personalised e-mail ad than in the non-personalised e-mail ad.
H4a:	The response rate resulting from exposure to an e-mail message will be the highest when e-mail advertisements are highly vivid, highly interactive and personalised.	Not statistically supported, but partially directionally supported. It is highest when e-mail ads were moderate vividness, low interactivity and personalised.
H5a:	Response rate will be lowest when e-mail advertisements are low vividness, low interactive and non-personalised.	Not statistically supported, but partially directionally supported. It is lowest when the e-mail ad is low in vividness, highly interactive and non-personalised.
H1b(1):	Attitude toward the ad will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].	Statistically and partially directionally supported. It is highest in the medium vivid e-mail ad (HTML) and lowest in the low vivid e-mail ad.
H1c(1):	Attitude toward the brand will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].	Not statistically supported, but partially directionally supported. It is highest in the medium vivid e-mail ad (HTML) and lowest in the low vivid e-mail ad.
H1d(1):	Purchase intention will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].	Statistically and directionally supported.
H1e(1):	The impact of a Friend Recommendation will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].	Statistically and directionally supported.
H2b(1):	Attitude toward the ad will be directly correlated with the level of interactivity of the message.	Not statistically and directionally supported.
H2c(1):	Attitude toward the brand will be directly correlated with the level of interactivity of the message.	Not statistically and directionally supported.

H2d(1):	Purchase intention will be directly correlated with the level of interactivity of the message.	Not statistically and directionally supported.
H2e(1):	The impact of a Friend Recommendation will be directly correlated with the level of interactivity of the message.	Not statistically and directionally supported.
H3b(1):	Attitude toward the ad will be directly correlated with the level of personalisation of the message.	Not statistically and directionally supported.
H3c(1):	Attitude toward the brand will be directly correlated with the level of personalisation of the message.	Not statistically supported, but directionally supported.
H3d(1):	Purchase intention will be directly correlated with the level of personalisation of the message.	Not statistically supported, but directionally supported.
H3e(1):	The impact of a Friend Recommendation will be directly correlated with the level of personalisation of the message.	Not statistically supported, but directionally supported.
H4b(1):	Attitude toward the ad will be highest when e-mail advertisements are highly vivid, highly interactive and personalised.	Not statistically supported, but partially directionally supported. It is highest when the e-mail ad was highly vivid, low interactive and personalised.
H4c(1):	Attitude toward the brand will be highest when e-mail advertisements are highly vivid, highly interactive and personalised.	Not statistically and directionally supported. It is highest when e-mail ad was medium vivid, low interactive and non-personalised.
H4d(1):	Purchase intention will be highest when e-mail advertisements are highly vivid, highly interactive and personalised.	Not statistically supported, but partially directionally supported. It is highest when the e-mail ad was highly vivid, low interactive and personalised.
H4e(1):	The impact of a Friend recommendation will be highest when e-mail advertisements are highly vivid, highly interactive and personalised.	Not statistically and directionally supported. It is highest when e-mail ad was medium vivid, low interactive and non-personalised.
H5b(1):	Attitude toward the ad will be lowest when e-mail advertisements are low vivid, low interactive and non-personalised.	Not statistically and directionally supported. It is lowest when e-mail ad was highly vivid, low interactive and personalised.
H5c(1):	Attitude toward the brand will be lowest when e-mail advertisements are low vivid, low interactive and non-personalised.	Not statistically and directionally supported. It is lowest when e-mail ad was highly vivid, low interactive and personalised.
H5d(1):	Purchase intention will be lowest when e-mail advertisements are low vivid, low interactive and non-personalised.	Not statistically supported, but directionally supported. It is lowest when e-mail ad was low vivid, low interactive and non-personalised.
H5e(1):	Friend recommendation will be lowest when e-mail advertisements are low vivid, low interactive and non-personalised.	Not statistically and directionally supported. It is lowest when e-mail ad was highly vivid, low interactive and personalised.

Table 51: A summary of Hypotheses Testing Results for the Low and the High Attitude toward Permission based E-mail Groups

HYPOTHESES	EMPIRICAL RESULTS (low)	EMPIRICAL RESULTS (high)
H1b(2): Attitude toward the ad will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].	Statistically and directionally supported.	Statistically and partially directionally supported. It is highest in the moderately vivid e-mail ad (HTML).
H1c(2): Attitude toward the brand will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].	Not statistically and directionally supported. It is lowest in the highly vivid e-mail ad (Flash) and highest in the moderately vivid e-mail ad.	Not statistically and directionally supported. It is lowest in the highly vivid e-mail ad (Flash) and highest in the moderately vivid e-mail ad.
H1d(2): Purchase intention will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].	Statistically and partially directionally supported. It is highest in the highly vivid e-mail ad (Flash); however, it is lowest in the moderately vivid one (HTML).	Not statistically supported, but directionally supported. It is highest in the highly vivid e-mail ad (Flash) and it is higher in the moderately vivid one (HTML) than in the low vividness one (text).
H1e(2): The impact of a Friend Recommendation will be directly correlated with the level of vividness of the message [i.e. highest for highly vivid e-mail ads (Flash e-mail), and lowest for ads low in vividness (text-based e-mail)].	Not statistically supported, but partially directionally supported. It is not the highest in the highly vivid e-mail ad (Flash), but it is higher in the moderately vivid one (HTML) than in the low vividness one (text).	Statistically and directionally supported.
H1f: The effect of vividness on attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation will be stronger for the high vs. the low attitude toward permission based e-mail groups.		
H2b(2): Attitude toward the ad will be directly correlated with the level of interactivity of the message.	Not statistically and directionally supported. It is lower in the high interactivity e-mail ad than in the low one.	Not statistically and directionally supported. It is lower in the high interactivity e-mail ad than in the low one.
H2c(2): Attitude toward the brand will be directly correlated with the level of interactivity of the message.	Statistically significant, but not directionally supported. It is higher in low interactive e-mail ads than in the high one.	Statistically significant, but not directionally supported. It is higher in low interactive e-mail ads than in the high one.

H2d(2):	Purchase intention will be directly correlated with the level of interactivity of the message.	Not statistically supported, but directionally supported.	Statistically significant, but not directionally supported. It is higher in the low interactivity e-mail ad than in the high one.
H2e(2):	The impact of a Friend Recommendation will be directly correlated with the level of interactivity of the message.	Not statistically and directionally supported.	Not statistically and directionally supported.
H2f(2):	The effect of interactivity on attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation will be stronger for the high vs. the low attitude toward permission based e-mail groups.		
H3b(2):	Attitude toward the ad will be directly correlated with the level of personalisation of the message.	Not statistically and directionally supported.	Not statistically supported, but directionally supported.
H3c(2):	Attitude toward the brand will be directly correlated with the level of personalisation of the message.	Not statistically supported, but directionally supported.	Not statistically supported, but directionally supported.
H3d(2):	Purchase intention will be directly correlated with the level of personalisation of the message.	Not statistically supported, but directionally supported.	Not statistically supported, but directionally supported.
H3e(2):	The impact of a Friend Recommendation will be directly correlated with the level of personalisation of the message.	Not statistically supported, but directionally supported.	Not statistically supported, but directionally supported.
H3f:	The effect of personalisation on attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation will be stronger for the high vs. the low attitude toward permission based e-mail groups.		
H4b(2):	Attitude toward the ad will be the highest when e-mail advertisements are highly vivid, highly interactive and personalised.	Not statistically and directionally supported. It is highest when the e-mail ad was moderately vivid, lowly interactive and personalised.	Not statistically supported, but partially directionally supported. It is highest when e-mail ads were highly vivid, low interactive and personalised.

H4c(2):	Attitude toward the brand will be highest when e-mail advertisements are highly vivid, highly interactive and personalised.	Statistically significant for the two-way interaction effect and partially directionally supported. It is highest when the e-mail ad was low interactive and personalised. Overall, it is highest when the e-mail ad is moderately vivid, low interactive and personalised.	Statistically significant for three-way interaction effects and partially directionally supported. It is highest when the e-mail ad is highly vivid, lowly interactive and personalised.
H4d(2):	Purchase intention will be highest when e-mail advertisements are highly vivid, highly interactive and personalised.	Not statistically supported, but directionally supported. It is highest when the e-mail ad is highly vivid, highly interactive and personalised,	Statistically significant for the two-way interaction effect and partially directionally supported. It is highest when the e-mail ad is highly vivid and personalised. Overall, it is highest when the e-mail ad is highly vivid, low interactivity and personalised.
H4e(2):	The impact of a Friend recommendation will be highest when e-mail advertisements are highly vivid, highly interactive and personalised.	Not statistically supported, but directionally supported. It is highest when the e-mail ad is highly vivid and highly interactive and personalised.	Statistically significant for the three-way interaction effect and partially directionally supported. It is highest when the e-mail ad is highly vivid, low interactive and personalised.
H4f:	The interaction effect between vividness, interactivity and personalisation on attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation will be stronger for the high vs. the low attitude toward permission based e-mail groups.		
H5b(2):	Attitude toward the ad will be lowest when e-mail advertisements are low vivid, low interactive and non-personalised.	Not supported. It is lowest when the e-mail ad is low vivid, highly interactive and personalised.	Not statistically supported, but directionally supported. It is lowest when the e-mail ad is low vividness, low interactive and non-personalised.
H5c(2):	Attitude toward the brand will be lowest when e-mail advertisements are low vivid, low interactive and non-personalised.	Statistically significant for the two-way interaction effect and partially directionally supported. It is lowest when the e-mail ad is highly interactive and personalised. But it is directionally supported for the three-way interaction effects. It is lowest when the e-mail ad is low vividness, low interactivity and non-personalised.	Statistically significant for three-interaction effect and partially directionally supported. It is lowest when the e-mail ad is highly vivid, low interactive and non-personalised.

H5d(2): Purchase intention will be lowest when e-mail advertisements are low vivid, low interactive and non-personalised.	Not statistically supported, but directionally supported. It is lowest when the e-mail ad is low vividness, low interactivity and non-personalised.	Statistically significant for two-way interaction effects, but not directionally supported. It is lowest when the e-mail ad is highly vivid, highly interactive and non-personalised.
H5e(2): Friend recommendation will be lowest when e-mail advertisements are low vivid, low interactive and non-personalised.	Not statistically supported, but directionally supported. It is lowest when the e-mail ad is low vividness, low interactivity and non-personalised.	Statistically significant for the three-way interaction effect, but not directionally supported. It is lowest when the e-mail ad is low vividness, highly interactive and personalised.

CHAPTER SEVEN:

DISCUSSION, CONCLUSIONS AND IMPLICATIONS

This thesis began by reviewing the current literature on how permission, interactivity, vividness and personalisation affect consumer perceptions of an e-mail advertisement. It suggests how the design of an e-mail affects consumer attitudes and behavioural intentions and then develops a proposed model of consumer perceptions toward e-mail advertisements. The qualitative research component attempts to examine whether or not permission marketing in practise is different from the theory. The research then focuses on empirically examining and comparing the effects of personalisation, vividness and interactivity on attitude toward the advertisement, attitude toward the brand, purchase intention and friend recommendation for the full design response group and between the low and high attitude toward permission based e-mail groups. The last chapter of this thesis will discuss the major findings, the implications of these findings for the e-mail marketing industry, the limitations of this research and directions for future research in the field of permission based marketing.

Summary of Findings

Vividness shows significant effects on some attitudes and behavioural intentions in the full design response group and in both the low and the high attitude toward permission based e-mail groups. In the full design response group, vividness shows a positive effect on purchase intention and friend recommendation and has an inverted-U relationship with attitude toward the ad. In the low attitude toward permission based e-mail group, vividness influences attitude toward the ad positively and has a U shaped relationship with purchase intention. In the high attitude toward permission based e-mail group, it positively affects friend recommendation and has an inverted U

relationship with attitude toward the ad. **Interactivity** has an influential effect only in the high attitude toward permission based e-mail group. It had a negative effect on attitude toward the brand and purchase intention. **Personalisation** does not affect consumer attitudes and behavioural intentions in any group; however, it shows an effect on response rate. Personalised e-mails have a higher response rate than non-personalised e-mails. A two-way interaction effect between interactivity and personalisation is shown for attitude toward the brand in the low attitude toward permission based e-mail group, and a two-way interaction effect between vividness and personalisation is shown for purchase intention in the high attitude toward permission based e-mail group. Two three-way interaction effects between vividness, interactivity and personalisation shows only in the high attitude toward permission based e-mail group for attitude toward the brand and friend recommendation.

Effects of Permission

Both qualitative and quantitative results show evidence supporting some effects of a permission marketing concept. All informants in the qualitative study strongly believed that permission marketing should be put into practice in the e-mail marketing context. They showed a clear understanding of what permission marketing is, i.e. obtaining people's permission to be contacted and delivering information appropriate to that requested. Although their practices appeared to be in some ways different from the theory, they are fully aware of the causes and effects of their actions. The qualitative finding highlights the importance of the permission marketing concept and suggests including attitude toward permission e-mails as one of the variables in the second phase of the study: the experimental component. The quantitative analysis, regardless of any other manipulation, shows attitude toward permission based e-mail

to have a significant effect on the four dependent variables (see Table 14). Attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation are more positive in the high attitude toward permission based e-mail group. This indicates that consumer perceptions of permission based e-mail ads have a strong influence on how they will feel toward the e-mail ad received, the brand advertised, their purchase intention and the likelihood that they will recommend it to their friends. The separate analysis comparing the low and the high attitude toward permission based e-mail groups also strongly suggests that the effects of vividness, interactivity and personalisation on consumer attitudes and behavioural intentions are different between the two groups. This is discussed in the following section.

Effects of Vividness

In both the low and the high attitude toward permission based e-mail groups, vividness shows a significant effect for three dependent variables: attitude toward the ad in both the low and the high attitude groups, purchase intention in the low attitude group and friend recommendation in the high attitude group. This indicates that the vividness level of an e-mail advertisement has an influential effect on attitude toward the ad. As hypothesised, attitude toward the ad in the low attitude toward permission based e-mail group is highest when the e-mail ad was highly vivid (FLASH format), and lowest when the e-mail ad contained low vividness (Text format). In the high attitude toward permission based e-mail group, however, attitude toward the ad was highest when the e-mail ad contained medium vividness (HTML format). This implies that to improve consumer attitudes toward the ad in the low attitude toward permission based e-mail consumer group, e-mail marketers need to increase the

vividness of e-mail ads to a greater degree than might be required for those in the high attitude toward permission based e-mail group.

As predicted for the high attitude toward permission based e-mail group, as e-mail vividness levels increase the more likely respondents are to recommend the product advertised in their e-mail to their friends. For the low attitude toward permission based e-mail group, there is no effect of vividness on friend recommendation. This might be because a person who is not keen on receiving permission based e-mails will not pay attention to them, and therefore will be less likely to recommend it to friends. The effect of vividness on purchase intention in the low attitude toward permission based e-mail group, however, is not as predictable. Although it is at the highest when the e-mail ad was highly vivid, it is lowest when the e-mail ad was moderately vivid, suggesting a possible quadratic or u-shape effect. Surprisingly, vividness does not have any effect on attitude toward the brand in any group even though it had a significant effect on attitude toward the ad in all groups. This may be because attitude toward the brand is not easy to alter/change from a single stimulus exposure. The finding may well be different if stimulus materials are repeated several times.

Effects of Interactivity

The main effect of interactivity on the four dependent variables does not show statistical significance in the low attitude toward permission based e-mail group. It does, however, show significant impact on attitude toward the brand and purchase intention in the high attitude toward permission based e-mail group. Surprisingly, attitude toward the brand and purchase intention are higher in the highly interactive e-mail ad than others. The findings point out two noteworthy issues. Firstly, this finding

contributes to Liu and Shrum's (2002) argument that research findings on the effects of interactivity on various measures of marketing and advertising effectiveness have been remarkable for their lack of consistency across studies. Similar to Sundar et al. 1999 and Coyle and Thorson 2001 studies' measurement, this study employs choice availability: the number of clickable links to measure interactivity. The results of this study partially replicated Sundar et al. 1999's findings that high interactivity might result in a negative attitude toward the object viewed. It also partially replicated Coyle and Thorson's (2001) findings that interactivity, the number of clickable links in the first page of a Web site, had no impact on attitude toward the site. It may be that customers prefer to see the complete details of the product advertised at once. Links in the e-mail ad in this study, however, only served to separate the details of the mobile phone information into sections. Therefore participants might not have considered them to be useful which, in turn, could lead to their perceiving them negatively. Conversely, in the low interactivity conditions, the participants viewed all the details on the mobile phone at once and might therefore have found it clearer. This, in turn, may have lead to their perceiving the ad more positively. Secondly, the effects of interactivity in e-mail ads on consumer attitudes and behavioural intentions might be different from its effects on the website. It might be arguable that e-mail is an interactive media by nature. It may be good to have a link to a website, but a recipient has already had an option to request any information by using the e-mail. That is probably the reason why interactivity is not an important component in the e-mail context. It is also noted that in the permission marketing context, people who opt-in to receive an e-mail ad may not want to take further action to find out more about the product they are interested in. They may be keen to receive all the

information at once, which may be why they opt-in to receive the e-mail ad as opposed to looking up a website.

The effect of interactivity on response rates in this study contradicts the hypothesis. Response rates are higher in the low interactive e-mail rather than the high interactive e-mail. This might be because: 1) there was only the clickable link in the low interactive condition to the survey page; whereas, there were five clickable links in the high interactive condition and the link to the survey was the last one, and 2) the response rate of this study was measured by the number of questionnaires completed. It is possible that respondents in a high interactive condition may click on other links in the e-mail and not click on the last link to the survey page. This finding is replicated by Martin et al.'s (2002) finding that sending customers hyperlinks in an e-mail was not viewed as beneficial.

Effects of Personalisation

Evidence does not suggest that personalisation has a major effect on any consumer attitudes and behavioural intentions in both the low and the high attitude toward permission based e-mail groups. This implies that personalisation alone does not have an influential effect on consumer attitudes and behavioural intentions. However, it does have a strong impact on whether or not recipients will respond to the e-mail ad. This indicates that personalised subject lines and greetings that include the recipient's name strongly influence the amount of attention recipients pay to opening and taking action on an e-mail.

It is important to note that the statistics regarding personalisation as a main effect are not even significant for the four dependent variables: attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation. However, there is directional support for all the hypotheses in both the low and the high attitude toward permission based e-mail groups. Attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation are higher when the e-mail ad is personalised than when it is not. This implies that personalisation has a positive effect on consumer response and attitudes toward an e-mail advertisement. This research agrees with Gendall 2005's suggestion that unless there is a good reason to avoid personalisation, survey researchers should use it. At worst, it will have no effect, but it might have a positive effect. The insignificant effect of personalisation on consumer attitudes and behavioural intention in this study might be because its manipulation was only basic personalisation, i.e. using the recipient's name. The result may be different if individual consumer preference is employed in the manipulation of personalisation.

Interaction Effects

The results show four significant interaction effects: one two-way interaction effect in the low attitude toward permission based e-mail group, and one two-way interaction effect and two three-way interaction effects in the high attitude toward permission based e-mail group. These findings indicate that the manipulation effects on consumers' attitudes and behavioural intentions were more significant on the high attitude toward permission e-mail group than the low attitude group. In the low attitude toward permission based e-mail group, a two-way interaction effect is shown between interactivity and personalisation on attitude toward the brand. It illustrates

that attitude toward the brand is the highest when the e-mail ad was low interactive and personalised, and it is the lowest when the e-mail ad was high interactive and personalised (see Table 31). The higher levels of intrusiveness generated by high levels of interactivity and personalisation could partly explain this observed effect. Notwithstanding, with statistical insignificance, five out of eight hypotheses on the interaction effects between vividness, interactivity and personalisation in the low attitude toward permission based e-mail group are directionally supported. Purchase intention and friend recommendation are the highest when the e-mail ad was highly vivid, highly interactive and personalised. Attitude toward brand, purchase intention and friend recommendation are the lowest when the e-mail ad was low vividness, low interactivity and non-personalised.

In the high attitude toward permission based e-mail group, a two-way interaction effect is shown between vividness and personalisation on purchase intention, and two three-way interaction effects: vividness, interactivity and personalisation, are shown on attitude toward the brand and friend recommendation. For the two-way interaction effects, purchase intention is the highest when the e-mail ad is highly vivid and personalised, and it is the lowest when the e-mail ads are highly vivid and non-personalised (see Table 40). It shows that vividness has a positive influence on purchase intention only when the e-mail ad is personalised (see Figure 22). When the e-mail ad was non-personalised, purchase intention has an inverted-U relationship with vividness level. This finding may be explained as follows. When the e-mail ad is not personalised, consumers may not have a high expectation of the e-mail ad presentation and are more likely to perceive the most commonly presented format (HTML e-mail format) more positively than other formats. When consumers receive

the text based e-mail ad, they may feel that the ad is not persuasive or attractive enough to take any further action. However, when they receive the FLASH e-mail ad, they may feel that it is too persuasive for them to make an impartial purchase decision. Thus in the case of both conditions, consumers may be uncertain as to whether they should take any further action, which in turn would lead to a lower purchase intention.

The interaction effects of the three manipulations on attitude toward the brand and friend recommendation are similar in the high attitude toward permission based e-mail group for the best cases. Attitude toward the brand and friend recommendation are the highest when the e-mail ad was highly vivid, low interactive and personalised, and they are the second highest when the e-mail ad was moderately vivid, low interactive and personalised (see Table 34 and 46). This clearly suggests to the e-mail marketers that in order to create a strong brand belief and to increase friend recommendation, they should choose to design either the FLASH or HTML format, use the personalised strategy, and not have too many links in their e-mail ad. These findings replicate Fortin and Dholakia 2005's findings, as outlined in the following discussion.

Fortin and Dholakia (2005) found that a moderate level of interactivity and a high level of vividness elicited the best result, and the effects of interactivity on dependent measures plateau between the medium and high levels. They explain that high interactivity levels may add to the complexity of the advertisement, which in turn leads to an information overload phenomenon. They suggest that providing enhanced vividness of the message by means of colours, graphics and animation is more likely

to generate a favourable impact than comparable levels of interactivity, and that the optimal mix is a moderate level of interactivity and a high level of vividness. This study finding also strongly supports Fortin and Dholakia 2005's argument that the "more-is-better" approach may not necessary lead to the enhancement of communication effectiveness. If the interactive features and design elements are properly balanced, the new media have the ability to impact favourably on the ad and the products advertised.

Notwithstanding an absence of statistical significance on a three-way interaction effect on attitude toward ad and purchase intention in the high attitude toward permission based e-mail group, this group scored the highest when the e-mail ad was highly vivid, low interactive and personalised. This is similar to the results on attitude toward brand and friend recommendation. This finding implies that the most effective design of e-mail ads should comprise of a highly vivid, low interactive and personalised content.

The three-way interaction effects on attitude toward the brand and friend recommendation for the poorest performance in the high attitude toward permission based e-mail group are different. Attitude toward the brand is the lowest when the e-mail ad was highly vivid, low interactive and non-personalised. This suggests to e-mail marketers that vivid e-mail ads will perform the poorest for the brand if other e-mail components are not considered well integrated. The respondents may feel that if the marketer (the researcher) is able to create a vivid e-mail ad, then they should also be able to make it interactive and personalised. The absence of any attempt to do so may impact negatively on their perception of the brand advertised. Friend

recommendation is the lowest when the e-mail ad was low vividness, high interactive and personalised. It points out that even if the e-mail ad was personalised and highly interactive, but was not attractive, consumers would not have recommended that ad to their friends. These two results reinforce that every part of e-mail ad design can affect consumer attitudes and behavioural intentions. If one thing goes wrong, it will affect the overall effectiveness of the e-mail ad.

Covariate Effects

The significant covariate effects differ between the low and the high attitude toward permission based e-mail groups (see Table 49). The most outstanding covariate is attitude toward spam e-mails. It shows statistical significance for the four dependent variables in both the low and the high attitude toward permission based e-mail groups, except for attitude toward the brand in the low attitude toward permission based e-mail group. It shows a moderate to high effect, which was examined in this study, for attitude toward the ad, purchase intention and friend recommendation, in the high attitude toward permission based e-mail group and for purchase intention in the low attitude toward permission based e-mail group. For the high attitude toward permission based e-mail group, respondents with a positive attitude toward spam e-mails appeared to have a higher attitude toward the ad, purchase intention and friend recommendation than those with a negative attitude toward spam. Similarly, in the low attitude toward permission based e-mail group, respondents with a positive attitude toward spam e-mails had a higher purchase intention than those with a negative attitude toward spam. These results suggest that people with a less negative attitude toward spam are more likely to have a more positive attitude toward ads and

brands advertised through e-mail and are more likely to purchase products and recommend them to their friends.

Mobile phone involvement had statistical significance as a covariate for the four dependent variables in the high attitude toward permission based e-mail group, but was not significant for any dependent variables in the low attitude toward permission based e-mail group. This may imply that when people are interested in any particular product they would not be averse to receiving an advertisement of that product and would be more likely to have a high perception of both advertisement and product. Attitude toward e-mail service options was statistically significant as covariate for all dependent variables in the low attitude toward permission based e-mail group, and significant for attitude toward the ad and friend recommendation in the high attitude toward permission based e-mail group. Not surprisingly, knowledge of mobile phones shows significant effects as a covariate for friend recommendation in both the low and the high attitude toward permission based e-mail groups. It is noted that the levels of the effect of mobile phone involvement, attitude toward e-mail service options and knowledge of mobile phones on the dependent measures were relatively low. Therefore this study did not examine these variables any further.

Other controlled variables: gender, age, education level and type of e-mail user, however, do not show any statistical significance on consumer attitudes and behavioural intentions. This finding contradicts Micu et al.'s 2004 findings that age is an important factor in distinguishing early adopters from laggards. This may be because the age of the sample group in this study falls within a very narrow range

(between 18 and 24 years old). Thus it may not be feasible here to examine the effects of age on any of the factors.

Implications for E-mail Advertisers

The results of this study have significant implications for both academics and practitioners. It appears that consumers' attitudes toward permission based e-mail marketing, the design of the e-mail advertisement in terms of vividness and interactivity, and the personalised subject line and greeting, will have the capability of impacting on consumers' attitudes and their behavioural intentions. In terms of the implications for e-mail marketers, there are eight points to consider.

Firstly, the results of higher attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation in the high attitude toward permission based e-mail marketing group strongly suggests that e-mail marketers should employ permission marketing concepts in their business strategy. It is necessary to mention that although the study results of the high attitude toward permission based e-mail group are better represented if e-mail marketers have already applied permission marketing, the results of the low attitude toward permission based e-mail marketing group should not be ignored, as it can be argued that they represent consumers' initial attitudes when they first opt-in to receive a permission based e-mail ad.

Secondly, the results of the interaction effects between vividness, interactivity and personalisation suggest that each of the three variables contributes to some degree towards the ultimate effect on consumers. However, the individual elements will not all have an equally influential effect. Thus e-mail marketers should consider all three

variables holistically when designing an e-mail ad. Thirdly, personalised subject lines and greetings are the first things that draw attention and encourage consumers to respond to the e-mail ad. E-mail marketers should acknowledge that although the effects of personalisation alone in this study did not show significance for consumers' attitudes or their behavioural intentions, its effects were persuasive enough to make consumers open and respond to the e-mail ad and the effects of vividness and interactivity could have an influence on consumers once they were persuaded to view the e-mail.

Fourthly, it might not be useful to provide many links in the e-mail. If e-mail marketers could send ads appropriate to their customers' needs in a personalised e-mail, then it may be better to include all the important information within the e-mail itself. People who opt in to receive an e-mail ad from e-mail marketers are more likely to be seeking to save time and would therefore probably prefer to have all the information presented to them at once. Otherwise, rather than opt in to receive a permission based e-mail, they could just search through online retailers independently. Fifthly, as this study's results show, some of the interaction effects of different manipulation variables on different consumers' attitudes and their behavioural intention variables might indicate to e-mail marketers that each element of an e-mail can have the desired effect if the optimum overall strategy is employed. For example, if the e-mail ad aims to increase brand awareness or attitude toward ads, they might have to use one strategy, whilst if the ad aims to increase purchase intention, they might have to use another one.

Sixthly, the findings that attitude toward the ad and the brand, purchase intention and friend recommendation were the highest when the e-mail ad was highly vivid, low interactive and personalised in the high attitude toward permission based e-mail group (with and without statistical significance). This indicates the best possible design elements for e-mail marketers to incorporate in their ads. Seventhly, as mobile phone involvement shows statistical significance as a covariate in the high attitude toward permission based e-mail group, but not in the low group, it could imply to e-mail marketers that people who are interested in a particular product would not mind receiving an advertisement on that product. Along with the practice of the permission marketing concept, i.e. sending the right message to the right people at the right time, it could have an influential effect on the effectiveness of e-mail campaigns.

Eighthly, attitude toward spam e-mails shows statistical significance with a moderate to high effect for most of consumers' attitudes and behavioural intentions in both the low and the high attitude toward permission based e-mail group. This suggests that people with a more positive attitude toward spam are more likely to perceive e-mail ads more positively. This implies to e-mail marketers that even though they may employ permission marketing in practice, consumers' negative attitude toward spam e-mails can still influence the effectiveness of their e-mail advertisement. There are two possible ways for permission based e-mail marketers to deal with this issue. First is to educate their customers about the differences between spam e-mail and permission based e-mail in practice, and to build an ongoing relationship with their customers. This will hopefully help resolve the problem once their customers begin to trust the e-mail marketer as an individual. Second is to make a combined effort to stop other e-mail marketers from using spam as a marketing method.

Limitations of This Research

There are several limitations in this study. Firstly, this study's manipulation of high vivid e-mail ad using FLASH can be argued equally as high object interactivity or visual control, because respondents could roll over thumbnails to view big images of overview, front, back, sides and top-bottom product images. Its effects therefore, could be argued as an interaction effect between interactivity and vividness, which are the two variables that Steuer (1992) states as antecedents of telepresence and that Li et al. (2002) propose as core characteristics of 3-D advertising. The FLASH format e-mail in this study was a quite simple rendition created with off-the-shelf programming tools, not cutting edge, 3D stimulations, because its design did not include sound. This was done because the university campus computers used by most respondents were not configured to play sound.

Secondly, similar to Bruner and Kumar (2000) and Stevenson's *et al.* (2000) discussion on hierarchy-of-effects, subjects in this study were exposed just once to the stimulus material. It is possible that their attitude toward the ad, attitude toward the brand, purchase intention and friend recommendation might be enhanced as a result of multiple exposures or if recipients received several e-mail contacts from the researcher. This is similar to Merisavo and Raulas's 2004 findings that the respondents said they would recommend the e-mail list if they found the messages useful and if they appreciated regular communication from the brand. Therefore it is possible that if subjects in this study were to receive regular communication from researchers, the effects on friend recommendation might be different.

Thirdly, there might be two arguments as to why the representative nature of the sample was compromised in this study. First is that the subjects could choose to go into a draw to win one of the five NZ\$40 mobile prepaid recharge cards if they completed the questionnaire. Although it persuaded respondents to participate, they might have just clicked through to complete the questionnaire because they wanted to go into the draw for the prize from the study. Second is that the subjects, the university students, represented a convenience sample. The results of this study might apply solely to this specific population. However, there are two points against this idea. First is that the practice of using students as subjects has been shown to be more adequate for tests for theory (Johnson 2001). The second is the student samples have some similar characteristics to Internet shoppers or e-mail shoppers. They are educated and are more likely to be potential online consumers.

Fourthly, there might also be two arguments in relation to the manipulation of the interactivity variable. First is the argument that a few hyperlinks are a weak manipulation of interactivity. However, some researchers have disagreed with this claim and used hyperlinks to test an interactivity construct. These are Fortin and Dholakia (2005 and 2000), McMillan et al (2003), Coyle and Thorson (2001) and Sundar et al 1999. Second is that the links included in the e-mail ad only linked within the e-mail itself. However, if the process were not controlled in this way, the respondents might not have completed the survey because they might have become sidetracked and clicked through to other websites.

Another limitation involves the definition/classification of the attitude toward permission based e-mail group. Although the subjects were classified into the low and

the high attitude toward permission based e-mail groups, with the high group expected to have a similar attitude and behaviour to people who opt in to receive any e-mail ad from permission based e-mail marketers, they could not fully represent permission based e-mail customers. This is because they were not required to actually opt-in to receive the e-mail ad concerned. However, it is argued that this study was an initial study in the permission based e-mail marketing field and that hopefully it will somehow offer some guidelines to e-mail marketers in terms of the effects of permission marketing practice and e-mail design on consumers' attitude and behavioural intention toward e-mail ads.

Sixth, it is arguable whether the result of the qualitative sample involving only New Zealand based e-mail service providers can be generalised to the global community. Considering the cultural and legal background of New Zealand, it would be reasonable to suggest that the sample of e-mail service providers should have similar characteristics, ideas and practices to e-mail service providers in European countries, Australia and the United States. However, in other parts of the world such as Asia and South Africa, e-mail service providers may have different perceptions of permission marketing, a matter which could be the subject of future research.

Lastly, even though it was clear that personalisation and interactivity were well constructed variables, this study did not have a manipulation check for these two variables. Therefore their effects on the four dependent variables could be questionable.

Directions for Future Research

In the process of this study, five areas for further research on permission based e-mail marketing have been identified:

Permission based E-mail Marketing

- It would be interesting to examine the effects of individual spam variants on consumers' attitudes and behavioural intentions as well as trust levels.
(see Table 2 as review)
- Future research should measure differences in the opening rate between personalised and non-personalised conditions as this research measured response rate by the numbers of respondents who clicked on the questionnaire link and completed it. The manipulation of personalisation might be strong enough to influence recipients to open but not complete the survey.
- Future research should examine permission marketing in the mobile phone context, given that the mobile phone is a highly personal item of technology which is rapidly becoming ubiquitous.

Vividness

- Future research should investigate differences in the effect of vividness in e-mail ad on several product categories. For example, consumers may prefer to receive rich media e-mail ads for cars and movies as compared with food and books.

Interactivity

- A presence of a “Send to a Friend” option can increase the level of interactivity in e-mails. It will be interesting for future researchers to examine how this functionality will affect consumer response/perception toward the e-mail and how e-mail marketers will employ this functionality as a word-of-mouth strategy.

Personalisation

- Future research should examine whether, in order to maximise the relevance of the message for each recipient, a higher level of personalisation can be achieved by assembling entire messages based on acknowledge of the recipient’s preferences, interests, and past behaviour. This is especially pertinent given that the personalisation of opt-in e-mail campaigns has become an increasingly hot topic among e-mail marketers (Han and Reddy 2000).
- Future research could compare personalised greetings to establish whether different forms of address have any effect. Rather than opening a promotional message with “Dear Mr. John Doe”, for example, a study could test the even more formal (but perhaps more distant) “Dear Mr. Doe” or a decidedly more familiar “Dear John” (Marinova et al. 2002).
- Future research should examine how consumers respond to rich media as a personalised tool. For example, when consumers opt in for receiving e-mail ads, they will be asked whether they would like to receive plain text, HTML or rich media versions. Even though there is strong evidence

supporting the argument that rich media e-mail ads perform better than plain-text, it is possible that some consumers will find them irritating.

- Future research should examine the combined effects of profile-based and behavioural-based consumer data advertising effectiveness. Profile based refers to the idea that customers provide explicit information about their interests (usually via a subscription or registration web page) and receive e-mail messages that correspond to their preferences. Behavioural based means that companies observe customer behaviour (e.g. online or in-store purchases and e-mail click history) and send e-mail messages that match each customer's implicit preferences (Digital Impact 2001).

Relationship Marketing

- It would be useful to explore how the response to interactive e-mail advertisements aids in the development of the relationship between marketers and their customers (Martin et al. 2002). Also, since e-mail offers the convenient function of forwarding messages to other people, the forwarding of e-mail advertisements to other customers in terms of word-of-mouth influence and penetration should be examined.

Conclusion

This thesis adds to the small but growing volume of literature that has investigated the link between e-mail marketing strategy and consumers' attitudes and behavioural intentions. The findings suggest that e-mail marketers should respect consumer privacy by applying the permission marketing concept to their marketing practice. In order to achieve a competitive advantage, marketers should consider developing their

e-mail advertising strategies towards a more personalised approach with improved design. The findings also suggest that of the permission marketing dimensions, vividness, interactivity and personalisation alone do not have an influential impact on consumers' attitudes and their behavioural intentions. Other factors such as consumers' attitude toward spam e-mails and permission e-mails may shape consumer perceptions of the particular e-mail marketer and hence the profitability of that marketer. Although these attitudes can be improved by the positive behaviour of e-mail marketers, they can just as easily continue to be destroyed by spammers. As a result, this thesis suggests that e-mail marketers co-operate in solving the problems surrounding spam and at the same time build trust to create a positive attitude toward permission e-mails, because it will ultimately benefit them all. By incorporating this literature into research which examines the economic, psychological and technical perspectives of e-mail consumerism, greater insights may be gained regarding the design, practice and impact of consumer-sensitive interactive advertising.

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Appendices

Appendix 1:

Initial E-mail Announcement



Dear Student,

You have been randomly chosen to participate in a study sponsored by Web-Lab (an online consumer research project) from the Management department, University of Canterbury. This study will examine the effects of mobile phone features on university students. If you agree to participate in the study, please do not reply to this e-mail and you will receive our e-mail about mobile phones within five days. If you wish not to participate in the study, please click on reply, and you will not receive any further e-mails from us.

There will be a link at the bottom of the next e-mail to a survey page. Please click through and give us feedback about the mobile phone. Five prizes of \$40 mobile recharge cards will be awarded to randomly selected participants at the end of the survey period.

Thank you very much for your time,

Web-Lab researcher

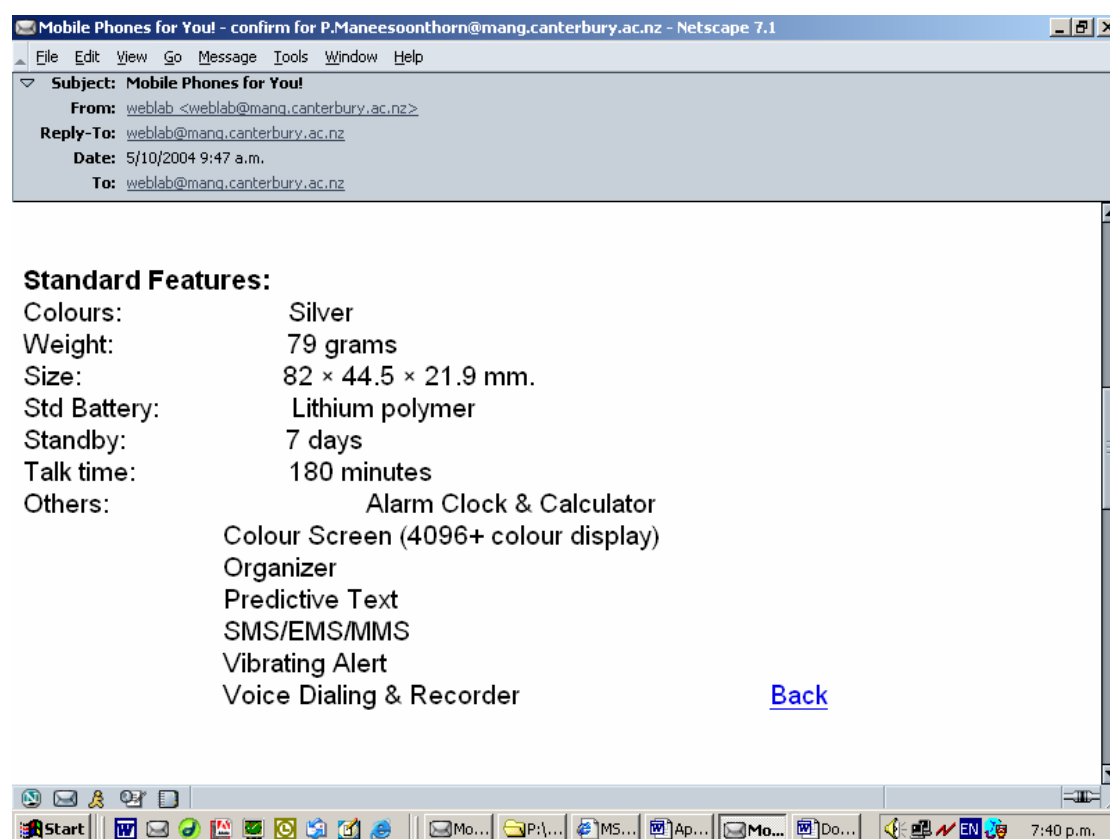
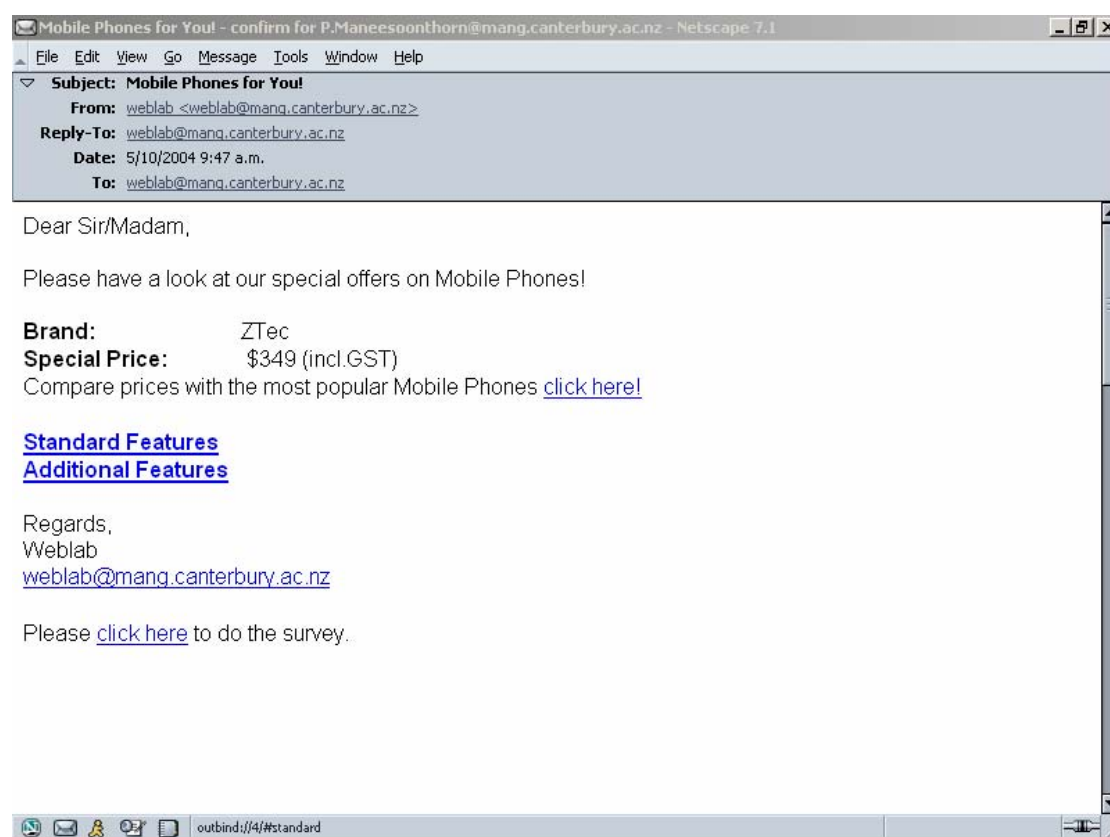
weblab@mang.canterbury.ac.nz

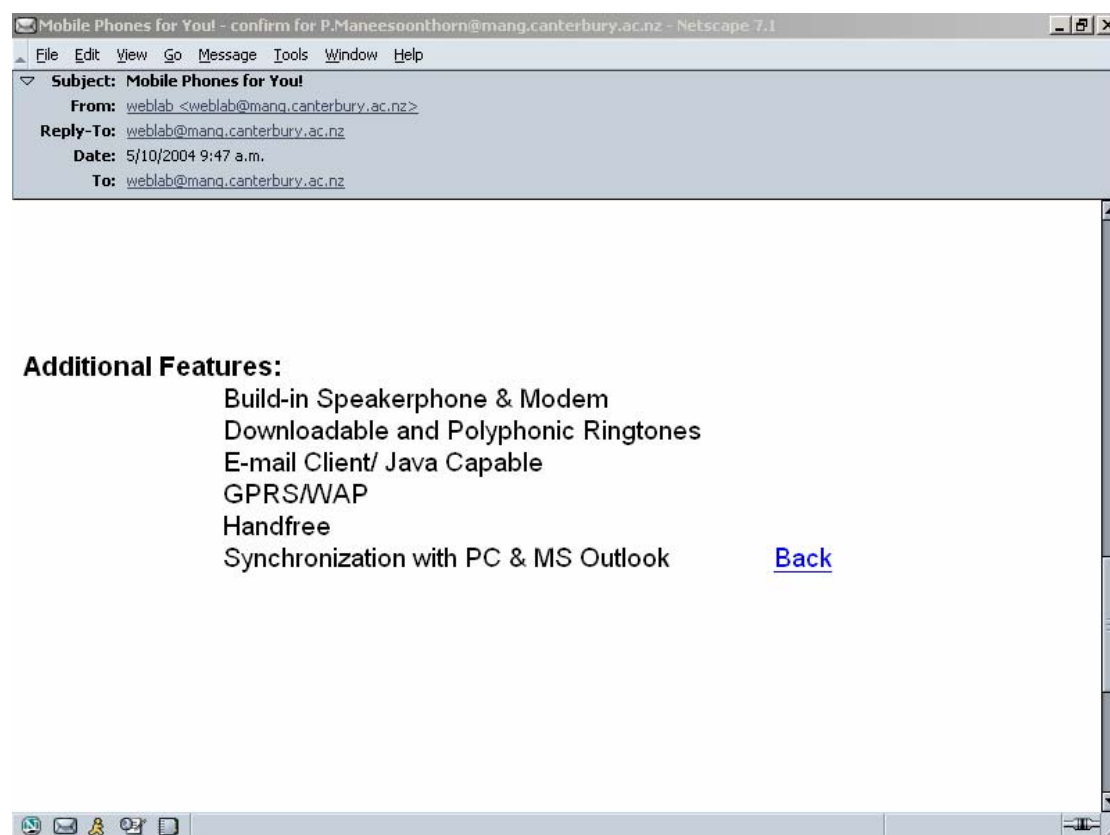


Appendix 2:

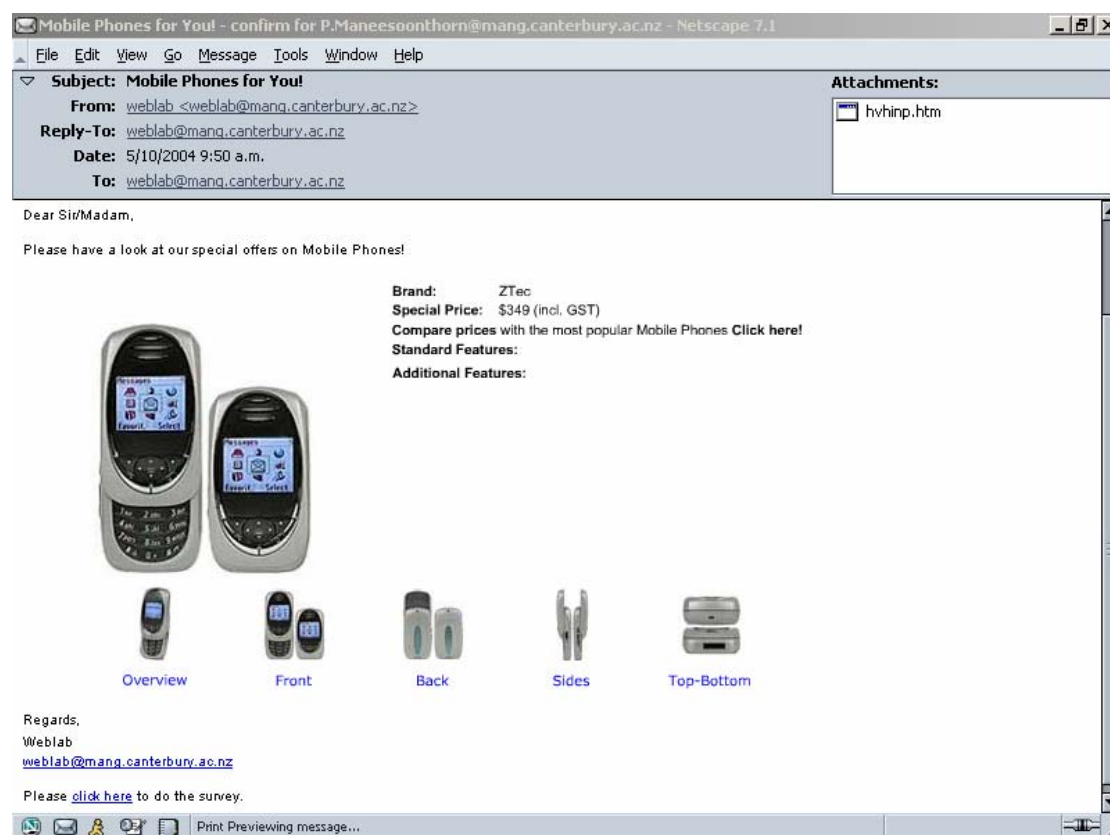
Examples of the Four Conditions

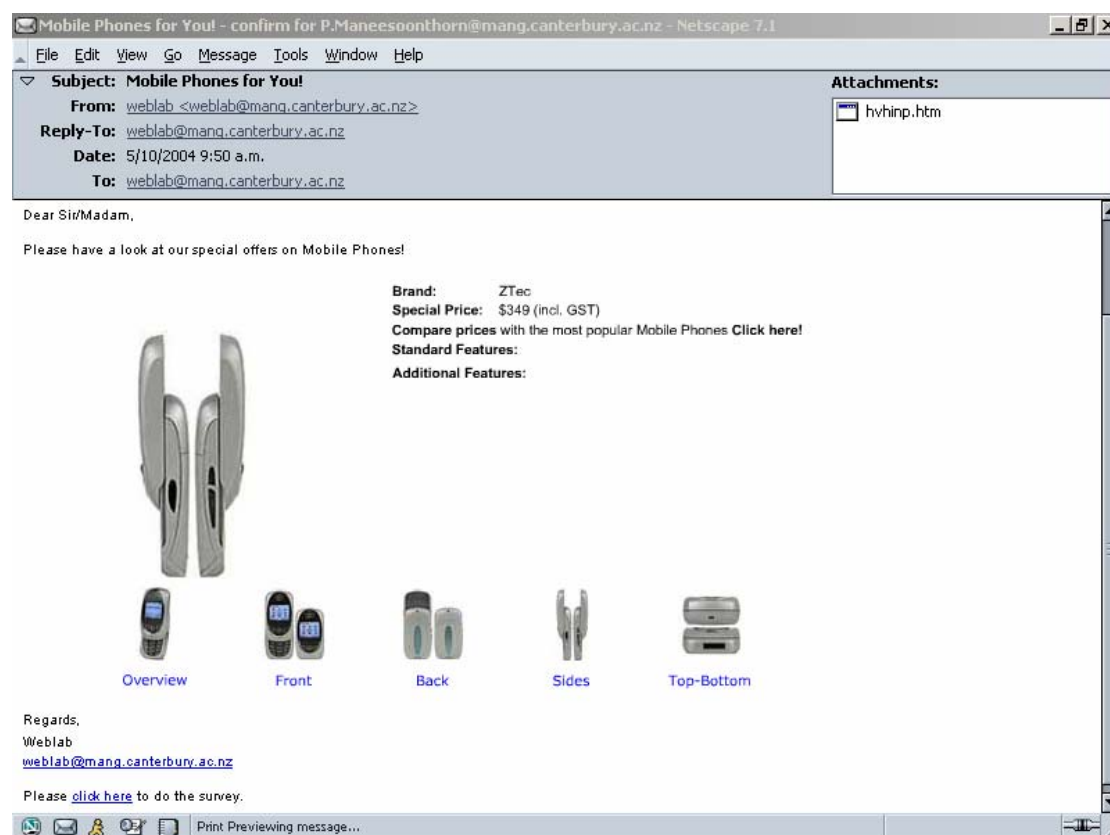
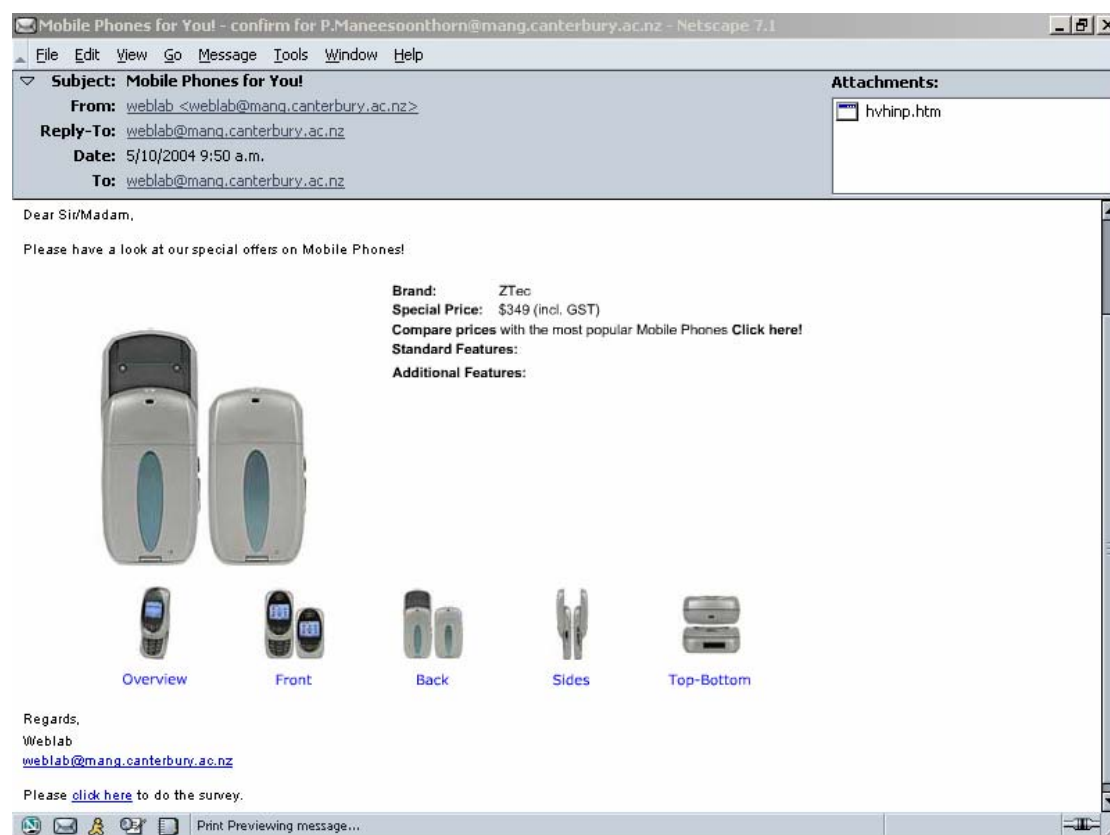
Appendix 2A:
Condition 4:
Low Vividness
&
High Interactivity
&
Non-Personalisation





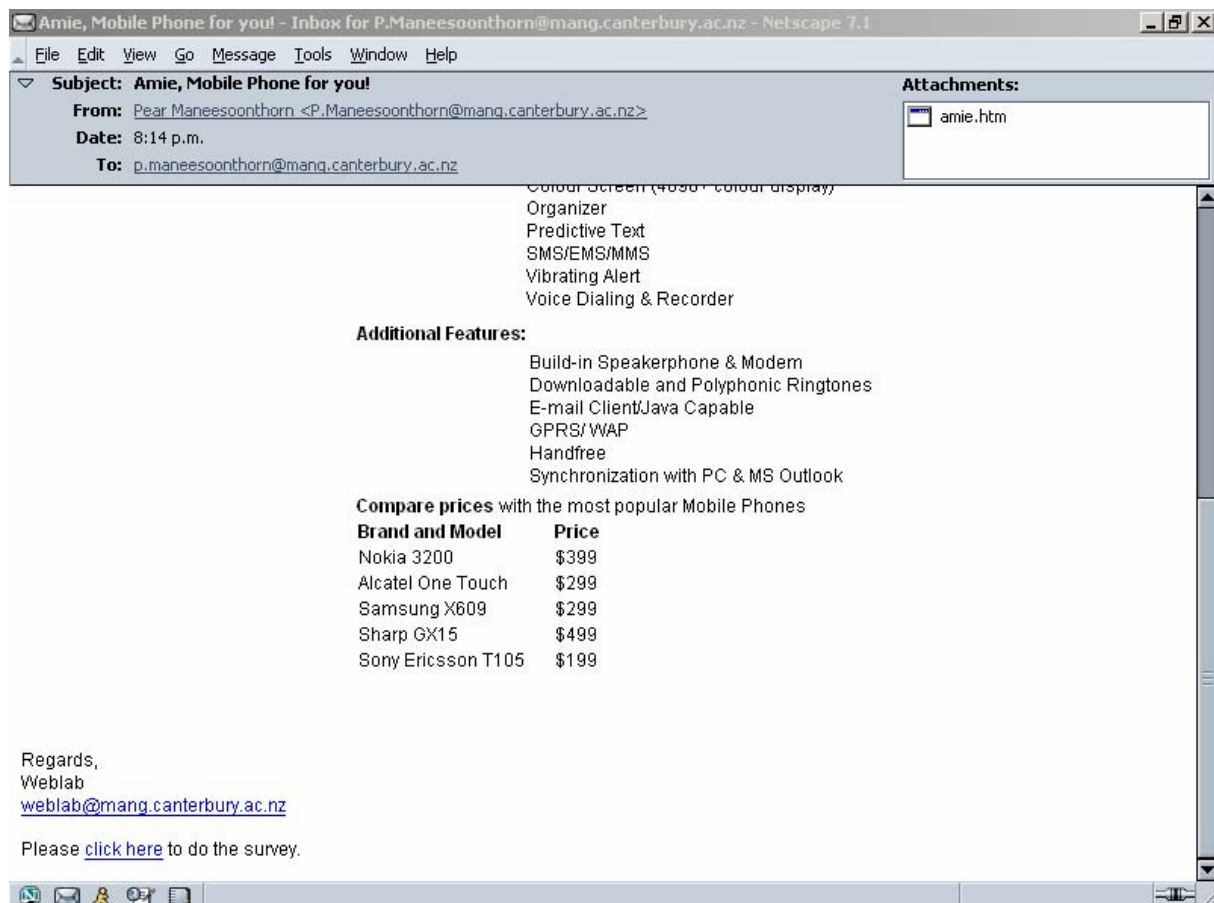
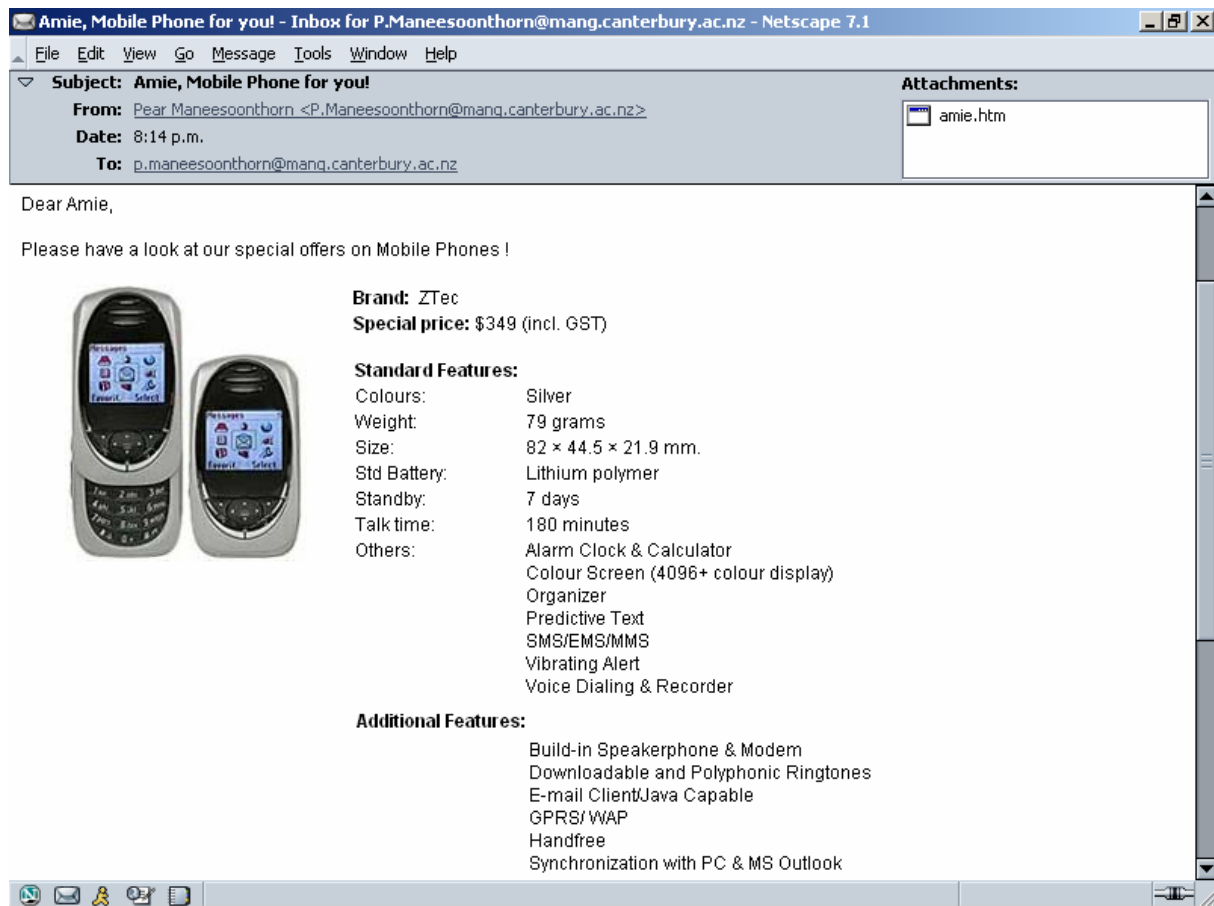
Appendix 2B:
Condition 6:
High Vividness
&
High Interactivity
&
Non-Personalisation







Appendix 2C:
Condition 8:
Medium Vividness
&
Low Interactivity
&
Personalisation



Appendix 2D:
Condition 9:
High Vividness
&
Low Interactivity
&
Personalisation

Amy, Mobile Phone for You! - Inbox for P.Maneesoonthorn@mang.canterbury.ac.nz - Netscape 7.1

File Edit View Go Message Tools Window Help

Subject: Amy, Mobile Phone for You!

From: Pear Maneesoonthorn <P.Maneesoonthorn@mang.canterbury.ac.nz>

Date: 8:38 p.m.

To: p.maneesoonthorn@mang.canterbury.ac.nz

Attachments: amy.htm

Dear Amy,

Please have a look at our special offers on Mobile Phones!



Brand ZTec

Special Price: \$349 (incl. GST)

Standard Features:

Colour: Silver

Weight: 79 grams

Size: 82*44.5*21.9 mm

Std Battery: Lithium Polymer

Standby: 7 days

Talk Time: 180 minutes

Others: Alarm Clock, Calculator, Colour Screen (4096+ colour display), Organizer, Predictive Text, SMS/EMS/MMS, Vibrating Alert, Voice Dailing & Recorder

Additional Features: Build-in Speakerphone & Modem, Downloadable & Polyphonic Ringtones, E-mail Client/Java Capable, GPRS/WAP, Handfree, Synchronization with PC & MS Outlook

Compare prices with the most popular Mobile Phones:
 Nokia 3200, \$399; Alcatel One Touch, \$299;
 Samsung X609, \$299; Sharp GX15, \$499;
 Sony Ericsson T105, \$199







Overview Front Back Sides Top-Bottom

Regards,
 Web: web.mang.canterbury.ac.nz

Please [click here](#) to do the survey.

Amy, Mobile Phone for You! - Inbox for P.Maneesoonthorn@mang.canterbury.ac.nz - Netscape 7.1

File Edit View Go Message Tools Window Help

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amy.htm

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Overview




Front



Back



Sides



Top-Bottom

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Overview




Front



Back



Sides



Top-Bottom

Regards,

Appendix 3: The Questionnaire Form

Survey on E-mail Advertising

The information gathered here:

- is **confidential**
- will only be used for **academic purposes**.

Please note that

- there is **no "right" or "wrong" answer**.

Question 1: E-mail Usage

People have different ideas about using email. To which extent do you agree with the following statements:

I like using e-mail	<input type="text" value="Select your answer!"/>
I prefer e-mail to postal mail.	<input type="text" value="Select your answer!"/>
I use e-mail to keep in touch with others.	<input type="text" value="Select your answer!"/>
I have access to more information by using e-mail.	<input type="text" value="Select your answer!"/>
E-mail is an efficient and convenient method of communication.	<input type="text" value="Select your answer!"/>

Question 2: About your impressions of the ad on your email.....

Please think about the email ad's configuration for a minute and try to answer the following questions based on what you remember:

I found many graphics (pictures) in the e-mail ad.	<input type="text" value="Select your answer!"/>
I thought the e-mail ad was visually attractive.	<input type="text" value="Select your answer!"/>
I could perceive a lot of dynamism in the e-mail ad.	<input type="text" value="Select your answer!"/>
Overall, I thought the e-mail ad was highly vivid visually.	<input type="text" value="Select your answer!"/>

Question 3: About E-mail Advertising that you just viewed

Based on what you can remember, how would you evaluate the e-mail ad that appeared in your mail box?

Bad ☐ ☐ ☐ ☐ ☐ ☐ ☐ Good

Uninteresting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Interesting
Dislike	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Like
Irritating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not irritating

How's about the brand (...)? Are they:

Bad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Good
Unfavourable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Favourable
Unpleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pleasant

Please identify your agreement with the following statements.

It is very likely that I will buy ZTec.	<input type="text" value="Select your answer!"/>
I will purchase ZTec the next time I need a mobile.	<input type="text" value="Select your answer!"/>
I will definitely buy ZTec	<input type="text" value="Select your answer!"/>
Suppose that a friend called you last night to get your advice in his/her search for a mobile. Would you recommend him/her to look at ZTec?	<input type="text" value="Select your answer!"/>
Suppose that a friend called you last night to get your advice in his/her search for a mobile. Would you recommend him/her to buy a ZTec?	<input type="text" value="Select your answer!"/>

Question 4: Permission based-email marketing attitude

Nowadays, there are a numerous viewpoints about spam e-mail. Personally, do you think.....

Spam-based emails often have interesting content.	<input type="text" value="Select your answer!"/>
Permission-based emails often have interesting content.	<input type="text" value="Select your answer!"/>
I read all the spam-based emails I receive.	<input type="text" value="Select your answer!"/>
I read all the permission-based emails I receive.	<input type="text" value="Select your answer!"/>
I often click on links in spam-based emails.	<input type="text" value="Select your answer!"/>
I often click on links in permission-based emails.	<input type="text" value="Select your answer!"/>
I often make use of offers I receive in spam-based emails.	<input type="text" value="Select your answer!"/>

I often make use of offers I receive in permission-based emails.

Select your answer!

Question 5: Attitude towards e-mail:

Personally, please indicate the extent to which your agreement with the following statements:

I do not mind receiving targeted email that I have requested.

Select your answer!

I like the fact that I could select my preferred advertisement.

Select your answer!

I like being able to choose the frequency of the newsletter.

Select your answer!

I felt comfortable that I could unsubscribe at any time.

Select your answer!

I will not subscribe to email newsletter from any other site in the future.

Select your answer!

Question 6 : About Mobile phones: how interested are you with mobile phones?

Personally, do you think they are:

Not-interesting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Interesting
Not-appealing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appealing
Not-fascinating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Fascinating
Not-exciting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Exciting
Not-involving	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Involving
Unimportant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Important
Irrelevant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Relevant
Not-valuable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Valuable
Means nothing to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Means a lot to me
Not needed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Needed

Some people have a lot of knowledge about mobile phones while some do not have a clue about them. How about you....?

How do you rate you knowledge of mobile phones relative to other people?

Select your answer!

How do you rate your knowledge of mobile phones relative to most of your friends?

Select your answer!

Now your task is almost completed.
We need some background information for statistic purposes. You are almost done.

How often do you check your e-mail?

- ☐ more than 5 times a day
- ☐ more than once per day
- ☐ once a day
- ☐ 2-5 times a week
- ☐ 1-2 times a week
- ☐ less than once a week

When did you start using the email?

Select your answer!

How many email addresses do you currently have?

- ☐ one
- ☐ two
- ☐ three
- ☐ four
- ☐ more than four

How would you describe your proficiency with e-mail communication?

- ☐ novice user: just learning how to use the email
- ☐ intermediate user: feel comfortable using the email.
- ☐ advanced user: can use most of email services

Are you....?

- ☐ Male
- ☐ Female

What is your age?

- ☐ 18-24
- ☐ 25-34
- ☐ 35-44
- ☐ 45-54
- ☐ 55-64
- ☐ 65 yrs plus

In what country/region do you live?

Select your answer!

How would you classify your annual household income level in relative terms within your country?

Select your answer!


What is the highest level of education you have completed?

Select your answer!

Select your answer!

If you wish to be included in our prize draw, make sure you include your e-mail address below. Remember that only completed surveys are eligible and multiple submissions will not be accepted.

--	--



Reset