

## Permission email marketing and its influence on online shopping

### Introduction

The Australian retail industry is undergoing a dramatic evolution due in large part to the emergence of the Internet (Keller, 2009). The value of online purchases in Australia grew almost 25%, reaching \$11.7 billion in total. This figure is forecast to reach \$27 billion within the next four years (McMahon, 2012). The dramatic impact of the Internet has not been limited to Australian shores. For more than a decade, the Internet has been the world's fastest growing shopping channel (Dawson and Kim, 2010). The rapid growth of online shopping can be attributed to the various benefits it offers the consumer. These include savings in time and effort, the provision of detailed product information and access to lower prices and an almost infinite selection of goods (Prompongsatorn *et al.*, 2013).

Due to its importance, online shopping has received much research attention, particularly in relation to the factors that motivate it (Alijani *et al.*, 2014). The Technology Acceptance Model (TAM) has emerged as one of the most popular frameworks for exploring the determinants of online shopping (Celik, 2011; Kim *et al.*, 2013). Whereas the TAM was first conceived by Davis and colleagues for the purpose of identifying the factors that influence computer usage in general (Davis *et al.*, 1989) it has since been successfully applied to many other technology-based contexts, including online shopping.

Yet in spite of this, the TAM is still subject to two key criticisms. The first of these is its parsimony (Van Der Heijden, 2000). In comprising just the two independent variables perceived usefulness and perceived ease of use, it is criticised for failing to identify all salient determinants of e-shopping. This leads to additional determinants such as perceived risk being added to the original model. Moreover, with the original TAM only focusing on utilitarian factors, perceived enjoyment was also added (Childers *et al.*, 2001). As a result, the modified TAM now incorporates, either directly or indirectly, the four key determinants of online shopping - consumer characteristics, website characteristics, shopping orientation and perceptions of benefits and risks (Zhou *et al.*, 2007; Lian and Lin, 2008). In the context of consumer characteristics, several studies have added demographic moderators to the TAM (Bagozzi, 2007; Kim *et al.*, 2013). Shopping orientation has been addressed via the inclusion of both utilitarian (perceived usability and ease of use) and hedonic

attributes (perceived enjoyment). Similarly, perceptions of benefits and risks are represented by each of the four independent variables in the extended TAM - perceived usefulness, perceived ease of use, perceived enjoyment and perceived risk. Finally, the TAM assesses website design indirectly by measuring consumer perceptions of ease of use and risk (e.g. website security and privacy).

In spite of these modifications, the extended TAM still fails to address its other significant limitation – its inability to identify the factors that influence perceptions of ease of use, usefulness (Van Der Heijden, 2000; Bagozzi, 2007) risk and enjoyment. This would therefore imply that consumers' responses to a retail website in the context of it being a stand-alone selling and communications channel. In reality however, a retail website is dependent on other communication tools generating first-time and thereafter repeat traffic on its behalf. One of the potentially most effective tools for achieving this is permission email marketing or PEM (Tezinde *et al.*, 2002; DuFrene *et al.*, 2005). While the TAM identifies 4 antecedents to online shopping, little is known about the relationship between PEM and these variables. The purpose of this study is to measure the role PEM plays in influencing consumer attitudes towards each of these potential sources of value and to do so within the framework of an extended TAM.

## **Conceptual background**

### *The relationship between email marketing, SPAM and permission email marketing*

In emerging as the fastest growing communications technology in history (Chittenden and Rettie, 2003), email has become an integral part of daily life (Grimes *et al.*, 2007). Email shares a particularly close relationship with the Internet, with most Internet sessions involving the use of email (Tezinde *et al.*, 2002; DuFrene *et al.*, 2005). The relationship between email marketing and online shopping is equally close. Not only does it serve to drive website traffic, it also influences impulse buying on online websites (Dawson and Kim, 2010). And in the virtual world of the Internet where seller-buyer interactions are limited, email serves as a vital communication tool in customer relationship management. Moreover, such two-way interaction can occur in real time (Chittenden and Rettie, 2003), thereby providing quick convenient solutions for both buyer and seller (DuFrene *et al.*, 2005). This has persuaded many organisations to make email marketing the cornerstone of their communications

strategy. As a result, an estimated \$1.5 billion was spent on it in 2011 (Kim *et al.*, 2011). However, if email marketing is to prove effective, marketers must recognise that consumers regard their email inbox as their personal domain, and not abuse this privilege (Chittenden and Rettie, 2003). Unfortunately, such advice has often gone unheeded.

Commercial emails sent without the explicit permission of the receiver are referred to as SPAM (Morimoto and Chang, 2006). An email can also be defined as SPAM if it is sent without specific reference to the recipient's personal needs and offers disproportionate benefits to the sender (Grimes *et al.*, 2007; Kumar and Sharma, 2014). A key source of discontent for the recipients of SPAM is the volume in which it is sent. Of the 210 billion e-mails sent each day, SPAM accounts for 78%, with 93 billion of these managing to infiltrate spam filters and blacklists (Fletcher, 2009). In addition to its high volume, SPAM is also characterised by (Gratton, 2004):

- Its' illegal, fraudulent and/or offensive nature;
- The absence of an opt-out option;
- The violation of privacy laws or guidelines.

Such is the negative nature of SPAM that governments have enacted laws to help deal with it (Goldman, 2003). Studies have reported that the vast majority of consumers strongly dislike receiving SPAM (Grimes *et al.*, 2007), finding it to be both intrusive and irritating (Morimoto and Chang, 2006; Kumar and Sharma, 2014). One study found that 52% of consumers shopped less on the Internet or stopped altogether as a result of concerns relating to SPAM (Gratton, 2004). In short, SPAM poses a fundamental threat to the growth of e-commerce (Moustakas *et al.*, 2006). This raises the question; if SPAM serves as such a threat to online shopping, how can email continue to serve as a key marketing communication tool?

PEM serves as a potential solution to this problem. PEM is defined as a promotional email sent to consumers who have given consent to receive such messages from the sender (Marinova *et al.*, 2002). This ability to opt-in and opt-out of receiving such emails is not only a defining characteristic of PEM; it is also a key component of anti-SPAM legislation (Kumar *et al.*, 2014). The purpose of PEM is to initiate, sustain and develop communication with the recipient over time, and in doing so, to generate a more loyal and profitable customer (Kent and Brandal, 2003). It seeks to address many of the negative connotations that typify SPAM by shifting the

balance of power from the sender back to the recipient (Marinova *et al.*, 2002). Because the recipient ultimately decides whether they will receive email communications from the online retailer, it is they that hold control over the relationship. This is not only evidenced by the fact that recipients must opt-in to receive such emails, but also by the fact that PEM always involves giving recipients the opportunity to cease receiving such emails at any time (Kumar *et al.*, 2014). Opting-in to voluntarily receive such emails not only addresses the issue of intrusiveness, it also addresses privacy concerns as to how the recipient's contact details came into the possession of the sender. Conversely, the opt-out option helps protect the recipient against receiving irrelevant emails because the retailer otherwise risks losing customers via this exit route. Furthermore, by highlighting relevant new products and special promotions, PEM can reduce consumers' search and purchase costs (Merisavo and Raulas, 2004). For example, one study found that 83% of recipients consent to PEM in order to receive access to discounted goods and services (Bluehornet, 2013).

PEM also offers potential benefits for the online retailer. Generating website traffic and customer retention are fundamental goals of e-commerce, with both serving as pre-requisites to generating online sales (Van Der Heijden, 2000). PEM can play a vital role in achieving both these goals. Firstly, PEM makes it easier for online retailers to penetrate the promotional clutter that characterises the modern-day marketplace. This is based on the notion that recipients, having requested to receive such emails, are more likely to read them and in many cases, make a purchase as a result (Kent and Brandal, 2003; Dawson and Kim, 2010). Furthermore, because it can provide direct access to a retail website, PEM can stimulate impulse buying (Chaffey *et al.*, 2009). PEM also serves as a means for two-way interaction between an online retailer and their customers, which in turn can lead to relationship building (Martin *et al.*, 2003). Most importantly, PEM can provide all of these potential benefits in a cost-effective way while at the same time avoiding many of the image problems that plague other direct marketing tools (Chittenden and Rettie, 2003). Marketing communications are essentially brand-building tools and yet alternative Internet-based communication tools such as banner ads can serve as a major source of irritation for recipients and can result in negative attitudes towards the advertising

brand (Mandelli, 2005). A major goal of PEM is to avoid such negative consequences.

The focus of previous PEM studies has typically been on determining how certain permission email characteristics influence the effectiveness of a PEM campaign. Such studies have found that content characteristics such as subject line, incentive to act and personalization can influence response rates (DuFrene *et al.*, 2005; Tezinde *et al.*, 2002; Chittenden and Rettie, 2003) and website visitation (Marinova *et al.*, 2002; Martin *et al.*, 2003). In one of the few studies that measured their direct influence on purchase behaviour, evidences have been found that permission emails increased the likelihood of purchase (Kumar *et al.*, 2014; Merisavo and Raulas, 2004). It is worth noted that this study was based on the frequency with which permission emails were sent rather than their content characteristics.

Studies have also focused on the influence of subculture on consumer attitudes to PEM (i.e. Becerra and Korgaonkar, 2010) and compared American and French organisations in the way they use PEM to build customer relationships (Waring and Martinez, 2002).

#### *Permission email marketing and technology acceptance model*

While previous research has already established its ability to influence response behaviour, there are still important gaps in the literature pertaining to PEM (Kent and Brandal, 2003). For example, whereas the TAM identifies the antecedents to online shopping, surprisingly little research has been conducted to determine what factors in turn influence perceived usefulness, perceived ease of use, perceived risk and perceived enjoyment. One marketing tool with the potential to do this is PEM. And yet very little is known about the relationship between PEM and these variables. As such, measuring the influence PEM has on these four variables, and leads to consumers' attitudes toward online shopping is the study's research objective.

#### *Perceived relevance of permission emails*

The concept of PEM arose in response to consumers becoming the involuntary recipients of SPAM emails (Marinova *et al.*, 2002). One of the major grievances stemming from SPAM is its lack of relevance. In contrast, relevance serves as one of the defining characteristics of PEM (Chittenden and Rettie, 2003). Relevance is

necessary in order to both initiate and maintain the relationship with the consumer. Its importance in the initiation stage of the relationship stems from the notion that the consumer voluntarily agreed to receive emails from a specific online retailer because their offerings are relevant to their needs. From that point on, the online retailer then maintains the relationship by sending emails that are relevant to these needs (Waring and Martinez, 2002; Chaffey *et al.*, 2009). In the absence of such relevance, permission email recipients become irritated and are thus likely to withdraw their consent (Micheaux, 2011). PEM operates on the notion that consumers provide marketers with information about the sort of emails they would like to receive, and that marketers in turn will only send emails relevant to these needs. In return for this, the consumer expects to be notified about new product releases and special promotions that provide relevant solutions to their specific consumption needs (Mandelli, 2005). As such, it is relevance and not permission per se that serves as the key to success for email marketing (Tezinde *et al.*, 2002; Chaffey *et al.*, 2009). As a result, whereas previous studies have examined the influence of such PEM characteristics as frequency, subject line and email length, this study investigates the impact of permission emails from the perspective of perceived relevance.

#### *Conceptual model and hypotheses*

Figure 1 highlights the key relationships under investigation and the associated hypotheses. The information contained within a permission email serves several purposes. For example, by highlighting relevant new products, PEM can reduce consumers' information search costs (Merisavo and Raulas, 2004). Moreover, by making recipients aware of special promotions, and including a weblink that takes them directly to these offers, it can save them both money and time (Chaffey *et al.*, 2009). The relevance of these offerings and the ease with which they can be accessed should respectively influence the perceived usefulness and perceived ease of use of online shopping. This leads to the following hypotheses:

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Insert Figure 1 here

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- H1. The perceived relevance of permission emails positively influences the perceived usefulness of online shopping.

- H2. The perceived relevance of permission emails positively influences the perceived ease of use of online shopping.

Moreover, for goods typically associated with hedonic shopping orientations (e.g. fashion, electronics, books, music etc.) permission emails, by highlighting new product launches and special promotions relating to such goods, should enhance the enjoyment recipients derive from online shopping. In support of this notion, research has identified that the sort of outcomes that are facilitated by permission emails – bargain hunting, locating a long sought after item, browsing and the acquisition of information (Arnold and Reynolds, 2003) – all serve as important sources of hedonic value. This therefore leads to the following hypothesis:

- H3. The perceived relevance of permission emails positively influence the perceived enjoyment of online shopping.

Research has shown that consumers' risk perceptions are influenced by such factors as web site attributes, satisfaction with previous purchases and product type (Zhou *et al.*, 2007). This latter factor is particularly relevant for 'experience goods' because such goods can only be properly evaluated by having direct experience with them. In theory therefore they are not ideally suited to an online selling environment. However, e-retailers have sought to address this by providing product descriptions, video clips, customer testimonials and easy return (Endo *et al.*, 2012). PEM is one media by which each of these strategies can be delivered, and yet it has yet to be studied in the context of risk perception.

The product information contained within a permission email should be expected to lower the perceived risk in online shopping. This latter proposition stems from related research showing that retail websites that offer a greater amount of information are perceived as being less risky (Kim and Lennon, 2010). Moreover, information acquisition prior to purchase serves as a risk reduction strategy when shopping online (Lim, 2003). One of the more commonly perceived risks in online shopping is product performance risk (Bhatnagar *et al.*, 2000). A permission email can address this concern by providing product information and highlighting the ease of product returns. This therefore leads to the following hypothesis.

- H4. The perceived relevance of permission emails negatively influences the perceived risk in online shopping.

In the context of this study, perceived usefulness refers to the degree to which a person believes that online shopping will enhance their shopping performance (Davis *et al.*, 1989). Hence, if a consumer feels that shopping via the Internet will allow them to complete shopping tasks more quickly, to make better purchasing decisions or to save money, their overall perception of online shopping should be a positive one (Bigne-Alcaniz *et al.*, 2008). Similarly, when a shopper finds that the Internet increases their overall performance relative to other shopping mediums, it should also improve their attitude towards online shopping (Tong, 2010). Research has consistently confirmed these propositions via the finding that perceived usefulness serves as a key influence over consumers' intention to purchase online (Childers *et al.*, 2001; Ha and Stoel, 2008; Tong, 2010). Based on these empirical findings, the following hypothesis is proposed:

- H5. Perceived usefulness positively influences consumers' attitude towards online shopping.

Perceived ease of use refers to the degree to which a consumer believes that shopping via the Internet will be free of physical and mental effort (Bigne-Alcaniz *et al.*, 2008). Factors such as clear and easy to follow instructions, simple operating systems and help menus that are clear and comprehensive all serve to make a website easier to use (Shih and Fang, 2006). Because one of the key goals of a retail website is to make shopping as convenient as possible, the less complex this task is, the more willing the consumer should be to utilise it. Research adds support to this proposition, with several studies empirically establishing the positive impact perceived ease of use has on consumers' intention to purchase online (Bigne-Alcaniz *et al.*, 2008; Childers *et al.*, 2001; Ha and Stoel, 2009; Li and Huang, 2009). Based on these findings the following hypothesis is proposed:

- H6. Perceived ease of use positively influences consumers' attitude towards online shopping.

For the purpose of this study, perceived shopping enjoyment is defined as the fun and playfulness that derives from the online shopping experience itself (Monzuwe *et al.*, 2004). Online shopping can potentially satisfy many of the same hedonic motives that bricks-and-mortar shopping can. This list of motives includes browsing, sensory stimulation (sight and sound), diversion, finding a bargain and learning about new products. In support of this, research has established that online



shopping can in fact satisfy hedonic motives (Childers *et al.*, 2001). It naturally follows that the greater the enjoyment consumers derive from shopping online, the more positive their attitude will be towards it. Research confirms this with several studies having identified a positive relationship between the level of enjoyment an individual experiences and their overall attitude to online shopping (Childers *et al.*, 2001; Ha and Stoel, 2009; Li and Huang, 2009; Tong, 2010). Based on these findings, the following hypothesis is proposed:

- H7. Perceived enjoyment positively affects consumers' attitude towards online shopping.

In the context of online shopping, perceived risk refers to a purchase that offers the potential for loss and/or the chance of feeling unfavourable (Shih and Fang, 2006). There are several reasons why such a risk can be relatively high when shopping online (Li and Huang, 2009). Firstly, in the virtual world of the Internet there is none of the face-to-face interaction which often inspires trust in the alternative retail setting of a bricks-and-mortar store (Shih and Fang, 2006). Instead, the online customer must trust a seller operating in a remote and virtual environment (Belanche *et al.*, 2012). This in turn can create concerns over the transmission of financial and personal data, and orders going unfulfilled. Secondly, because the consumer is unable to physically inspect the quality of the actual product they are purchasing, it can create a sense of powerlessness in the consumer and escalate their perceptions of risk (Monuwe *et al.*, 2004). Concerns relating to the time lag between payment and receipt of the goods, and difficulties in returning unwanted products can also impact upon consumers' level of perceived risk (Belanche *et al.*, 2012; Brashear *et al.*, 2009). Empirical research has consistently confirmed each of these propositions via the finding that the perceived risks of Internet shopping do influence consumers' purchase intentions (Bhatnagar *et al.*, 2000; Shih and Fang, 2006; Ha and Stoel, 2009; Tong, 2010). Based on these findings, the following hypothesis is proposed:

- H8. Perceived risk negatively affects consumers' attitude towards online shopping.

While ease of use, usefulness, enjoyment and risk have all been empirically recognised for their influence on online shopping, they all do so indirectly via their influence on consumer attitudes. In online shopping studies, purchase intention serves as one of the most commonly utilised measures for operationalising

the conative component of attitude (Wang *et al.*, 2007). The proposed relationship between attitude and purchase intention stems from the theory of reasoned action (Ajzen and Fishbein, 1980). According to this theory, an individual's beliefs about an outcome shape their attitude towards performing that behaviour, so that their attitude in influencing their intention to perform, also affects the behaviour itself. There is also empirical support for the proposed link between overall attitude and purchase intention (i.e. Ha and Stoel, 2009). Thus, the hypothesis is as follows.

- H9. Overall attitude to online shopping positively affects online shopping intentions.

## **Research Method**

### *Sample*

The target population for this study was adult consumers who shopped online for clothing and had given their permission to one or more online fashion retailers to send them marketing-oriented emails. Due to the specific nature of this population, a database specialist was employed to identify potential respondents. Such respondents were drawn from databases comprising consumer panellists. Consistent with the procedures set out by Brosdahl and Carpenter (2011) for the valid utilisation of such databases, the database specialist verified the email address of each participating panellist to safeguard against multiple accounts from within the same household, while digital fingerprint technology was used to eliminate suspect respondents.

The process of identifying relevant elements of the population began by defining the demographic and geographic selection criteria as adult consumer panellists residing in Melbourne, Australia. Panellists that met these criteria were then emailed a screening question inviting those who shopped online for clothing and received permission emails, to participate in the study. The database specialist then randomly selected 500 panellists that met these criteria and emailed them instructions and a web-link that would take them to the online survey. Via this process, 338 complete and useable responses were received, resulting in a panel response rate of 67.6%.

In spite of the fact that online surveys are now the most commonly used method of market research for collecting survey data (Hair *et al.*, 2010), they can be subject to non-response bias. This typically takes the form of the non-inclusion of key

elements of the population that do not have access to the Internet. However, given that the focus of this study was online shopping which therefore required each respondent to have access to the Internet, it eliminated this specific issue as a potential source of bias.

The vast majority of respondents were female (75%), while in terms of age, respondents were fairly evenly spread across the three age categories – 18-34 (28% of respondents), 35-49 (38%) and 50 and over (34%). While there is no available data on the population characteristics of permission email recipients in Australia, a comparison with online fashion shoppers suggests that the sample provides a reasonable portrayal of its population. The majority of Australian online fashion-shoppers are female and aged 30-40 (McMahon, 2012) which are characteristics shared by that of the sample.

### *Measures*

Existing scales were used to measure perceived usefulness (Bigne-Alcaniz *et al.*, 2008), perceived risk (Tong, 2010), perceived ease of use (Bigne-Alcaniz *et al.*, 2008) and perceived enjoyment (Celik, 2011). However it was necessary to develop new scales for the PEM construct because previous studies have yet to operationalise the construct in terms of its perceived relevance. A major source of value deriving from permission emails is their ability to provide information relevant to the recipient's specific needs (Chittenden and Rettie, 2003). Merisavo and Raulas (2004) found that recipients of permission emails regarded information about special sales, new products and contests as being the type of content that was most important and relevant to their needs. The following measures were therefore used to operationalize the informational value of PEM:

1. The emails I receive contain information that is relevant to me.
2. The emails I receive contain information about the latest fashions that would be of interest to me.
3. The emails I receive contain information about special offers that are of interest to me.
4. The emails I receive contain information about competitions that offer the chance to win prizes that are of value to me.

A 7-point scale (1 = strongly disagree, 7 = strongly agree) was used to measure respondent attitudes towards each of the seven constructs under study.

#### *Attitude context*

Because all attitudes are context specific (Quee, 1999) it was necessary to measure respondent attitudes to online shopping in a specific purchase context. Fashion shopping was used as the context for this study because it serves as one of the most common online shopping purchases (Kim and Lennon, 2010), thereby maximising the number of potential respondents that would have experience with the attitude object.

#### *Measurement validation*

All scales were subject to exploratory and confirmatory factor analysis. Exploratory factor analysis suggested that all scales have a unidimensional structure. This study used AMOSv20 to evaluate the final measurement model. The reliability of the various factors ranged from .84 to .96, indicating good internal consistency (Table 1). The study assessed convergent validity by computing average variance extracted (AVE) score. The results showed that the AVEs were all well above .50, thereby indicating acceptable convergent validity.

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Insert Table 1 about here

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Structural equation modeling was employed to test the conceptual framework assessing the relationship between PEM and the antecedent variables of online shopping behavior and their influences on consumers' attitude towards online shopping. Structural equation modeling was employed because it is capable of examining the interrelationships among observed and unobserved variables at the same time, and also has the ability to calculate direct, indirect and total effects between predictors, mediators and dependent variables. It is worth noting that the emphasis of the study is on the relationships between key constructs rather than the measurement model per se. All measures of global fit indicate adequate fit (Table 2).

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Insert Table 2 here

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### *Hypothesis testing*

Table 3 presents the beta coefficients from the relationships between PEM and the antecedent variables of online shopping, and how these in turn influence customers' attitude towards online shopping. This table also includes t-values and levels of significance. As postulated, PEM strongly influences the antecedents of online shopping. As a result, H1 ( $\beta = .37$ ,  $t = 8.53$ ,  $p < .001$ ), H2 ( $\beta = .51$ ,  $t = 10.52$ ,  $p < .001$ ), H3 ( $\beta = .35$ ,  $t = 7.58$ ,  $p < .001$ ), and H4 ( $\beta = -.17$ ,  $t = -3.63$ ,  $p < .001$ ) are all supported. The results also indicate that consumers' attitude is influenced by the four antecedents of online shopping behavior (H5:  $\beta = .69$ ,  $t = 9.82$ ,  $p < .001$ ; H6:  $\beta = .33$ ,  $t = 4.82$ ,  $p < .001$ ; H7:  $\beta = -.29$ ,  $t = -8.75$ ,  $p < .001$ ; H8:  $\beta = .29$ ,  $t = 5.46$ ,  $p < .001$ ). Finally, the analysis suggests that the more positive consumers' attitude toward online shopping, the greater the intention to shop online (H9:  $\beta = .85$ ,  $t = 21.93$ ,  $p < .001$ ).

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Insert Table 3 here

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### **Discussion**

All hypotheses are supported in this study. The study examined how the relevance of permission emails influenced the four determinants of online shopping: perceived usefulness, ease of use, enjoyment and risk. The results indicate that PEM influences each of these determinants. The strength of this relationship varies from moderately strong for perceived ease of use, to moderate for perceived usefulness and perceived enjoyment, through to slight for perceived risk. This is a significant finding because whereas the TAM identifies the determinants of online buying behaviour, it falls short of explaining how these in turn can be influenced. As such, the TAM provides insight into what to do, but not necessarily how to do it. The results of this study indicate that PEM serves as one means by which the how can be achieved.

By establishing that PEM influences the four antecedents to overall attitude to online shopping it elevates its impact beyond the mere notion of permission. It also supports the proposition by Chittenden and Rettie (2003) that its key source of value lies in providing information that the consumer wants. In the absence of such relevance, the distinction between PEM and SPAM begins to blur, irrespective of the notion of consent.

The results from this study also support the already significant body of research relating to the determinants of overall attitude to online shopping. All four existing TAM constructs were found to be significant, with relationship strength ranging from strong for perceived usefulness, through to moderate for ease of use, enjoyment and risk. Although such findings may simply appear to confirm an already extensive body of research in this area (e.g. Bigne-Alcaniz *et al.*, 2008; Tong, 2010), it does so in a relatively less examined geographic context. Despite the rapid growth of Internet shopping in Australia, very few online shopping studies have been conducted in an Australian context. This study helps to address such an oversight.

### *Managerial implications*

This study also has important implications for practitioners. Online retailers that based their marketing strategies on existing academic studies were limited to just four potential marketing tools. However, the finding that the relevance of PEM serves as a significant source of value for consumers has several important implications for online retailers. Firstly, it confirms the importance of PEM and highlights to retailers that they have another important tool at their disposal. According to the TAM, the key to generating online shopping traffic is to focus on perceived ease of use, usefulness, enjoyment and risk. However, this proposition rests on the assumption that the online shopper is so highly involved as to voluntarily visit their websites on a regular basis. Such an assumption is a risky one. Permission email marketing remedies this by providing an accepted means of driving traffic to specific website, at which point the four constructs of the modified TAM then combine to convert visits to sales and generate return visits.

Secondly, it provides clear guidance for the conceptualisation and implementation of an effective PEM campaign. In order to serve as a key source of value, a permission email must be relevant to the needs of the recipient. This

highlights to online retailers the importance of continual data-mining; carefully monitoring each customer's purchase and click through behaviour, and customising their permission emails accordingly. In doing so, it should increase the perceived ease of use, usefulness and enjoyment derived from the online shopping experience, while at the same time decreasing the perceived risk. The findings also have important implications for the content characteristics of permission emails as well as other social/digital tools. Given that relevance serves as a key source of value, this has implications for not only the offerings being conveyed via PEM, but also other associated characteristics such as promotional incentives and subject lines.

The results of this study also confirm that an effective online marketing strategy such as PEM and social media tools requires addressing all four existing determinants in the modified TAM. Perceived ease of use and usefulness were confirmed as having a significant influence over consumers' attitude to online shopping. It is therefore imperative that the online store be easy to navigate and that it serves as a means by which consumers can save time, effort and money. The enjoyment shoppers derive from visiting an online store is also important. In this context, the online retailer has several tools at their disposal. For example, the aesthetic appeal of the site can appeal to the need for sensory stimulation, sales promotions can appeal to the thrill of bargain hunting, while interesting and relevant site content can cater to those who want to learn about new products. Perceived risk was also found to have an important influence over consumers' attitude. It is therefore vital that online retailers minimise the perceived risk for consumers. Strategies that address security and trust and that result in good customer service (in relation to return claims, refunds etc.) can all serve to minimise risk.

### **Limitations and directions for future research**

This study has several limitations. One such limitation applies to the research context in which the study was carried out – fashion shopping. Attitudes are context specific, and so caution must be taken when trying to generalise the results of this study to other contexts. For example, while perceived enjoyment was found to be important in the context of this study, it is likely that many respondents would naturally consider shopping for clothing to be enjoyable. This therefore serves as a potential source of bias, and must be taken into account when trying to generalise the results from this

study to other shopping contexts. Second, the present paper collects data from Melbourne, Australia. Respondents who live in a large city might have different view on fashion shopping from people who live in other, smaller cities. Third, the majority of the respondents are female. Thus, the results of the study within this particular product category and segment may only provide a generalized overview of female's online fashion shopping. This is a significant gap in future online shopping research. Future research should examine other product categories to expand the scope of this research field. Further, the study focuses on the relationship between PEM and four existing TAM constructs. Future research should examine the influence of PEM on attitudes, and further consider PEM's mediating or moderating role on the relationship between TAM and attitude to expand the scope of this research field.



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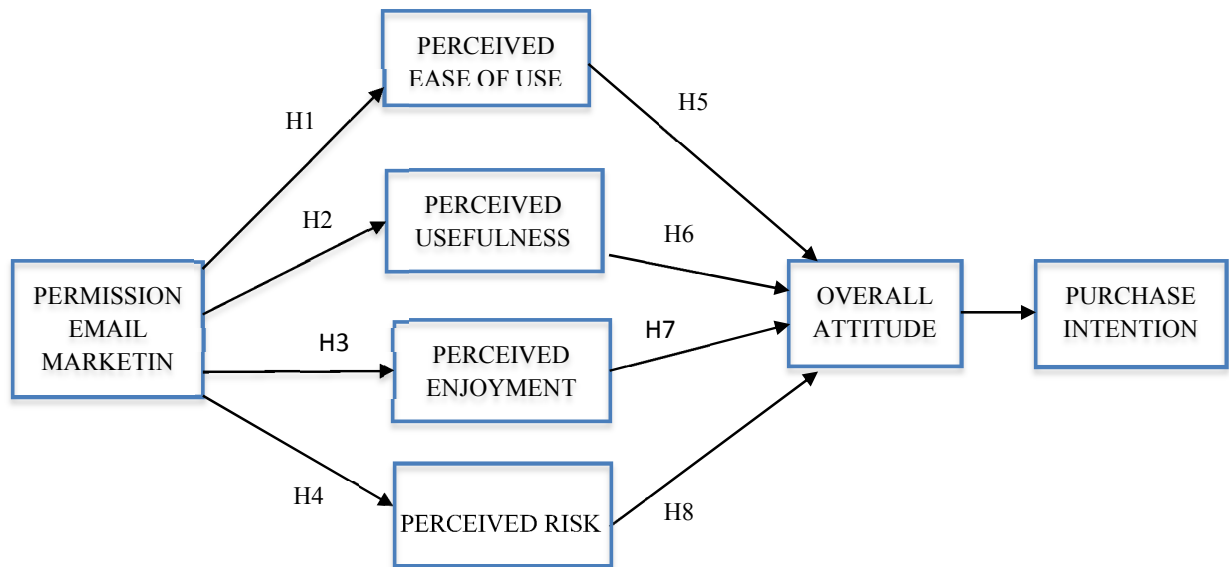
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**Figure 1**

Conceptual model





**Table 1**

Internal consistency and square root of average variance extracted

Measurements	Internal Consistency	Validity
Permission Email 1	.85	.76
Easy to Use	.90	.81
Useful	.91	.86
Risk	.84	.71
Hedonic	.88	.81
Overall Attitude	.96	.94
Purchase Intention	.95	.92

**Table 2**

Goodness of fit analysis

Goodness of fit measure			
<u>Model Fit</u>		<u>Model Comparison</u>	
Chi-squared	964.14	Tucker-Lewis Index (TLI)	.93
Degrees of Freedom	303	Normed Fit Index (NFI)	.94
P-value	.000	Comparative Fit Index (CFI)	.95
Cmin/df	3.18		
Goodness of Fit Index	.88		
Adjusted Goodness of Fit	.85		
RMSEA	.06		

**Table 3**

Direct effect on the conceptual model

Hypothesis	Regression Coefficient (t-value)
H1: PEM→the perceived usefulness of online shopping	.37***(8.53)
H2: PEM→the perceived ease of use of online shopping	.51***(10.52)
H3: PEM→the perceived enjoyment of online shopping	.35***(7.58)
H4: PEM→the perceived risk in online shopping	-.17***(-3.63)
H5: Perceived usefulness→consumers' attitude	.69***(9.82)
H6: Perceived ease of use→consumers' attitude	.33***(4.82)
H7: Perceived risk→consumers' attitude	-.29***(-8.75)
H8: Perceived enjoyment→consumers' attitude	.29*** (5.46)
H9: Overall attitude→online shopping intentions	.85***(21.93)

\*=p&lt;0.05, \*\*=p&lt;0.01, \*\*\*=p&lt;0.001