Permission E-mail Marketing

as a Means of Targeted Promotion

Hospitality operators should be able to use e-mail marketing (by permission) to build relationships with their existing customers. The question is how to make it work.

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E-mail offers the hospitality industry a flexible and inexpensive tool for testing and distributing sales and promotional messages to existing customers and prospects. Despite the explosion of internet-based communication, however, conventional direct-mail has increased fourfold in the past decade.[1] One consequence of the increasing volume of paper that people receive is that just 75 percent of direct mail is opened nowadays, compared to an estimated 90 percent just a few years ago.[2] That does not say anything about *response* to direct-mail messages, since opening does not automatically lead to buying. Researchers have found that while a healthy four of five primary shoppers in the United States flip through mail-order catalogues sent to them, only half actually buy an item out of those catalogues.[3] That statistic raises the question of whether direct mail is losing its punch as a way of reaching customers.

Marketers have responded to customers' lack of interest by trying to strengthen their mailing lists.[4] It is common today to create targeted lists by analyzing customer-information databases and developing profiles of people who are most likely to be repeat buyers. The heart of relationship management lies in understanding one's consumers: their preferences, purchasing histories, and future purchasing intentions. Studying those factors helps marketers better profile their target

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[1] D. Bird, "Direct Marketing Is as Relevant Now as It Was in 1900," *Marketing*, October 12, 2000, p. 28.

[2] *Ibid.*

[3] D. Bell and D. Gordon, "Note on the Mail-order Industry," *Harvard Business School Publishing*, March 1995, pp. 1–16.

[4] See: F. Newell, *loyalty.com* (New York: McGraw-Hill, 2000).

audiences for the potential delivery of personalized products and services.[5]

Data that a company collects from or about a consumer are considered to be its property. Those data are legally available for marketing campaigns until that customer "opts out," or explicitly asks to be removed from the mailing list.[6] Despite the opt-out possibilities, consumers are growing ever more concerned about how businesses are using information about them.[7]

Seth Godin has noted that in many cases consumers see direct-marketing regular mail—commonly called junk mail—as the paper equivalent of spam (the now-ubiquitous unsolicited e-mail).[8] Both junk mail and spam arrive unanticipated and unbidden, and they both clutter up people's mail (or e-mail) boxes. Such a comparison makes e-mail an unattractive vehicle for reputable companies with established brand names.

This is where "permission marketing" enters into the direct-marketing equation. Obtaining a customer's permission to be contacted as part of an advertising campaign works to the company's benefit.[9] To begin with, obtaining permission promotes a corporate image of responsibility and respect for the consumer. That, in turn, helps forge and maintain strong commercial relationships with current and prospective clients. Such a personal relationship helps the marketer's message cut through the advertising clutter by creating a distribution list of customers who want to receive that firm's communications.

Permission Marketing via E-mail

The idea of so-called permission marketing is to cultivate a relationship with customers who have given a marketer the go-ahead to send them information about a product, service, special offer, or sale.[10] Such an approach "decreases the mailing volume but raises the percentage of success,"[11] and becomes potentially more effective through the use of information technology. Compared to previous approaches, e-mail allows for easier customer-data collection and more solid analysis of that data.

Permission marketing has three characteristics that set it apart from traditional direct (mail) marketing.[12] Customers who permit their names to be included on direct-mail lists can anticipate receiving commercial messages; the sending company can personalize those messages; and the messages will be more relevant to the customers' needs. Godin has likened permission marketing to "dating" a customer.[13] 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.

A company that embarks on a permission-marketing campaign will likely see its objectives evolve from mere communication to include measuring the different levels of permission its customers grant it. A key part of cultivating a relationship with one's customers is to obtain from them increasingly greater levels of permission for receiving commercial messages of either kind. In turn, customers who grant increasing levels of permission are signaling increasing trust in the company—and that potentially translates into profit.

Five levels of permission can be won from customers targeted by a permission-marketing

[5] See: *Ibid.*; and R. Stone and J.B. Mason, "Relationship Management: Strategic Marketing's Next Source of Competitive Advantage," *Journal of Marketing Theory and Practice,* Vol. 5, No. 2 (Spring1997), pp. 8–19.

[6] See, for example: Kin-nam Lau, Kam-hon Lee, Pong-yuen Lam, and Ying Ho, "Web-site Marketing for the Travel-and-Tourism Industry," *Cornell Hotel and Restaurant Administration Quarterly,* Vol. 42, No. 6 (December 2001), pp. 55–62.

[7] J. Phelps, G. D'souza and G. Nowak, "Antecedents and Consequences of Consumer Privacy Concerns: An Empirical Investigation," *Journal of Interactive Marketing,* Vol. 15, No. 4 (2001), pp. 2–18.

[8] S. Godin, *Permission Marketing: Turning Strangers into Friends, and Friends into Customers* (New York: Simon & Schuster, 1999).

[9] See: *Ibid.*; and S. Krishnamurthy, "Spam Revisited," *Quarterly Journal of Electronic Commerce,* Vol. 1, No. 4 (2000), pp. 305–321.

[10] See: Godin, *op. cit.*; and S. Krishnamurthy, "A Comprehensive Analysis of Permission Marketing," *Journal of Computer Mediated Communication,* Vol. 6, No. 2 (2001) at www.ascusc.org/jcmc/vol6/issue2/krishnamurthy.html, as viewed on February 10, 2002.

[11] R. Perlstein, "Getting Permission," *Zip Target Marketing,* Vol. 9, No. 7 (July 1986), p. 36.

[12] Godin, *op. cit.*

[13] *Ibid.*

campaign, according to Godin.[14] In descending order of involvement, he terms those levels as follows: intravenous, points, personal relationship, brand trust, and situation.

"Intravenous" is the highest kind of permission to be won from customers. It involves customers trusting the marketer to make buying decisions for them.

"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.

The "personal relationship" level of permission uses individual relationships between the customer and marketer to temporarily refocus the attention or modify a consumer's behavior. For example, an airline may target those frequent-flyer customers with hundreds of thousands of accumulated miles. This personalized approach is the best way to sell customized, expensive, or highly involving products.

With "brand trust" permission, the customer has developed a level of confidence in a product or service that carries a particular, well-known brand name. Brand-trust customers are likely to give their permission to receive sales or promotional messages about other items produced under the same trusted brand.

"Situation" permission is a one-time or limited-time permission, which is the least potent of the five levels of permission. This permission is given when the customer agrees to receive sales or promotional messages from a company for a specified time. This would occur, for instance, if a person agrees to let a cold-calling sales person send a packet of information about a travel package.

So far we have been discussing permission marketing in terms of a direct relationship, in which the customer and company communicate directly, and the company typically offers the customer an additional service as an inducement to maintain the relationship. However, it is also possible to conduct a permission-marketing program through intermediaries. In an intermediary relationship, the customer interacts with a third party to the commercial transaction.[15] For

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[14] Ibid.

[15] Krishnamurthy, op. cit.

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the hospitality industry, such intermediaries include Travelocity, Click International, and Expedia. These companies typically induce website visitors to register for e-mail newsletters or special-promotion updates. Customers provide data about themselves as part of the registration process, and the intermediaries use that data to target newsletter advertisements to specific customers (based on demographic assumptions).

One Hotel's Experiment with Permission E-mail

We conducted a study of an Australian hotel's initial efforts to use e-mail at the "brand trust" level of permission marketing, in hopes of developing a technique of customer-relationship management. The hotel's broad goal was to experiment with forging an interactive relationship with its customers through a permission-marketing e-mail campaign. Its specific goals were to encourage repeat visits by previous guests, retain them as part of the hotel's customer base, and to increase the number of hotel services that guests used during their stays.

> **Obtaining a customer's permission to be contacted as part of an advertising campaign works to the company's benefit.**

Located in Perth, the capital of Western Australia, the hotel is part of a major international chain. It targets the business-travel market, in which it maintains a "preferred hotel" status with several client companies. Domestic and international leisure travelers also patronize this hotel, and it markets itself as a site for hosting special functions and events. The hotel's food service features restaurants, a cafeteria, and a bar, all of which are patronized by its guests and local residents.

The hotel routinely collects detailed guest information at registration and throughout the guests' stay. These data include guests' names, addresses, the number of times they have stayed at the hotel, and their average spending during their stays.

EXHIBIT 1

Permission-marketing e-mail treatments

	Personalized salutation	Generic salutation
High subject relevance	Sample 1 Dear Complimentarytitle Guestfirstname Guestlastname; Take Advantage of Hotelname's Latest Promotions	Sample 2 Dear Valued Guest; Take advantage of Hotelname's Latest Promotions
Low subject relevance	Sample 3 Dear Complimentarytitle Guestfirstname Guestlastname; News and Special Offers	Sample 4 Dear Valued Guest; News and Special Offers

Note: Each cell totaled 200 recipients.

The hotel began collecting guests' e-mail addresses with the aim of replacing its printed direct-mail initiatives with a less-expensive e-mail marketing campaign. The e-mail addresses were gathered primarily from guest registrations, business cards left behind by hotel and restaurant guests, and from feedback questionnaires available in its restaurants. The hotel also used an internal database compiled by its business-development unit, which contained contact information—including e-mail addresses—for travel and function organizers, travel agents, and tour operators. In all, the hotel's database numbered some 6,000 records, of which 4,000 were for its past guests.

The hotel's e-mail marketing efforts—before it undertook its permission-marketing experiment—were sporadic at best. It previously used e-mail to promote special room and restaurant offers to members of its frequent-dining club. Those tentative forays into e-mail marketing netted generally positive feedback from their limited audiences. Many of the dining-club members who received the hotel's promotional e-mail either responded—by e-mail—to say "thank you" or, better still, took advantage of a particular special offer.

Those early experiences encouraged the hotel's management to take the next step by establishing a full-fledged permission-marketing campaign that targeted promotional e-mail to potential and current customers. To that end, the managers designed and conducted an "opt out" e-mail permission-marketing campaign. That is, people who received the hotel's e-mail could respond and ask that their names be removed from its e-mailing list, but the hotel did not ask them first whether they wanted to receive that initial promotional message.

Relevance. The goal for this study was to identify factors that could influence the effectiveness of an e-mail permission-marketing campaign. The study also examined implementation issues related to the hotel's experimental campaign—for example, how to handle the subject line in each e-mail message. The subject line is arguably the most important field for marketers because what the sender writes in that space has a lot to do with whether the receiver is enticed into reading the message.[16] Just as direct-mail marketers fret over such issues as package size, design, and message wording, e-mail marketers should concern themselves with the text of subject lines.

We have seen few studies that explore the issue of subject-line relevance, however. This led to our first research question: "Will subject titles that are highly relevant to the product or service being promoted (and, presumably, to the receiver's need) generate larger response rates than subject titles that are low in relevance?"

Personalization. Del Webb Corporation is one firm that has experimented with personalizing e-mail subject lines. The company 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 personalized.[17] The literature on customer-

[16] J. Hoffman, "The Anatomy of E-mail Marketing," *Direct Marketing*, Vol. 63, No. 3 (July 2000), pp. 38, 40.

[17] E. Colkin, "Marketing Capitalizes on E-mail," *Information Week* (July 23, 2001) at www.informationweek.com/story/IWK20010719S0014, as viewed on February 10, 2002.

relationship management argues that personalization is a critical element for sales success.[18]

Along this line, the second research question was: "Will a permission-marketing campaign using personalized e-mail generate a larger response rate than generic, mass-delivered e-mail messages?"

Opt in or opt out? Two more research questions investigated opt-out requests from the hotel's e-mail campaign recipients. The decision to conduct an opt-in or opt-out permission-marketing campaign is an important one for marketers. In an opt-out campaign, targeted customers receive an initial e-mail that delivers a promotional message, but also offers recipients a way to remove their names from the e-mailing list. An opt-in campaign, by comparison, involves explicitly asking customers whether they want to receive promotional e-mail in the first place.

In this study, the Australian hotel tested an opt-out approach. Accordingly, the third research question we investigated was, "Does high subject-line relevance yield fewer instances of opting out among e-mail recipients?" Similarly, the fourth question asked, "Does e-mail personalization function to reduce recipients' opting-out behavior?"

Study method. The 6,000 guests for whom the hotel had e-mail addresses had not explicitly agreed to receive sales or promotional e-mailings from the hotel. The hotel chose to not pursue a two-step process of e-mailing its entire list to ask for recipients' opt-in permission and then contacting only those who agreed to receive additional e-mailings. The risk it faced with an opt-in strategy of that kind was that customers would not opt in and the e-mail distribution list would shrink unduly. On the other hand, with its opt-out approach the hotel risked alienating an unknown number of its former guests who would be offended by receiving an unbidden commercial message, even with the opt-out opportunity.

[18] See: D. Peppers, M. Rogers, and B. Dorf, "Is Your Company Ready for One-to-One Marketing?," *Harvard Business Review*, Vol. 77, No. 1 (January–February 1999), pp. 151–160; J. Pine, B. Victor, and A. Boynton, "Making Mass Customization Work," *Harvard Business Review*, Vol. 71, No. 5 (September–October 1993), pp. 108–119; and Newell, *op. cit.*

Sample of hotel's promotional e-mail message

Dear [personalized or generic salutation],

Hotel [name] thanks you for your past patronage and wishes to inform you in advance of upcoming specials and promotions.

Please visit [URL] for details on:

1. Winter Break Accommodation Package—valid until 31 August 2001.
2. Curries of the World—[Name] Diner.
3. Midweek Dinner Special—[Name] Restaurant.
4. Kids-eat-free Buffet—[Name] Restaurant.
5. Musical Evenings—[Name] Restaurant.
6. Best of Western Australian Buffet—[Name] Restaurant.

You've received this e-mail to inform you of upcoming events. Please e-mail specials1@hotel[name].com to stop receiving this information.

Best regards,
[Name]
Director of Marketing
Hotel [Name] [URL]

Note: The high-relevance version of the e-mail carried the subject line, "Take Advantage of [hotel name]'s Latest Promotions." The low-relevance version's subject line said simply, "News and Special Offers." The personalized version began, "Dear [Mr., Ms., etc., First Name and Last Name of Guest]." The generic version began with, "Dear Valued Guest."

So, rather than simply send messages to the entire 6,000 addresses in its database, the hotel's managers decided to test the waters of permission e-mail marketing by sending messages to just 800 of the guests on its e-mail distribution list. With benefit of hindsight, we now recognize a problem that the hotel failed to consider when it selected the opt-out approach over the opt-in campaign. As it turned out, a large portion of its e-mail list consisted either of bad addresses or the addresses were miskeyed in the sending. An opt-in strategy would have caught those errors before the actual sales message was sent out.

The hotel used a "two-by-two matrix" to test the effects on response rates of the relevance of the e-mail's subject line and the personalization of the promotional message. The matrix arrangement is shown in Exhibit 1.

For the first e-mail run, four samples of 100 e-mail addresses each were drawn at random from

Response rates by e-mail-message treatment

	Valid (delivered) messages	Opt-out requests	Web-page visits
High relevance			
Personalized (Sample 1)	112	4 (3.6%)	9 (8.0%)
Generic (Sample 2)	121	0	11 (9.1%)
Low relevance			
Personalized (Sample 3)	128	4 (3.1%)	8 (6.3%)
Generic (Sample 4)	131	2 (1.5%)	11 (8.4%)

the hotel's e-mail database. All 400 recipients received the same basic e-mail message (shown in Exhibit 2, on the previous page), except that each sample of 100 received one of the experimental variations in personalization and subject-line relevance. The hotel then repeated the process with four more sets of 100 respondents each.

The basic message was crafted to satisfy the characteristics that Weylman outlines for effective direct-mail communication.[19] It was brief, its language was straightforward, and its call to action (its request that recipients visit the hotel's web page) gave it the quality of clarity. The message asked recipients to visit a hotel web page for details about six promotional events and provided a return e-mail address for opting out of future messages. It ended with the hotel's marketing director's "signature" as a way to ensure against its recipients' mistaking it for spam. The six room and restaurant promotions that the message highlighted arguably can be seen as offering recipients "stimulation," or incentives or rewards for their attention.

Keyed by hand. The last characteristics cited by Weylman, personalization, was, as we said, one of the treatments of the hotel's experiment. The easiest way to add personalization to a mass

e-mailing is to purchase specialized software, while the alternative is to manually personalize each message. The hotel personalized the e-mails using a merge function and a little program that its IT manager wrote for Lotus Notes.

The personalized version of the hotel's promotional e-mail message began with a complimentary title ("Dear Mr., Ms., Dr., or Professor")," followed by the recipient's first and last name. The generic salutation was "Dear Valued Guest."

To add relevance to the message, the hotel included its name in the subject line. The idea was that the name would be familiar to the e-mail's recipients because of their prior involvement with the hotel. Therefore, the high-relevance version of the e-mail carried this subject line: "Take Advantage of [hotel name]'s Latest Promotions." Conversely, the low-relevance version carried this obviously ambiguous subject line: "News and Special Offers."

Fall tonic. The hotel sent out its first batch of 400 e-mails on a Tuesday afternoon in April 2001, as past experience indicated that the mid-week days were typically the heaviest in terms of internet users' visits to the hotel's web site. The e-mailing was repeated step-for-step a week later to a different batch of 400 e-mail addresses drawn at random from the hotel's database. This was done to increase the validity of the experiment and to guard against over-generalizing from the results.[20] In all, then, each of the four experimental treatments—or each version of the hotel's promotional message—was sent to 200 individual recipients in the two e-mailing waves.

Each version of the e-mail directed its recipients to one of four web pages that the hotel established specifically for gauging the response to its experiment. Each web page was monitored for one week from the day the e-mail message was distributed, as responses to commercial e-mail generally occur within a few days of receipt.[21] The opt-out e-mail address also was monitored for one week to gauge that form of "unsuccessful" response to the hotel's campaign.

[19] C.R. Weylman, "Direct Mail that Gets Opened and Read," *American Salesman*, Vol. 44, No. 10 (October 1999), pp. 13–17.

[20] E. Babbie, *The Practice of Social Research*, eighth edition (Belmont, CA: Wadsworth Publishing, 1998).

[21] L. Wathieu, "Yesmail.com," *Journal of Interactive Marketing*, Vol. 14, No. 3 (Summer 2000), pp. 79–92.

Bounce Backs and Opt Outs

The hotel successfully reached 61.5 percent of the 800 recipients targeted in its two experimental e-mail distributions, as shown in Exhibit 3. This was a much lower penetration than the hotel expected. Nearly two-fifths of the 800 promotional e-mail messages bounced back as undeliverable, from non-working or incorrect e-mail addresses. Both distributions experienced a similar level of bounce backs, at about 38 percent each. This high rate of undeliverable e-mail speaks to the importance of ensuring e-mailing databases are entered accurately and kept up to date— and that addresses are keyed correctly.

Opting out. Overall, ten people, or 2 percent of the 492 who received the promotional e-mail message, responded by denying the hotel their permission to send them future e-mailings. The two personalized versions of the e-mail generated the highest opt-out rates, as shown in Exhibit 3. Even so, those rates stood at less than 4 percent for each version. A generic message coupled with a subject line that was low in relevance brought a dropout rate of less than 2 percent.

None of the ten opt-out requesters seemed angered by their initial inclusion in the hotel's e-mailings. The typical opt-out reply was politely phrased as follows: "As I am a business visitor to your fair city, please don't send me further material such as this. Nevertheless, thank you for thinking of me."

None of the 121 people who received the generic message with a highly relevant subject line asked to be removed from the hotel's e-mail database. To the contrary, all of them seemingly were content to remain cued up with the hotel for future promotional e-mails.

Hard to tell. As for generating web-site visits, the two generic versions of the promotional e-mail appeared to work better than the personalized versions, although only slightly so. The highest percentage of web-site responses resulted from the generic version with high subject-line relevance, which drew about 9 percent of its 121 recipients to its companion web page, as Exhibit 3 shows. The lowest response rate was found for the combination of message personalization and low subject-line relevance. Still, all four versions brought web-site visits that exceeded the 1- to 2-percent response rate typical of direct-mail campaigns.

EXHIBIT 4

Results by research questions

	Web-page visits
RQ1: *Will high subject-line relevance increase web-page visits?*	
High relevance (*n* = 233)	20 (8.6%)
Low relevance (*n* = 259)	19 (7.3%)
	$\chi^2 = .262$, *df1*, $p < .61$
RQ2: *Will personalization increase web-page visits?*	
Personalized (*n* = 240)	17 (7.1%)
Generic (*n* = 252)	22 (8.7%)
	$\chi^2 = .457$, *df1*, $p < .50$

	Number of Opt-out Requests
RQ3: *Will high subject-title relevance decrease opt-out requests?*	
High relevance (*n* = 233)	4 (1.6%)
Low relevance (*n* = 259)	6 (2.3%)
	$\chi^2 = .222$, *df1*, $p < .64$
RQ4: *Will personalization decrease opt-out requests?*	
Personalized (*n* = 240)	8 (3.3%)
Generic (*n* = 252)	2 (0.08%)
	$\chi^2 = 3.982$, *df1*, $p < .05$

None of the four message treatments generated many e-mail replies that requested additional information about the advertised promotions or expressed a desire to take advantage of them. In fact, the hotel received only two such replies, and those were drawn from opposite ends of the message-treatment spectrum. One came from a recipient of the "personalized, high relevance" version of the e-mail and the other came from a "generic, low relevance" recipient.

Research questions. A statistically significant difference was noted in comparing the opt-out rates generated by message personalization and no personalization ($x^2 = 3.982$; *df1*, $p < .05$). This answered our fourth research question negatively. As Exhibit 4 shows, a personalized salutation actually resulted in the most opt-out requests (eight), compared to just two for the generic e-mail.

Chi-square tests showed no statistically significant pattern to opt-out requests connected to subject-line relevance. Those tests also showed that personalization and subject relevance of the hotel's promotional e-mails had no statistically noteworthy effect on whether recipients responded by visiting the corresponding web-site visits.

Confounding

The literature argues for the benefit of sending promotional mailings that are personalized to their recipients, but this Australian hotel's experiment with permission e-mail marketing points to the opposite conclusion. We found that personalization seemed to encourage customers to shield themselves from future commercial persuasion. We need to study this point more, but it may be that personalization is an ineffective device for generating the desired customer responses to promotional e-mail messages. The hotel received responses to the personalized versions of its e-mail all right, but it was in the form of opt-out requests, and not in the form of web-site visits.

One possible explanation for this effect is that people might object to having their names used by marketers when the relationship is tenuous. That is, adopting a sales approach of familiarity—approaching potential customers by name—may be counterproductive to the marketer's purposes when the customer has had little or no face-to-face interaction with the business—say, just one brief stay in a hotel.

We think that laying a foundation for familiarity ahead of a mailing might instill a more favorable perception in customers, one more conducive to a commercial objective. For example, the front-desk clerk or the hotel's registration form could explicitly ask guests whether they would like to receive future e-mails. Additionally, the hotel could target its most loyal customers with a preliminary direct-mail campaign, alerting them to future e-mails.

This finding highlights the need for research that compares responses to proactive campaigns involving opt-in permission to those with a reactive opt-out approach. We wonder whether customers would be more receptive to personalized sales approaches if they were given the chance to grant permission in advance before being included in a direct e-mailing. Customers may feel a greater affinity for a company that allows them to engage in such proactive behavior. The alternative of reactive behavior—of withdrawing permission after the fact—likely brings a sense of annoyance at best to receivers of an unanticipated e-mailing.

Future research should consider comparing the effectiveness of opt-in versus opt-out permission e-mail marketing. Future studies could also explore the subtleties of whether different forms of address have any effect. Rather than opening a promotional message with "Dear Mr. John Doe," for instance, a study could test the even more formal (but perhaps more distant) "Dear Mr. Doe" or a decidedly more familiar "Dear John" (or "Dear Jane").

This study also suggests that subject-line relevance may be largely irrelevant in a permission e-mail marketing campaign. The Australian hotel saw no substantial differences in the performance of promotional e-mails in the high- and low-relevance subject-line categories. But this finding seems counterintuitive, considering that cyber viruses distributed through e-mail commonly carry ambiguous subject lines. It seems reasonable, therefore, to expect internet users to be suspicious of e-mails with low-relevance or ambiguous subject lines—and to not open them readily. Then again, maybe the promotions in this mailing just weren't of interest to the recipients, regardless of what the subject line said. It may also be that early autumn in Australia (April) is not the time to send out messages of this kind.

Easy to measure. The simplicity of running the e-mail experiments described here and measuring web-page visits, bounced e-mails, and e-mail messages opens up a rich avenue of future research possibilities. The costs are minimal, and the overall results can be positive. Ultimately, this hotel's permission e-mail marketing campaign could be deemed successful in that it generated a greater response percentage than regular direct-mail usually draws (9 percent versus 2 percent, at best). It's also promising that all but ten of the 492 e-mail recipients chose to remain on the hotel's e-mail database—meaning that they are available for future promotional efforts.

One practical benefit is that the hotel's experiment highlights the need to train front-desk clerks and other personnel involved in sending the promotional messages. Harking back to our point about making sure e-mail addresses are clean, the hotel conducted a short seminar with the employees responsible for collecting or using e-mail addresses *after* the e-mail experiment and found ways to improve the e-mail database. For example, several clerks assumed that an e-mail address is similar to a surface-mail address in that a typo will not keep it from being delivered. Similarly, some of the employees did not realize that e-mail addresses cannot contain spaces.

This work is limited in that the test included only two variables—personalization and subject-line relevance—and one medium. Future research should consider exploring other media such as mobile phones,[22] as well as a fuller range of variables that could boost the effectiveness of a permission e-mail marketing campaign. Such variables could include subject-line copy, the e-mails "From:" field, the actual e-mail message, plain text versus html e-mail format, the salutation used, time of day, day of week, frequency of mailings, and the message's closing line. ∎

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[22] P. Barwise and C. Strong, "Permission-based Mobile Advertising," *Journal of Interactive Marketing,* Vol. 16, No. 1 (Winter 2002), pp. 14–25.
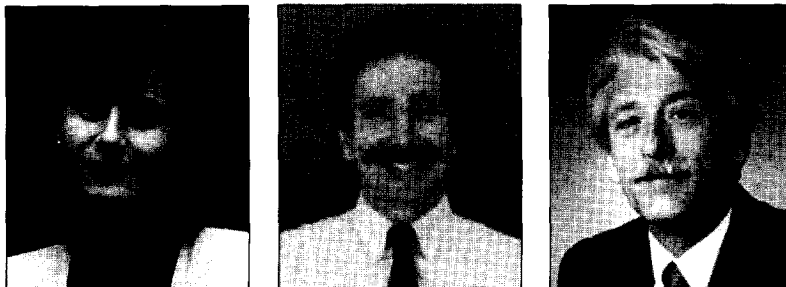
Ana Marinova (above, left), the public-relations and marketing director for a major Perth hotel (amarinova2000@yahoo.com.au), recently finished her master's degree at the University of Western Australia, where **Jamie Murphy,** Ph.D. (middle photo), is an associate professor (jmurphy@ecel.uwa.edu.au). **Brian L. Massey,** Ph.D. (above, right), is an assistant professor at the University of Utah (brian.massey@ utah.edu).