

Chapter 15

Factors Influencing the Success of Permission-Based E-Mail Marketing Websites: An Integrated Perspective

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ABSTRACT

This research reports the development and testing of a permission-based e-mail marketing (PEM) website success model that integrated perspectives on information management/e-commerce, media/communication, and customer/marketing research. Specifically, the relationships among customer benefits, relationship quality, and relationship outcomes are examined. Data were collected from an online survey and analyzed with structural equation modeling. The results indicated that information quality benefits and ease of use benefits have positive effects on user satisfaction and user commitment and entertainment benefits positively influence user satisfaction. User satisfaction and user commitment have positive effects on user loyalty and user word of mouth. However, confidence benefits, social benefits and special treatment benefits have non-significant effects on user satisfaction, user commitment, user loyalty, and user word of mouth. It concludes that, unlike brick-and-mortar context, relational benefits emphasized by customer/marketing research do not play a significant role in influencing relationship outcomes in the context of PEM websites. Rather, functional and process benefits are important in establishing PEM website success, which supports the perspectives from information management/e-commerce research and media/communication research.

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INTRODUCTION

With the growing popularity of the Internet, e-mail has become increasingly important. For businesses, e-mail marketing is an efficient and responsive tool for maintaining customer loyalty (Cases, Fournier, Dubois, & Tanner, 2010). It helps them communicate with customers in meaningful ways, so they can see the results of e-mail marketing reflected in their increased revenue (Merisavo & Raulas, 2004). However, abuse of e-mail marketing is one negative phenomenon that bothers many people. The excessive abuse of e-mail-based advertising generates additional burdens to customers. The simultaneously posted advertising messages, commonly known as SPAM, also cause a waste of corporate resources and social costs. Abuse of e-mail marketing may mitigate the effects of advertising and displease customers. Besides, potential customers may become highly suspicious of the motives behind the e-mails originally meant to foster customer relationships. Therefore, most businesses have become aware that in order to achieve effective marketing, they should use e-mail marketing with more care and ethics.

Permission-based e-mail marketing (PEM) was introduced against this background to offer both businesses and customers a win-win solution. It is commonly defined as a method of advertising through promotional e-mails whose recipients consent to receive commercial messages from the sender (Tezinde, Smith, & Murphy, 2002). Godin (1999) mentions that PEM must satisfy customer needs. Customers expect to receive information that is directly related to them and of their interest. For businesses, PEM is cost-effective. E-commerce websites can apply this marketing model to establish long-term customer relationships. For instance, the online marketing company in Australia, EmailCash Marketing, applied the concept of PEM to build a communication platform between suppliers and Internet users that delivered bonuses and special offers to customers under their permission. Its members constantly received e-mails containing promotional information. Because they were voluntary subscribers of the information, they might have higher intention to read newsletters, answer e-mail questionnaires, or click ad links to shop online. This new business model offers a solution to ineffective spam e-mails and creates more space for establishing long-term customer relationships.

In the light of such a business practice, the purpose of this study is to investigate factors influencing the success of PEM websites. E-commerce systems success, information systems (IS) success, web use, internet use, customer behavior, customer relationship, relationship marketing, and permission-based e-mail marketing represent globally popular topics investigated by researchers using data and examples from Asia, Australia, Europe, North America, and other regions (e.g., Chen, Rungruengsamrit, Rajkumar, & Yen, 2013; DeLone & McLean, 2004; Ellis-Chadwick & Doherty, 2012; Fang, Chiu, & Wang, 2011; Ferguson & Perse, 2000; Jung, Lin, & Kim, 2012; Ramanathan, 2010; Sun, 2010; Tezinde et al., 2002). From the angle of the electronic trading medium it utilizes, the success of PEM websites is relevant to the topics of e-commerce systems/IS success in information management/e-commerce research. From the angle of the technological communication medium it uses, it is relevant to the topics of web/internet use in media/communication research. From the angles of the subjects it interacts with and the commercial content it conveys, it is relevant to the topics of customer behavior, customer relationship, relationship marketing, and permission-based e-mail marketing in customer/marketing research. Thus, PEM websites success involves the aforementioned various topics, being a global issue in nature. To address this global issue, this study offers an integrated perspective using data from Taiwan. It synthesizes information management/e-commerce, media/communication, as well as customer/marketing research to investigate factors influencing PEM websites success.

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