An Empirical Study of Email-Based Advertisement and its Influence on Consumers’ Attitude

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ABSTRACT: E-commerce becomes a cornerstone for many businesses over the recent years. Align with e-commerce activities, the marketing communication through online media plays a major role in achieving competitive advantageous. E-mail advertising in this context offers a cost effective, direct and reciprocal means for businesses overcoming time and geographical barriers. As so, this study discussed the advertising e-mail characteristics and its influences on customers' attitude about email-based advertisement. According to the research findings, entertainment and informativeness of advertising email content is strongly and positively affect customers' attitude about email-based advertisement. On the other hand, the privacy of advertising e-mail is strongly, yet negatively influences the customers’ attitude towards email-based advertisement.

Keywords: Advertising emails; Customers’ attitude; E-commerce; Marketing communication.

JEL Classifications: M31; M37

1. Introduction

As e-commerce has been grown lately, the Internet turns into a great realm for business to have intense activity (Gopal et al., 2005). The Internet is conceived in two perspectives, which are market and medium. Based on the facts internet is considered as unique phenomenon today. In market perspective the internet provides multi-channel environment in which buyers and sellers can communicate and access each other through computer as a medium. The internet as a medium can also perform and accomplish business activities like selling product or service, brand marketing deeds, and dissemination activities (Ngai, 2003). Therefore, Marketing Communications has been used by many businesses, which defined as media and messages to enable communication in the market. Marketing communications considered as a promotion face within Marketing Mix elements (wikipedia.org, 2008).

The study of Lee and Park (2007) argued that there are several interconnected factors, which have been affected marketing communications since the late 1980s. Thus, the marketing communications approaches change a lot nowadays. For instance, marketing communication changes gear toward online marketing domains. E-marketers use marketing communication tools to construct brand awareness for their business. Internet advertising is one the most significant tools on online marketing communication in order to the critical role of advertising in customers' persuasion and significant amount of money spent by businesses. There are two components of Internet advertising, which are offline traditional media advertising (such as Newspaper, TV, etc.) and online advertising (such as banner, pop-ups, e-mail, etc.) (Goldsmith and Lafferty, 2002).
Since an intensive boost is occurred in online marketing activities, business owners and marketing experts are seeking ways to promote their marketing strategies through developing new effective methodologies in online advertising. Thus, Internet technologies present a variety of alternatives to develop online advertising. Nowadays, majorities of current advertising dollars are generated through banner advertising and content sponsorship over the Web. Nevertheless, referring to one of the online market research institutes called e-Marketer; email advertising is one of the outstanding moneymaker services that can be used on online advertising. The reason for that is due to strict target market, immediate reply to Ads email, and finally low-cost advertising approach (Gopal et al., 2005).

Although there are many advantages with email advertising, public acceptance must be considered on certain issues, such as those arising from technological innovations (Aerni, 1999). The study (Amin et al., 2006) argued that individuals’ stance for an innovative and new technology rely on how they interpret its threats and advantages and how much they believe in industry that represents these new technologies. So going through internet marketing especially email marketing invoke both individual and social acceptance and value.

Additionally, with advent of the Internet, new concepts for marketing have been raised, which encourage businesses to shift toward customer focus approach to create an efficient relationship with customer. Thus, new form of online marketing communication has been introduced in recent decades. For instance, search-based advertising has grown substantially from the early 1990s to 2006. The Email marketing has gained popularity among retailers and firms while it can be easily employed with low cost. Based on studies email-marketing offers twice return on investment compares to other forms of online marketing (Pavlov et al., 2007). The study of Shenoy (2008) also admitted the effectiveness of advertising emails in daily business operations. Although many literatures explored effectiveness of advertising email itself, role of customers’ manner for effective advertising email still remains vague.

The majority of literatures focus on online marketing and advertising today. Email, in fact, is targeted as one of the marketing tools to advertise products and services. The study (Gopal et al., 2005) stated that internet offers new technology such as email, which has considered as one of the main communication tools among individuals. Thus, email advertising becomes a main study field in firms marketing division to promote their product and service. Moreover, the study (Cases et al., 2009) argued that since email, communication is very cost-effective and save a lot of time, so it can be a channel for marketers to directly communicate with customers. Referring to past studies and investigations, it seems the majority of them much focused on marketing through email than attention to consumers’ attention for email based marketing. As so, this study tries to define the most influential elements which affect customers’ attention towards email advertising. Besides, to examine how consumers’ characteristic effects on consumers’ attitude for email advertising through its characteristics.

The study is formed in following order. The literature review was conducted in the section 2. In section 3, the research framework and methodology were discussed. The section 4 was devoted to the research data analysis and results. Accordingly, the conclusion and significant of the research were discussed in section 5.

2. Literature Review

Information technology was embarked on its expansion in the early 90’s decade and its growth exponentially intensified to make world connectivity via the internet (Othman, 2010). There are too many points of view about how the internet and other progressive technologies can impact on affairs between advertiser and final consumer. Thus, the internet can be used as a channel for advertising by using agencies but no doubt, that business expert and advertising executive attitude are quite different with consumer based on Macdonald survey, which is conducted in 1996. They declared that they identified four types of user after implementing some stimulus to motivate users for using the internet (Gordon and Lima-Turner, 1997).

Before year 2005, the number of individuals who use global email boosted to 683 million users, and the number of existence mail accounts exceed to 1.2 billion. These enormous figures of email users provide a good target for marketer; as a result, e-mail advertising is one of the most influential types of internet marketing. The advertising through the internet is much more cost effective rather than other Media. E-mail marketing also follows the same path. Leaving this aside email advertising is a low- cost type of advertisement and reduces total advertisement expenses. Email advertising response’s rate is also significant, so firms have a higher propensity to expand their e-mail marketing
(Niall, 2000). The following literature was explored to support the research framework regarding to the objectives.

2.1. Attitude Toward E-mail Advertisement

Normally email is known as a knowledge-sharing tool but this tool can provide either good or bad information in different circumstances. This information can be provided for cash or free of charge which free useful or harmful information can be regarded as positive and negative externalities. Either charging or not charging for giving the information depends on an email sender while consideration about usefulness or harmfulness of information is decided by the receiver (Rovaniemi, 2006). Mile and Gordon 1994 notified that consumers basically have a different position in maintaining their personal information or desired to get various offers which they are interested in; as a result consumer segmentation has been done base on these discrepancies. Evaluations of the social contract governing Internet advertising may also differ since trade-offs must again be made between competing interests (Gordon and Lima-Turner, 1997).

Usually negative externalities come up with the frequency, volume, irrelevance of email solicitations, the lack of control, and intrusions to personal privacy even all the unrequested mails are not redundant, but the fact is most of them are. The rate of e-mails comprises no value for users are coherently increasing nowadays (Gopal et al., 2005). However, the notion about direct-mail marketing is a reciprocal issue that how seriously privacy risk can be taken by users or how advertiser characteristic such as reputation impact on an email advertising willingness (DeWulf, 1998). Thus, due to evaluate users’ behavior, there are explorations on mass media communication, which lead to create and promote a very particular theory called “The uses and gratifications” (U&G) theory. This theory tries to evaluate users' behavior by using of some influential tools like entertainment, informativeness, and so on (Luo, 2002).

Moreover, there is no doubt that demographic factor like age, income, race and occupation can have positive effect on online advertisement as well as the internet stimulus like online shopping, entertainment and communication (Haque and Khatibi, 2006). In addition, a study shows that communication and demographic factors, which are considered as advertisement elements via internet are also able to influence on user responsiveness to these advertisement and can conceive brand image (Ghajarzadeh et al., 2010). In following, the study overviewed several important factors of the gratification theory and also privacy factor to test customer behavior for email advertising as well.

2.2. Entertainment

Entertainment in the internet is a way backs to this cognition that internet media is fun and can amuse many users. A research conducted about U&G theory illustrated that online entertainment is getting a lot with hedonistic pleasure and sense of aesthetic enjoyment and also complete user need for escapism (Luo, 2002). Former research literally acknowledged that with surge of entertainment value internet users have a better response and try to use the internet more. It also evaluated that if users consider an advertisement as an entertaining value, it increases the probability of consumer loyalty to brand and also enhance the chance of purchasing the product brand (Stern & Zaichowsky, 1991).

In addition, Duccofe 1995 noted that the entertainment value noticed by users notably is related to valuing- recognition base on traditional advertisement of the advertiser. Therefore, it can be obtained by the case that entertaining in advertising is considered as a positive sign in receiver mind. Moreover, study of Chen and Wells (1999) depicted that entertainment in the site is positively impact on consumer attitude, so this statement can be promoted for internet advertising.

2.3. Informativeness

The level and quality of information provided in a website is an important factor for website evaluation, in other word website usability of information impact on consumer perception on the portal that they are surfing. Accessibility to the needed information is also very important for consumer. The supply information advertisement is one of manners that consumer can regard an advertisement useful. Nelson (1974) pioneered the study of the informational role of advertising notably with the idea that the very existence of an advertisement may be informative. Nelson also acknowledged that advertisements may not always be honest (Taylor, 2011). In addition, Chen 1999 noted those informativeness and consumer notions are directly related to each other. Moreover, Duccofe (1995) noticed that there is a substantial and positive correlation between informativeness and advertising value, and attitude to advertising.
2.4. Privacy

One of the most crucial issues that individuals are challenging with is the privacy of personal information (Milberg et al., 1995). Extensive surveys depict that the amount of individuals' anxiety about breaching their privacy increased around 50% during last 40 years. This amount of concern is negatively effect on assimilation of ecommerce and cyber environment (Cho et al., 2009). The compilation and propagation of data on the internet have its own complexity, yet it does not remove the peril of privacy infringement and allocate a trivial percentage for privacy infringement. Invasion of consumers’ mailbox usually occur by sending huge number of the e-mails, attaching cookies to them for chasing their internet history and realize their preferences (Beldad et al., 2009).

Thus, marketer in firms, online businesses and also government try to elicit users' information about their interest, needs and also personal characteristic in other ways (Turow and Hennessy, 2007). In addition, pervasive use of email service is one of the significant accomplishments in business communication in last two decades. Extensive use of email in society and business section changes the way that people interact to each other and also bring new ways for businesses to interact with their consumers (O’Connor, 2008). Email offers many opportunities for companies to present themselves to a large number of target customers and also can be a threat for them as a tool for breaching the laws. The only way of success in use of email as a marketing communication tool relies on how well companies can manage privacy issues related to their customers and respect them (Westell and Wessing, 2003).

3. Research Framework and Methodology

3.1. Research Framework

3.1.1. Independent Variable

In this study, we consider advertising email as an independent variable, which consists of three elements. The three elements of advertising email consist of Entertainment, Informativeness, and Privacy. As for informativeness, the literature stated the level and quality of information provided in an email is an important factor for advertising email assessment, so email information capability impacts on consumer perception about an advertising owner. Thus, informativeness considers as one of the factors of advertising email, which effects on customers' attitudes about email advertising.

Furthermore, Ducoffe (1995) stated that entertainment factor which is valued by users directly depicts their attitude toward the advertisement on traditional advertising, which distribute by the advertiser. Therefore, it can be obtained by the case that entertaining in advertising is considered as a positive sign in receiver mind. Thus, in case of online advertising through email, advertisers must be aware of the entertainment factor as a key element of advertising emails which effects on customer's attitude.

Moreover, as many users conceive advertising email as an invasion to their privacy, so they negatively respond to them. Sending huge number of the e-mails, attaching cookies to consumers’ mailbox usually for chasing their internet history and realize their preferences considered offensive to them. Thus, privacy issues as a factor of advertising email must be considered to find out its effect on the customer tendency toward email advertising.

3.1.2. Moderating Variable

There are some factors, which affect customer attitude while face advertising emails. On the other hand, advertisements are perceived differently by different people or Email Messages advertising perception can be different according to Age, Gender, Education, and Internet Experience. Thus, these factors considered as the moderating variable of the study.

3.1.3. Dependent Variable

In the study, we determined customers’ attitude toward email advertising as our dependent variable, which will be tested by three factors of advertising emails and contribution of moderating factors as mentioned above.
3.1.4. Conceptual Framework

As the main variables introduced for the study, the researcher proposed a holistic research framework in graphical form as follows:

**Figure 1. The Research Conceptual Framework**

3.2. Research Design and Methodology

The research design is descriptive and conducts based on the quantitative form of research. Quantitative research usually considered as social survey and defined as an approach to explore social phenomena through arithmetical techniques. According to the main objectives of the study, quantitative approach has been chosen to test the variables and their correlations under statistical structure and hypotheses testing. Based on the conceptual framework and the research objectives, the unit of analysis for this study is individuals to define the effect of email advertising on customers’ attitude.

In addition, according to the research framework, the study needs to define an appropriate sample size to clearly test the customer attitude toward email advertising through advertising emails. The sample can also help to achieve accurate and reliable results as well as reducing the cost of research. In this study, primary data will be collected by the questionnaire survey method. As so, the study follows convenience non-probability sampling, which means every individual does not have the same likelihood of choosing. Rescoe (1975) in (sekaran, 2000) stated, “sample sizes larger than 30 and less than 500 are appropriate for most research.” Referring to the statement and the nature of the research study, and based on (raosoft.com, 2004) calculation, the study designed a questionnaire for 384 individuals in Tehran. The study also defined the population size as one million, accepted marginal error of 5%, and confidence level of 95%.

The study also targeted graduate and undergraduate students in two-respected universities in Iran, namely; Tehran University and Sharief University. The study prepared a list of emails, which equally picked up from two universities through. Moreover, group of individuals was selected through a network of friends and acquaintances. Accordingly, the study designed a questionnaire in three divisions. We try to design our questionnaire as it will be able to obtain more relevant information regarding to email advertising factors. Our questionnaire sections are designed as follows: In section A general and demographic information will be asked; In section B, we will test customers’ attitude based on entertainment, informativeness and privacy, and In section C customers’ general attitude for email advertising will be tested. The study uses five-point Likert scale, which rated one as strongly disagree to five as strongly agree for section B and C. For part A, the research uses different scales such as nominal and interval to obtain answers for the research questions. The overall format and scale were chosen from literatures and utilized for our research environment.

4. Data Analysis and Results

Once our research data were collected, the study edited the raw data, including fill up empty field with appropriate data, categorized them and check data for error elimination. Based on Sekaran (2000), since there are multiple variables, the study needs to use multivariate analysis and also descriptive analysis approach. The entire data, which collected through online questionnaires, were populated in SPSS (V.17) to test customers’ attitude for email advertising. Regarding to (Glaser and Strauss, 1967), and based on our sampling design, we will use regression analysis in SPSS. Capability
of data will also be accomplished through the reliability test. In following, the summary of the results is presented.

4.1. Descriptive Analysis

In this section, the research study conducts descriptive analysis by investigating the demographic profiles of the participants. The descriptive analysis involves the frequency and percentage of respondents in different categories and depicted in table 1.

<table>
<thead>
<tr>
<th>Table 1. The Respondents Demographic Profile</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>183</td>
<td>48</td>
</tr>
<tr>
<td>Female</td>
<td>201</td>
<td>52</td>
</tr>
<tr>
<td>Total</td>
<td>384</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 20</td>
<td>36</td>
<td>9</td>
</tr>
<tr>
<td>20–30</td>
<td>258</td>
<td>67</td>
</tr>
<tr>
<td>31–40</td>
<td>69</td>
<td>18</td>
</tr>
<tr>
<td>&gt; 40</td>
<td>21</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>384</td>
<td>100</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diploma</td>
<td>23</td>
<td>6</td>
</tr>
<tr>
<td>Bachelor</td>
<td>191</td>
<td>50</td>
</tr>
<tr>
<td>Master</td>
<td>116</td>
<td>30</td>
</tr>
<tr>
<td>PHD and others</td>
<td>54</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>384</td>
<td>100</td>
</tr>
<tr>
<td>Internet Experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 1 year</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>1–3 years</td>
<td>162</td>
<td>42</td>
</tr>
<tr>
<td>3–5 years</td>
<td>168</td>
<td>44</td>
</tr>
<tr>
<td>&gt; 5 years</td>
<td>46</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>384</td>
<td>100</td>
</tr>
</tbody>
</table>

Regarding to the results in the table 1, majority of participants in this study were females (201 people) with 52 percent frequency among 384 people as a whole. The other 48 percent was males who respond to our questionnaires.

In terms of the age of respondents, total of 91 percent of participants were above 20 years. Only 9 percent of participants were below 20. And as it shows in table 1, 258 people equivalent to 67 percent of our respondents were belong to the category between 20 to 30 years of age. The second largest group of respondents was belonged to category between 30 to 40 years of age. Finally, only 6 percent of respondents were greater than 40 years of age in this study.

There are four categories were determined for education of the participants in this study. Around 50 percent of participants had bachelor degrees and consists of the largest group of respondents of the study. The next largest groups were master degree students by 30 percent of participation. Fourteen percent and six percent of respondents were belong to PHD and others and diploma degrees respectively.

In terms of the year of experience in using the internet, the majority of participants had experience of above 3 years. Especially, 44 percent of participants had experience between 3 to 5 years. The next largest category was belonged to respondents who had experience between 1 to 3 years by 42 percent of participation. Twelve percent of participants had experience of above 5 years and only 2 percent of respondents had the experience of below 1 year.

4.2. The Multiple Regression Analysis

The first stage before analyzing the variables’ correlation is to assess the internal consistency reliability of the variables. For this purpose, the study used the alpha test method. The result of the alpha test for independent variable shows the value of 0.771. Regarding to (Nunnally and Bernstein, 1978) satisfactory level considered as 0.700 and above which shows the reliability of our measures.

In addition, to statistically show the impact of adverting emails on customers’ attitude, the study examined the three dimensions namely; Entertainment, Informativeness, and Privacy. The Kolmogorov–Smirnov and Shapiro's tests depict the variables’ distribution, including the three dimensions is normal. Therefore, Pearson's correlation analysis was carried out to assess the
correlation of variables for the interval or ratio scales measurement. The result of Pearson's test shows linear correlation among all variables. The regression results, based on the factors effecting customers' behavior towards email advertising is shown in table 2.

<table>
<thead>
<tr>
<th>Model</th>
<th>β</th>
<th>P-value</th>
<th>R-square</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Entertainment</td>
<td>0.189</td>
<td>0.004</td>
<td>0.721</td>
</tr>
<tr>
<td></td>
<td>Informativeness</td>
<td>0.281</td>
<td>0.001</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Privacy</td>
<td>-0.127</td>
<td>0.044</td>
<td></td>
</tr>
</tbody>
</table>

According to table 2, the study conducted the regression analyses and hypotheses testing. There is only one model with three sub-categories in this study which described in figure 1. Based on the results, the model is significant at p < 0.05 level regard to each category. Entertainment with P-value of 0.004< 0.05, Informativeness with P-value of 0.001< 0.05, and Privacy with P-value of 0.044<0.05 show the strong relationship between the independent and dependent variables. In other words, entertainment and informativeness are positively related to customers’ attitude for email advertising. However, regarding to the privacy factor, the results suggest that there is negative relationship between Privacy and customers’ attitude towards email advertising. It shows that the privacy is a big concern for customers whom contacted via email advertising. It also depicts that email advertising contents must be entertaining, informative, and not intrusive. As the results show, the model and the hypotheses of the research was supported. In addition, based on the R square result the predictors (independent variables) regarding to the model can explain 72.1 percent of the dependent variable. Generally, it proved that there is strong relationship between email-based advertising dimensions and consumers’ attitude.

5. Conclusion Significance of Research

As discussed in the study email advertising offers many opportunities for businesses to reduce the costs and increase the revenue by providing content-efficient advertising e-mails for customers. Advertising e-mails also enable a direct and reciprocal communication between marketers and customers. In context of this paper, several factors were presented to show the influence of advertising emails on the customers' attitude towards email advertising. These factors involve Entertainment, Informativeness, and Privacy. According to the results, the study found the strong relationship between the email advertising characteristics and the customers' behavior about advertising emails. There is a positive and strong relationship between the Entertainment and Informativeness factors and customers' attitude, yet a negative and strong relationship exists between the privacy and attitude of customers towards advertising email. It shows the more entertaining and informative emails’ content with a high privacy level; attract more customers toward email advertising. The study did not cover other dimensions of advertising emails and only focused on limited customers’ segment. Further studies in this domain considering a broad perspective of email characteristics would add value to the findings of this research study.

The main purpose of this paper is to recognize the elements of email as an online communication tool to identify whether it performs successfully. This study also seeks to find out vital elements, which help a marketer to implement successful email advertising. Moreover, since there is lack of study on customers’ attitude for email advertising, in this paper we focused on the role of consumers’ attitude for email based marketing in advertisement efficiency. There exist some who will be benefited by this research such as Email-based Marketers, Companies, and Business Owners. It would be useful for marketers to understand their customers’ action when they face advertising email, and also recognize how customers interpret it. It would help companies, which are implementing email marketing in their company to know their targeted customers’ attitudes and the success factors of email marketing for their future decision making policies. Accordingly, the companies can gain competitive advantage from noting to email characteristics and content in email advertising and keeping their customers in the era of the hyper-competition.
References


