

## **KNOWLEDGE BASED APPROACHES TO MARKETING OF HIGHER EDUCATION IN THE EXAMPLE OF PERMISSION MARKETING**

Sümeyye KUSAKCI <sup>1</sup>

Kutluk ÖZGÜVEN <sup>2</sup>

**Abstract:** Permission Marketing as a concept introduced and developed by Godin is offering the consumer an opportunity to volunteer to be marketed to. Permission marketing suggests an evolution of direct marketing, which is particularly used with e-mail. It combines databases of customers who agree to receive marketing messages with low-cost, customized e-mails that attempt to slice through advertising clutter, attract increased customer support, and change behavior. Although marketing practices may not be openly embraced in higher education, more colleges and universities are starting to appreciate marketing activities as an important enrollment management tool. According to a study conducted in 1999, education sector is number 7 among 23 product categories that are currently being promoted using permission marketing. The purpose of this project is to examine with a questionnaire the feasibility of using Permission Marketing in development of interactive marketing strategies for colleges and universities.

**Key Words:** Permission Marketing, Higher Education, Marketing

### **Introduction**

*“Imagine you're in an empty airport, early in the morning. There's hardly anyone there as you leisurely stroll towards your plane. Suddenly, someone walks up to you and says, "Excuse me, can you tell me how to get to Gate 7?" Obviously, you weren't hoping for, or expecting, someone to come up and ask this question, but since he looks nice enough and you've got a spare second, you interrupt your train of thought and point him on his way.*

*Now, imagine the same airport, but it's three in the afternoon and you're late for your flight. The terminal is crowded with people, all jostling for position. You've been approached five times by various faux charities on your way to the gate, and you've got a headache to top it all off.*

*Same guy comes up to you and asks the same question. Odds are, your response will be a little different. If you're a New Yorker, you might ignore him altogether. Or you may stop what you were doing, say, "sorry," and then move on.*

*A third scenario is even worse. What if he's the fourth, or the tenth, or the one hundredth person who's asked you the same question? Sooner or later you're going to tune out the interruptions. Sooner or later, it all becomes background noise.”*

Seth Godin (1999) is portraying the situation of modern human-being surrounded by the clutter of traditional interruption marketing approach with the help of airport-passenger metaphor. What is making that clutter more unbearable is the respond of marketers to diminishing effectiveness of Interruption Marketing. They are spending more on ads, increasing the noise-level and finding new ways of interrupting consumers: clothes with huge logos, long even movie-like ads, almost half-commercial magazines.

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<sup>1</sup> MA, International University of Sarajevo, skusakci@ius.edu.ba

<sup>2</sup> Assist. Prof. Dr., International University of Sarajevo, kozguven@ius.edu.ba

There are two facts overlooked by marketer:

- I. Consumers are usually satisfied with their current suppliers in terms of quality. It is highly possible for any type of consumer to find a product or service which is appropriate to his expectations. It means people are not willing to move among different producers as much as marketer suppose.
- II. Human-beings have limited attention, time and money. It is impossible for us to pay attention to each marketing effort, to read or watch all of produced ads and to buy everything offered.

Therefore what should be performed by marketer in order to overcome obstacles mentioned above and to reach the audience? Among different approaches introduced by innovative marketing people, the focus of our project will be permission marketing.

### **1. From Interruption to Permission**

Within the framework of permission marketing, “consumer provides interested marketers with information about the types of advertising messages they would like to receive. The marketers then use this information to target advertisements and promotions.” (Brey, So, Kim and Morrison, 2007)

“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.” (Godin, 1999)

In order to make the difference between interruption and permission marketing clear, Godin is using the analogy about getting married. Let’s imagine someone - well-dressed with an expensive suit, shoes and accessories - is entering a single bar which is strategically selected. He is approaching a beautiful young lady and proposing marriage. What is the probability of getting a “yes”?

The second way called dating would be a more rational and success-promising way of getting married. The same person “goes on a date. If it goes well, the two of them go on another date. And then another. Until, after ten or twelve dates, both sides can really communicate with each other about their needs and desires. After twenty dates, they meet each other's families. And finally, after three or four months of dating, the Permission Marketer proposes marriage.” (Godin, 1999) What is the probability of getting a yes-response in that case? Even though he might be rejected, the probability is higher for the second scenario.

The permission marketing process which is turning strangers into friends, and friends into customers can be analyzed in five steps: (Godin, 1999)

- I. In order to persuade counter-party for the first dating, attractive incentives should be offered. “The incentive you offer to the customer can range from information, to entertainment, to a sweepstakes, to outright payment for the prospect's attention. But the incentive must be overt, obvious and clearly delivered.”
- II. The aim of first date is not to buy your product, however to convince for a second date. The coming dates are important to introduce the company and product offered.
- III. Communication is so fragile that you have to strengthen it through new incentives. Besides it will keep the attention alive.
- IV. Through incentives, the level of permission received from customer should be increased. Incentives are able to open new communication and interaction channels.
- V. Final step is to leverage the permission into a profitable situation for both parties through influencing consumer’s behavior.

In summary, permission marketing is attempting to increase the level of communication. The indicator of increasing communication is increasing level of permission granted by customer for receiving commercial messages of either kind. That can also be understood as increasing trust and higher potential for profit-gain. (Marinova, Murphy and Massey, 2002) One of the theories behind permission marketing is that, presumably, a customer that has given permission to receive promotions is a better, more loyal, and more profitable customer overall. Most marketers will not argue that fact. (MacPherson, 2001)

While permission marketing is including lots of advantages listed in different books, disadvantages embedded into this approach should be underlined. In the real world, it is so gentle to ask for permission before attempting to start an interaction. Under the virtual world's circumstances, to start communicating without permission is not only rude but also involving the risk of being labeled as a spammer. Regulations related to the commercial-use of customer data are restricting the play-ground of companies. (Brondmo, 2000)

## **2. Permission Marketing in Higher Education**

The marketing of higher education emerged in the mid-1980s. Before that revolution, it is strongly believed that marketing would impact the nature and integrity of the education. The first assignment accomplished by higher education marketer was the design of a view-book to attract the right type and number of students desired by institutions. It took a long time not only for universities but also for marketers to understand that universities are also businesses offering a service pack including education, personal development, career, etc. Nowadays marketing is one of the major activities implemented by universities. (Hayes, 2006)

Permission Marketing is especially important in sectors offering intellectual services. If the propagation principles of religious sects are investigated, it would be clear how they are implementing permission marketing strategies in order to attract people. Seth is giving the example of "Hare Krishnas" - a Hindu philosophy - that is first of all inviting people to eat a vegetarian dinner. During the dinner the worldview is introduced and discussed. If you feel interested in the sect, most probably you will join dinners repeatedly. The cost is less than a widespread campaign's spending and the number of people who are dedicated to the order is higher. (2000)

Therefore, the use of permission marketing in higher education enrollment can bring two-sided benefits. The technological infrastructure such as World Wide Web and E-Mail, is allowing universities to maximize these advantages. "It is useful to conceptualize the standard University Web site as the way to implement a mass customization production strategy. Moreover, personalized e-mail responses to student inquiries become the entrée to a Permission Marketing strategy." (Bitar, McKnight and Paugh, 2000)

Yesmail.com which is an industry-leading provider of online e-marketing solutions such as direct marketing applications, data management/intelligence, lead generation and email lists, ranked the different product categories that are currently being promoted using permission marketing. Education was number 7 based on the number of users. (Krishnamurthy, 2001)

Table 1: Leading Categories of yesmail.com

<b>Number</b>	<b>Category</b>	<b># of Users</b>
1	Computers	4,292,000
2	Internet	3,330,000
3	Shopping	2,912,000
4	Sports and Recreation	2,512,000
5	Business	1,364,000
6	Home and Family	1,335,000
7	Education	1,312,000
8	Society and Culture	1,232,000
9	Entertainment and Games	1,175,000
10	Music	1,139,000
11	Arts and Humanities	1,106,000
12	Health	1,032,000
13	Investing and Finance	830,000

### **3. Purpose of the Study**

The purpose of this project is to determine the feasibility and possible manner of using Permission Marketing in development of one-to-one marketing strategies for higher education institutions.

More specifically, this research firstly investigates the Internet usage habits of high school students. Second step is interested in their preferences in college search. Last and main part of the work is attempting to examine the importance of various gifts –so called bribes - which can be offered within the framework of permission marketing. Of particular interest is the role of gender and age.

### **4. Methodology**

A questionnaire was prepared and conducted among high school junior and senior students in Sarajevo -the capital city of Bosnia and Herzegovina-. Fifty questionnaires were distributed during the Open Day at International University of Sarajevo. Because of the low respond rate, an online version of the questionnaire was also prepared and uploaded to screator.net. High school students were informed about the questionnaire through e-mails and Facebook.

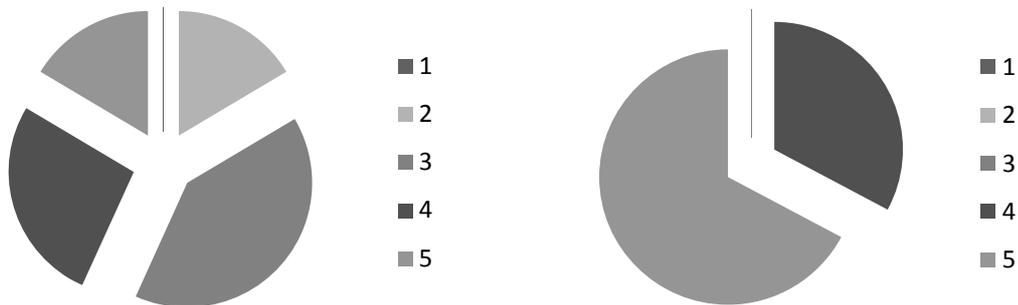
Demographic data such as gender, nationality and data about high school performances were also obtained. The answers were coded, tabulated and analyzed by using Microsoft Excel and SPSS.

### 5. Results

Firstly, it will be carried out a basic analysis on the questionnaire answers in order to give reader an overview of data. Among seventy-five high school students, the percentage of male students is 35 %. Approximately 20 % of students are 17 years old or younger, while the rest 80 % is at least 18 years old. The grade distribution of respondents in Mathematics and English classes can be illustrated by the following charts:

Figure 1: Grade Distribution in Mathematics

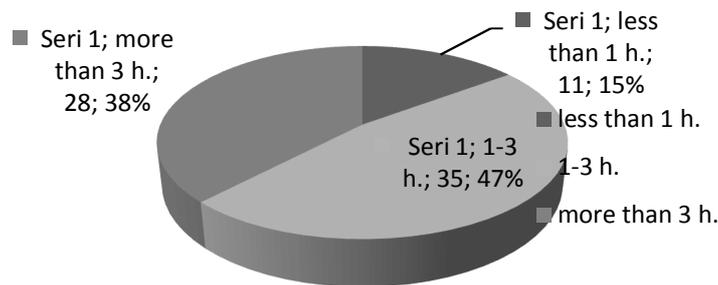
Figure 2: Grade Distribution in English



If we study the general distribution of high school notes, we will detect that majority of students report average grades in high school. This can be interpreted in a way that students searching for a college are mostly well-performed high school students.

Respondent students are usually intensive internet users. Approximately half of the students are online more than 3 hour per day. The percentage of users who are online less than one hour daily in average is solely 15 %.

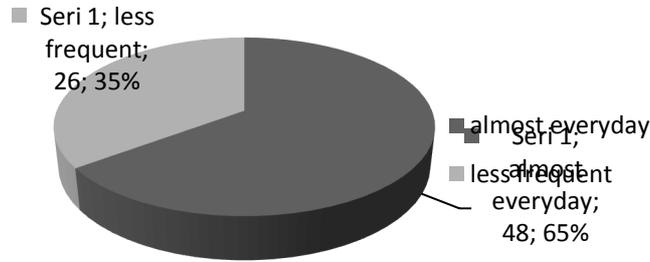
Figure 3: Daily Internet-Usage of Students



Besides, 65 % of students are able to check their e-mail accounts daily. That shows us not only they have an easy-access to Internet, but also familiar with the communication technologies offered by the Internet. Another question whether they communicate through e-mail or not is also proving our previous assumption: 90 % of students responded the question “yes”.

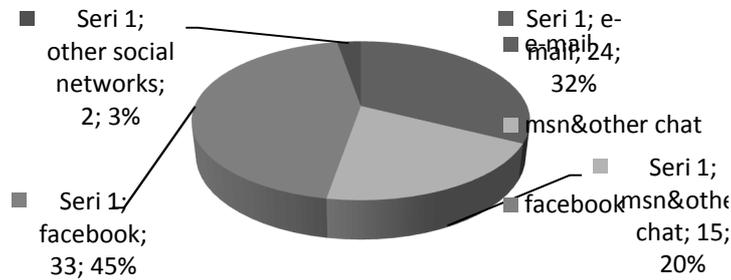
Among different communication channels provided by the Internet, high school students are typically Facebook-lovers. Alternatives to Facebook are E-mail and MSN & MSN-like chat-programs. That shows us, Internet usage of new generation in BIH is developing in accordance with the overall development of Internet preferences.

Figure 4: E-mail Account Check Frequency



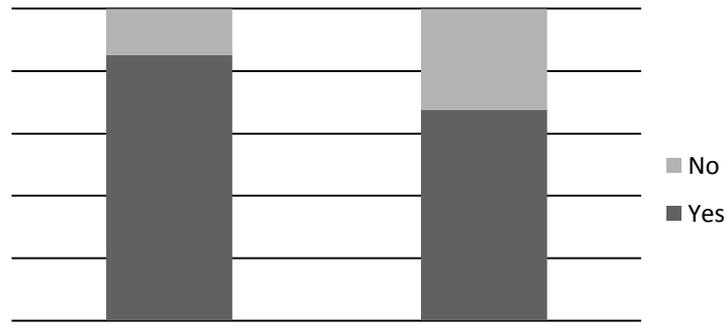
The next part of the questionnaire is concerning with Internet-usage in college search. While Almost 70 % of respondents have contacted with a higher education institution through e-mail, the percentage of students visited webpage of a university is 85 %. This information is on the one hand demonstrating a high-level of internet usage even in college search. On the other hand the web appears an easier way of gathering basic information about any subject.

Figure 5: Main Online Communication



Even though the usage of web is higher than e-mail in reality, the preferences are displaying another picture. Only 18 % of students favor the web over e-mail and face-to-face communication for their college search. While E-mail is the most preferred way of contacting to an institution, face-to-face communication became number two with 40 %. The results are supporting the arguments suggesting the importance of one-to-one marketing: Potential high school students desire a personal communication, direct response for their specific questions and personalized enrollment process.

Figure 6: Have you ever contacted to a higher education institution?



Within the framework of that study, it is also asked how important various information about an institution. The answers could bring meaningful help in designing presents for permission marketing steps. It is clear that information about academic programs, their quality which is directly related with labs and other facilities and tuition fees are more valuable than the other type of information for a potential student.

Figure 7: Preferred Way of Contacting to a University

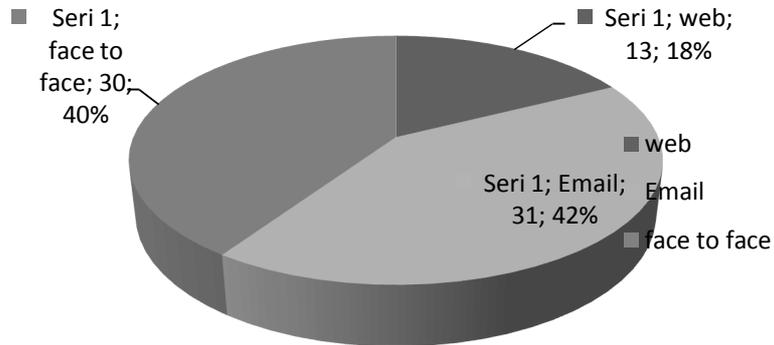
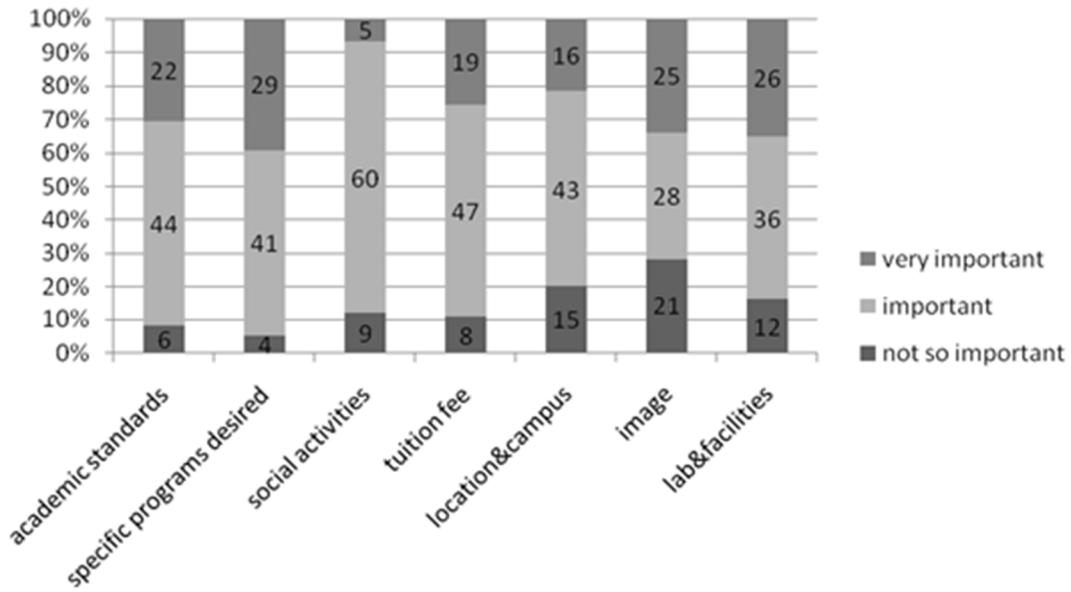


Figure 8: The Importance of Various Information About a University



In the last part of questionnaire it is questioned how important some opportunities given by a university in enrollment process. Like previous question, the responds to that question have a considerable effect on the design of permission marketing strategy. While students find a special meeting with professor or free educational trips organized by university worthwhile, promotional materials such as T-Shirts/Cups are lowly-evaluated.

The project was also aimed to analyze gender, age, academic performance and national differences in internet usage and preferences of high school students related to college search. Because all respondents are Bosnian and most of them are more than 18 years old, only academic performance in mathematics and gender are able to expose a meaningful differentiation.

Figure 9: The Importance of Various Opportunities Offered by a University

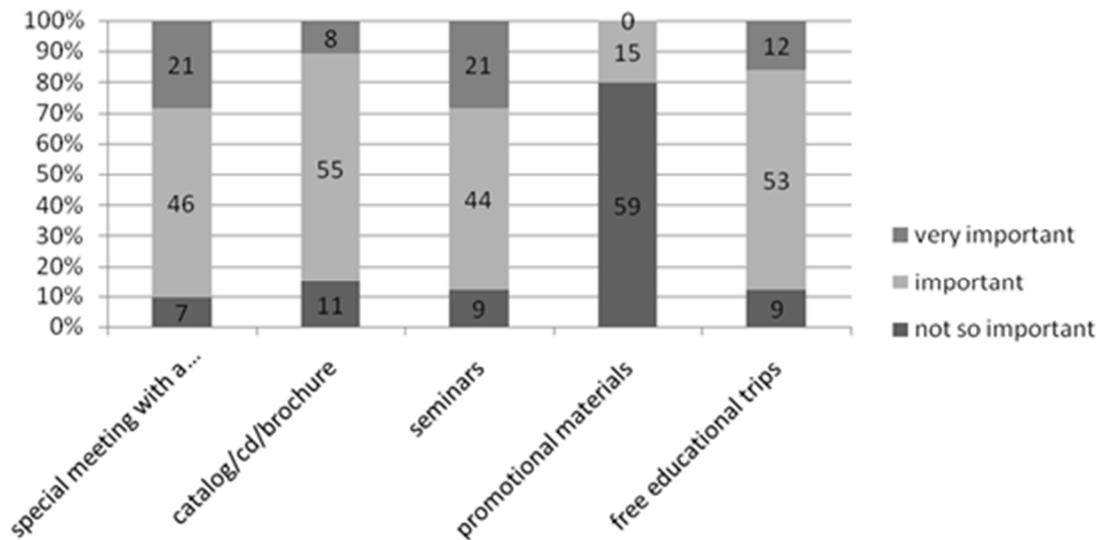
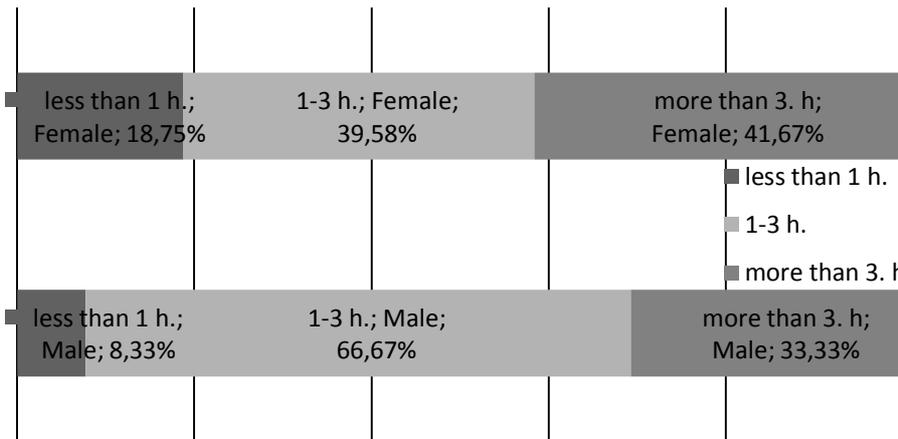


Figure 10: Gender Difference in Daily Internet Consumption

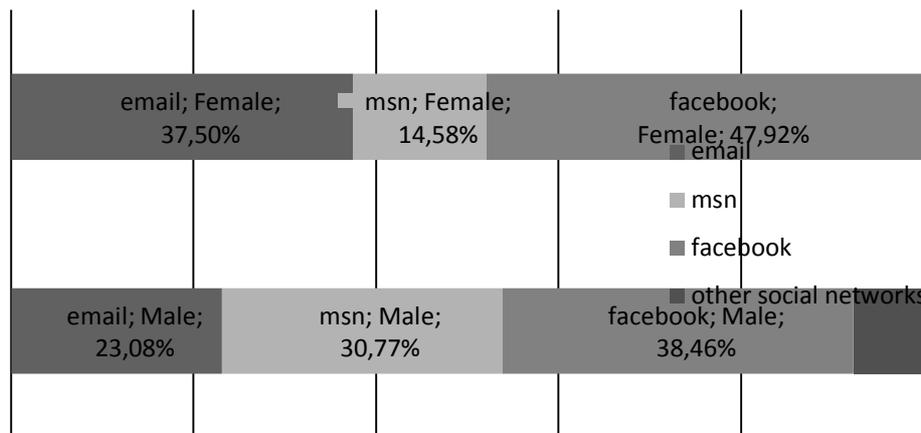


This graph is visualizing how different male and female students are daily spending their time in Internet. Male students are usually standard users with an approximate 70 %. While 20 % of females are online less than 1 hour, the percentage of students who spend at least 3 hours in Internet is more than male subjects.

The result from statistical analysis carried out in SPSS indicates that the difference between male and female respondents' daily internet usage is not significant,  $t(df = 72) = 0.09$ ,  $p = 0.07 > .05$ .

Another important difference between male and female respondents arisen from the survey is their preferred way of communication with a higher education institution. The result from statistical analysis carried out in SPSS indicates that there is a significant difference between male and female respondents' preferred way of communication with a higher education institution,  $t(df = 72) = 3.599$ ,  $p = 0.001 < .05$ . While 70 % of male students choose face-to-face communication, 50 % of female students prefer to contact to a university through e-mail.

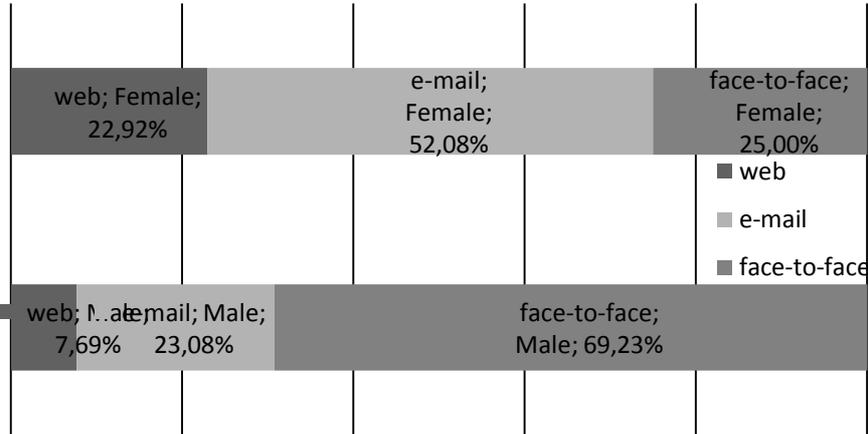
Figure 11: Gender Difference in Main Communication Channel



Prevalence of social networks among male and female students seems equal. However there is a clear difference their email and msn preferences. While female students are identifying email as their main communication channel, for male students MSN finds more acceptance.

This can be explained with the difference in communication perception between females and males.

Figure 12: Gender Difference in Preferred Way of Contacting to a University



The result from SPSS Independent Samples T-Test approves the difference in academic performance does not cause any difference in Internet usage and preferred way of communication with a higher education institution.

The last two parts of the survey is directly related with the design of permission marketing strategy. Gender differences in preferential information type and gifts which might be provided by a university are also examined: There is no clear distinction between the answers of male and female subjects.

## 6. Conclusion

Permission marketing suggests an evolution of direct marketing, particularly used with e-mail. It combines databases of customers who agree to receive marketing messages with low-cost, customized e-mails that attempt to slice through advertising clutter, attract increased customer support, and change behavior. (Tezinde, Smith and Murphy, 2002)

In this study it is tried to create an infrastructure in order to design a permission marketing strategy for higher education institutions. It is found out that new generation is extremely familiar with the Internet and communication channels provided by it. Daily they visit Facebook, share videos, use MSN to chat and send e-mails in order to communicate. Namely the social network wave is also so powerful in an underdeveloped east Europe country. They surf in Internet not only for fun but also to collect information, even in their college-search.

The crucial point is that new generation is more willing to one-to-one communication such as personalized e-mails and face-to-face. Under these circumstances, the relevance of permission marketing is increasing. A step-by-step strengthened relationship is saving cost and eliminating the ones who are not really interested in the service offered by a specific university. At the same time, with the help of gifts – so called bribe – and additional information provided at each step potential students are taking advantage of becoming a part of that strategy.

Some implications derived from the survey are listed as follows:

- I. Information about academic programs, their quality which is directly related with labs and other facilities and tuition fees are more valuable than the other type of information for a potential student.
- II. Students find a special meeting with professor or free educational trips organized by university worthwhile, instead of promotional materials such as T-Shirts/Cups.
- III. There are gender differences in usage of Internet and communication tools provided by it. While universities are designing permission marketing steps, these differences should be taken into consideration.

The present study had several limitations:

- I. The distribution of male and female students was not equal, which presumably affected the results of the survey.
- II. The number of respondents was limited with 75. Analyzing the preferences of more students could have given more realistic results.

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