

# Consumer Behaviour Toward E-Mail Advertising

## Abstract

E-mail marketing offers great opportunities for businesses. Marketing activities supported by emails allow companies to directly communicate with their consumers without time or location barriers. The topic of advertising via e-mails is of major interest. It addresses consumers with individualized advertising messages via e-mails. This paper discusses its relevance and investigates antecedents of consumer behaviours toward advertising via e-mails. The analysis is based on a consumer survey. For this purpose, a quota sample of 400 internet users in India has been interviewed. The results indicate that the content and the frequency of advertising message have the largest impact on behaviour toward advertising via e-mails. By understanding consumers, behaviour toward advertising, designers and marketers can better strategize their advertising designs. A better understanding of interactivity can also help to improve the effectiveness of interactive media such as the Internet. A methodology for studying the factors that contribute to consumers' perceptions of ads is proposed, and implications for Internet-based advertising are discussed.

**Keywords:** E-Mails, Internet, Behaviour, India

## Introduction

The appeal of e-mail communication is evident today, because e-mail is both cost effective and time efficient. There is no doubt that e-mail is becoming one of the major direct channels for marketers. As the use of e-mail increases, it is more and more important for direct mail marketers to understand the process through which e-mail campaigns influence consumer behaviours and behavior.

A traditional approach consists of testing the influence of many different mailing characteristics. Another less common approach is oriented toward understanding the perceptions of e-mail receivers. With the latter goal in mind, this study examines first whether behaviours toward a company website, consumer trust, intention to visit the site and low-perceived privacy risk affect behaviours toward an e-mail campaign. Second, the consequences of an e-mail campaign were investigated in order to understand the process through which e-mail campaigns influence purchase intention.

How the Internet should be differentiated from more traditional means of advertising is currently under study (Eighmey, 1997; Bezjian et al (1998); Chen and Wells, 5000). The Internet has become a proven medium for advertising and has become a viable alternative to traditional media, such as television and billboards. Of interest is the continuing and steady rise of online traffic well after the subsiding of enthusiasm associated with the dot-com craze. Although current figures fail to meet previous expectations, the online environment has established itself as a unique venue for commerce that has high growth potential. This places researchers and practitioners in the position of refining their understanding of online advertising in order to better utilize the strengths of the Internet environment.

## Problem of the Study

Literature in advertising and information systems suggests that advertising in both traditional media and the Internet is either easily ignored by the audience or is perceived to have little value. In this context the study makes an effort to find out the behaviour of the customers towards e-mail advertising and major reasons for the kind of behaviour.

## Objective of the Study

1. To find antecedents of consumer behaviours toward advertising via e-mails
2. To find out variable which has the high impact on behaviour towards advertising via emails.



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**Scope of the Study**

This study conducted in Cuttack with 500 customers who has an internet experience and viewed email advertisement. The responses is collected through direct interview. Therefore this research study is relevant to the marketer who rely upon email advertising and also provides knowledge base to those research scholars who conduct their research in this area of study.

**Review of Literature**

Ducoffe (1996) applied his original framework (1995) to the web environment. Ducoffe (1996) confirmed previous results and found that behaviours toward Web advertising were directly dependent on advertising value and perceived levels of entertainment. Furthermore, advertising value was dependent on perceived levels of entertainment, in formativeness and irritation. Ducoffe (1995, 1996) identifies entertainment, information and irritation as factors contributing to consumer & evaluations of ad values and thus behaviours toward ads. Brackett and Can (5001) further validate Ducoffe's model, and extend the model to include credibility and coimer demographics. Credibility is shown to be directly related to both advertising value and behaviour toward advertising. Demographic variables, such as college major, age and gender are shown to affect only behaviours toward advertising. Fernandez's (5000) intended to understand goal-oriented consumers. Responses toward directional advertising within the context of Yellow Pages. Information is defined as relevant to a purchase situation. Findings suggest that advatising with more specific information that matches consumers' purchase situations is more likely to be processed and will result in a proactive response (for example, consumers calling the advertisers or marketers).

**Behaviour Towards Email Advertising**

Behaviour toward an ad is defined as a learned predisposition to respond in a consistently favorable or unfavorable manner toward advertising in general' (Mackenzie and Lutz, 1989, p. 54). In this context, it is important to note that behaviour toward e-mail advertising pertains to consumers' behaviour toward this advertising type in general and not to the exposure to one particular ad. In general, behaviours are 'mental states used by individuals to structure the way they perceive their environment and guide the way they respond to it' (Aaker, Kumar and Day, 1995; p. 254). A significant correlation between favorable behaviours toward advertising and respondents' rating of specific ads as being annoying, likeable, enjoyable and so on has been observed (Bauer and Greysen, 1968). Consequently, our research interest focuses on the antecedents of consumer behaviours toward e-mail advertising. In this paper, the behaviour toward e-mail advertising is measured along various dimensions.

**Advertising Value of E-Mail Marketing**

Advertising value is a measure for advertising effectiveness and 'may serve as an index of customer satisfaction with the communication products of organizations'. It is defined as 'a subjective evaluation of the relative worth or utility of advertising to consumers' (Ducoffe, 1995, p. 1). Hence, value can reflect the worth of the element itself as well as the

experience associated with the transaction (Houston and Gassenheimer, 1987). Values are the basis of actions, behaviours and judgments in advertising as well as in other aspects of social life (Beatty et al, 1985). Advertising value of web advertising has shown to have a significant influence on behaviour toward web advertising (Ducoffe, 1996).

We thus conclude that a highly perceived value of advertising via e-mails also reflects positively on the consumers' behaviour toward advertising via e-mails.

**Hypothesis 1**

A high advertising value is positively correlated with a positive' behavior toward advertising via e-mails.

**Entertainment**

Entertainment is also a crucial factor for e-mail marketing. It is essential that the message is concise and funny, and thus immediately captures consumers' attention (Katterbach, 5002). Entertainment services can increase customer loyalty and add value for the customer. As most people have a natural playfulness, providing games and prizes via e-mails yields high participation. Delivering games and prizes to the customer's via e-mails is a successful way to attract and keep customers. Interactive games for example can also be played via Internet. These features can be used to involve customers more deeply and make them more familiar with the advertised service or product (Lehmkuhl, 5003). Therefore, we conclude that an entertaining advertising message is being perceived more positive by the recipient.

**Hypothesis 2a**

A high entertainment factor of an advertising message is positively correlated with 'positive' behaviour toward advertising via e-mails.

**Hypothesis 2b**

A high entertainment factor of an advertising message is positively correlated with a high advertising value.

**Information**

The quality of information placed on a company's web site shows a direct influence on the customers' perceptions of the company and the company's products. Accordingly, information delivered to them via e-mails also needs to show qualitative features, such as accuracy, timeliness and usefulness for the consumer (Siau and Shen, 5003). Apart from this, the user needs quick access to the information(s) he is looking for his/her current content of use. There is even the possibility that information may be delivered automatically to the consumer (Kaasinen, 5003).

**Hypothesis 3a**

High information of an advertising message is positively correlated with a 'positive' behaviour toward advertising via e-mails,

**Hypothesis 3b**

High information of an advertising message is positively correlated with a high advertising value.

**Irritation**

Indignity people feel when being addressed by ads has a very great influence on people's behaviour toward advertising (Shavitt et al, 1998). 'When advertising employs techniques that annoy, offend, insult or are overly manipulative, consumers

are likely to perceive it as unwanted and irritating influence' (Ducoffe, 1996, p. 23). E-mail advertising may provide an array of information that confuses the recipient and can be distracting and overwhelming the consumer with information (Stewart and Pavlou, 5002). Consumers may feel confused about them and react negatively.

#### **Hypothesis 4a**

Irritation of an advertising message is negatively correlated with a 'positive' behaviour toward advertising via e-mails.

#### **Hypothesis 4b**

Irritation of an advertising message is negatively correlated with a high advertising value.

#### **Credibility**

Advertising credibility turned out to be significantly relevant to advertising value of web advertising (Brackett and Carr, 5001). Mackenzie and Lutz (1989, p. 51) define advertising credibility as 'consumers' perception of the truthfulness and believability of advertising in general', whereas Pavlou and Stewart (5000) refer to it as 'predictability and fulfillment of implicit and explicit requirements of an agreement' (online document). Considering the findings cited above, we conclude that the credibility of an e-mail-advertising message has a positive influence on consumers' behaviour toward advertising via e-mails and on the perceived advertising value of the consumer.

#### **Hypothesis 5a**

High credibility of an advertising message is positively correlated with 'positive' behaviour toward advertising via e-mails.

#### **Hypothesis 5b**

High credibility of an advertising message is positively correlated with a high advertising value.

#### **Frequency of Exposure**

The number of advertising messages received via e-mails is an important factor that influences the advertising value for the consumer (Haghirian and Dickinger, 5005). Ducoffe states that information and entertainment of advertising information should decline with repetition because the information will be learned by the audience and thereby lessening its value (Ducoffe, 1995). In our model, the impact of information is already analyzed on behalf of the Hypothesis 2 therefore we investigate the relationship between the frequency of exposure and the dependent variables.

#### **Hypothesis 6a**

Frequency of exposure of an advertising message is negatively correlated with a 'positive' behaviour toward advertising via e-mails.

#### **Hypothesis 6b**

Frequency of exposure of an advertising message is negatively correlated with a high advertising value.

#### **Consumer Behaviour Toward Privacy**

Privacy refers to the degree to which personal information is not known by others (Rust et al, 5002). Customer privacy has always been a critical issue in marketing, but has assumed a greater significance in recent years with the rise of Internet-based commercial transactions (Rust et al, 5002). This calls for application of permission marketing (Krishnamurthy, 5000; Tezinde et al, 5002; Kent and

Brandal, 5003. After that, the marketer can match advertising messages with the interests of the consumer (Krishnamurthy, 5001). These processes allow a new kind of about customers (Stewart and Pavlou, 5002),

#### **Hypothesis 7a**

Relevance of privacy is negatively correlated with a 'positive' behaviour toward advertising via e-mails.

#### **Hypothesis 7b**

Relevance of privacy is negatively correlated with a high advertising value.

#### **Relevant Demographic Variable**

Besides the above-mentioned influencing factors that are mainly related to the message and its attributes itself as well as to related privacy issues, we also assume that demographic variables also can affect perceived advertising value and behaviour toward advertising. Demographic characteristics also appear to affect behaviours toward advertising. That is, earlier research has shown that gender, age (Shavitt et al, 1998), education and income (Alwitt and Prabhakar, 1992; Shavitt et al, 1998) impact consumers' judgments of and beliefs about advertising.

#### **Age**

#### **Hypothesis 8a**

Age of the consumer is negatively correlated with a 'positive' behaviour toward advertising via e-mails.

#### **Hypothesis 8b**

Age of the consumer is negatively correlated with a high advertising value. Gender

#### **Hypothesis 9a**

Behaviours toward advertising via e-mails differ between men and women.

#### **Hypothesis 9b**

Advertising value differs between men and women.

#### **Education**

#### **Hypothesis 10a**

A high level of education is negatively correlated with a 'positive' behaviour toward advertising via e-mails.

#### **Hypothesis 10b**

A high level of education is negatively correlated with a high advertising value.

#### **Research Methodology**

The study was conducted in Dec 2013 over a 3-week period during which 400 e-mail account holders were interviewed. These quotas are related to gender, age and education. The Indian market shows one of the highest penetration rates of Internet users in Asia and is therefore very fitable for study on e-mail advertising. Apart from the items investigating the age of the interviewee and the number of his/her advertising messages received via e-mail, all measures were assessed by a 5-point Likert type scale ranging from 'strongly agree' (1) to 'strongly disagree' (5). These scales were reverse-coded where appropriate. Results are shown in Table 1.

#### **Period of the Study**

The study is conducted in January, 2014.

**Table 1: Data analysis: Descriptive Data**

M e s u r e s	Items	Range	Mean	Standard deviation	Variance	Alpha
Behaviour toward advertising via e-mail	8	1-5	3.88	1 . 1 7	1 . 3 7	0.85
Perceived value of advertising via emails	3	1-5	3.7	1 . 3	1 . 6 9	0.77
<b>E n t e r t a i n m e n t</b>	6	1-5	3.61	1 . 3 4	1 . 8	0.88
<b>I n f o r m a t i o n</b>	7	1-5	3.3	1 . 1 6	1 . 3 6	0.81
<b>I m i t a t i o n</b>	6	1-5	2.5	1 . 2 3	1 . 5 3	0.81
<b>C r e d i b i l i t y</b>	4	1-5	3.2	1 . 4 3	2 . 0 4	0.84
Frequency of exposure (ads received per week)	1	-	1.4	0 . 5 0	0 . 2 5	-
<b>Behaviour toward privacy</b>	2	1-5	1.53	0 . 9 9	0 . 9 9	0.65
<b>Age of Consumer</b>	1	-	41.03	1 4 . 2 5	2 0 3	-

**Source : Collected and Compiled Data**

**Hypothesis Testing**

Hypothesis 1 stated the perceived value of advertising via c-mails influences consumers' behaviours toward advertising via c-mails (Table 2). This hypothesis could be supported. It shows that the

correlation between these variables is positive and highly significant. The results reflect Ducoffes results of 1996, which showed that the same relationship between value and behaviour occurs in web advertising.

**Table 2: Hypothesis Testing**

Hypothesis	2.Hypothesis testing Hypothesis Perceived advertiseing value	Behaviour toward e-mail advertising
Hypothesis 1:Perceived advertising value	-	0 . 6 2 6 *
Hypothesis 2a and 2b : Entertainment	0 . 7 6 1 * *	0 . 6 0 6 * *
Hypothesis 3a and 3b:Information	0 . 6 9 2 * *	0 . 6 5 4 * *
Hypothesis 4: Irritation	0 . 1 0 2	- 0 . 1 3 * *
Hypothesis 5a and 5b credibility	0 . 6 6 0 * *	0 . 6 4 0 * *
Hypothesis 6a and Hypothesis Frequency	- 0 . 0 9 9 * *	- 0 . 6 2
Hypothesis 7a and 7b: Privacy	- 0 . 1 3 8 * *	- 0 . 1 1 6 * *
Hypothesis 8a and 8b :Age	- 0 . 0 5 1	0 . 0 0 1
Hypothesis 9a and 9b :Gender	0 . 7 2	0 . 8 4
Hypothesis 10a and Hypothesis 10b:Education	0 . 0 7 4 *	0 . 0 3 5

**Source: Collected and Compiled Data It and Discussion**

**Result and Discussion**

Hypothesis 2a and 2b as well as 3a and 3b predict that entertainment and information are jively associated with advertising value when addressing consumers via e-mails. Both otheses were supported by data. The high correlation coefficients indicate that there is a g relationship with advertising value as well as consumers' behaviours toward it. These results confirmed by other studies (Ducoffe, 1996; Brackett and Carr, 5001) as well, who come topothesis 4 predicts irritation to be negatively associated with virtual advertising value. Results te that irritation does negatively influence the value of e-mail advertising. A low dation coefficient indicates that influence of irritation is not as strong as the influence of the ibles entertainment and information. Irritation is a phenomenon that is similar to reactance, is, consumers tend to refuse ads if they have the feeling that the ad is too intrusive (Kroeberwand Weinberg, 5003Thus, perceived irritation can be influenced by an ad's messageotheses 5a and 5b indicate that a high credibility of the advertising message is positively ciated with advertising value. These hypotheses could also be confirmed. The correlation cient shows a strong relationship between the advertising value and perceived credibility.

Cdibility is based on the extent to which consumers believe that the marketer has the expertise honesty to perform a transaction effectively and reliably (Ganesan, 1994). Building this trust la

complex process that involves technology and business practices, but it is crucial for growth iccess of e-mail commerce (Siau and Shen, 5003). Experience with a channel partner.increases trust (Ganesan, 1994). As communication with consumers via e-mails is a very young nomenon, marketers are requested to build and breed trust. It is therefore advisable to build eness via other media as well1k- results indicate that behaviour toward advertising via c-mails strongly depends on message acteristics. The message characteristics need to be developed carefully. Marketers cannot y rely on the fact that an advertising message sent via a e-mails will be read and rememberednatically. The e-mail may be an attention getter, but an attention getting device that is ?iated to the message will not attract consumers' interests in the message or the product lvy, 1963). This creates new challenges for marketers in the future. CyriacRoeding, the pean chair of the E-mail Marketing Association indicates that Las bandwidth increases, rtisers will have to be innovative in their campaigns to overcome the limitations of handsets wá small screens' (DeZoysa, 5002).

Hypothesis 6a states that frequency of exposure is negatively associated with perceived thiising value. This hypothesis was supported by data, whereas hypothesis 6b referring to aive influence on behaviour toward advertising via c-mails was not. A high frequency of ure seems to decrease the value of advertising. This result is also supported by scientific

uure (Ducoffe, 1995), which assumes that consumers who are confronted with ads tedly are less informed since they are already familiar with the content. Apparently, a high iency of exposure does not reflect negatively on consumers' behaviour toward advertising via ei1s.

Hypotheses 8 to 10 dealt with relevant demographic variables of the consumer. Hypotheses 8aSb state that the age of the advertising recipient reflects on the perceived advertising value on their behaviour toward advertising via e-mails. Surprisingly, these hypotheses could not beorted. Age does not influence the advertising recipients' perception of e-mail marketing ficantly. These results are supported by Brackett and Carr's (5001) findings who showed in study investigating web ads that age did not influence the behaviour either (Brackett and Can-,NII). Hypotheses 9a and 9b indicated that gender influences both of the dependent variables. r of the hypotheses could be supported. There were no significant differences found in er perceived value nor in behaviour toward advertising via e-mails. The results are similar to se of Brackett and Can- (5001) who also report gender to be relevant for consumers' behaviour wd the advertising type, but not for their perceived value.

Hypotheses 10a and I Ob proposed that a higher education level is positively associated with the 1ent variables. Only hypothesis IOa could be supported. Interviewees with highereducation did no. show a more positive behaviour toward advertising via e-mails, but did perceive it as more valuable. These results are also contradicted by Bracket and Car?s study Brackett and Carr (5001) who report different results for web advertising, namely no influence on advertising value but on behaviour toward web advertising.

### Conclusion

This paper presents antecedents of advertising value integrating e-mail marketing into the marketing activities of a company. Specifically, the effectiveness of e-mail advertising is investigated. The focus of the study is influencing factors on consumers' perceived advertising 'value of e-mail marketing. The results show that the consumers' behaviour toward advertising via e-mails and advertising value are strongly related to the content and the frequency of the advertising message sent via e-mails. Most surprisingly, consumers' attributes (apart from the educational level) do not play such a dominant role regarding advertising value and behaviour toward e-mail advertising. As a consequence, it is mainly the advertising message itself that influences its value and consumers' behaviour. Hence, advertising companies are well advised to design their e-mail advertising messages carefully and also plan their e-mail advertising campaigns and target groups thoroughly.

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