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RESEARCH ARTICLE

The Effect of Email Marketing on Buyers' Behavior

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Abstract:

Consumer behavior is a vast and complex subject. Also consumer purchase decision is controversial and challenging issues. Understanding consumer behavior and “knowing consumers” are not that simple. It is almost impossible to predict with accuracy, how consumers will behave in a given situation because of the changing technology, innovation, and changes in lifestyle. Email is a common form of communication used for both personal and professional purposes. With businesses coming to understand how effective email marketing can be, email marketing is gaining in popularity. Email marketing tests and studies reveal that email marketing can affect consumer behavior, even convincing consumers to go to websites for more information or to make a purchase.

Keywords: Marketing, E-Marketing, Email marketing, Consumer behavior, Consumer demographic factors.

1. Introduction

This is a study of email marketing as a new way for selling the goods to buyers in Tehran, Republic of Iran. The central argument of this study is that email marketing activates must be change drastically with change in the quality of demographic factors in today's competitive market in Tehran.

The internet has become an ongoing emerging source that tends to expand more and more. The growth of this particular media attracts the attention of marketers as a more productive source to bring in consumers. Email is a common form of communication used for both personal and professional purposes. With businesses coming to understand how effective email marketing can be, email marketing is gaining in popularity. Email marketing tests and studies reveal that email marketing can affect consumer behavior, even convincing consumers to go to websites for more information or to make a purchase.

According to the recent research on consumer behavior on the Internet users, there are four distinct consumer groups with different intentions and motivations:

- a) Exploration;
- b) Entertainment;
- c) Shopping;
- d) Information

Majority of young adults interviewed for purpose of this research tend to be active information seekers. A high level of technological confidence within this group tends to be an encouraging factor when it comes to product information research online.

In this case, demographic factors are very important because buyers have varied preference of the buying methods, advertising methods and even payment methods due to the difference in the quality of demographic factors. Demographic factors (sometimes called personal factors) are about population features. The most important population features in the study include: age, gender, education level and income level. The author would like to know that how demographic factors can influence the buyers' behavior in email marketing and how's the buyers' reaction towards email marketing depending to demographic factors. The main objective of this research is identifying the most important demographic factor which influences the consumer behavior.

1.1 Internet Marketing

Internet marketing, also known as web marketing, online marketing, webvertising, or e-marketing, is referred to as the marketing (generally promotion) of products or services over the Internet. iMarketing is used as an abbreviated form for Internet Marketing. Internet marketing is considered to be broad in scope because it not only refers to marketing on the Internet, but also includes marketing done via e-mail and wireless media. Digital customer data

and electronic customer relationship management (ECRM) systems are also often grouped together under internet marketing. Internet marketing is broadly divided into the following types:

1. Display Advertising: the use of web banners or banner ads placed on a third-party website to drive traffic to a company's own website and increase product awareness.
2. Search Engine Marketing (SEM): a form of marketing that seeks to promote websites by increasing their visibility in search engine result pages (SERPs) through the use of either paid placement, contextual advertising, and paid inclusion, or through the use of free search engine optimization techniques.
3. Search Engine Optimization (SEO): the process of improving the visibility of a website or a web page in search engines via the "natural" or un-paid ("organic" or "algorithmic") search results.
4. Social Media Marketing: the process of gaining traffic or attention through social media sites.
5. Email Marketing: involves directly marketing a commercial message to a group of people using electronic mail.
6. Referral Marketing: a method of promoting products or services to new customers through referrals, usually word of mouth.
7. Affiliate Marketing: a marketing practice in which a business rewards one or more affiliates for each visitor or customer brought about by the affiliate's own marketing efforts.
8. Content Marketing: involves creating and freely sharing informative content as a means of converting prospects into customers and customers into repeat buyers.

1.2 Email Marketing

Email marketing is directly marketing a commercial message to a group of people using electronic mail email. In its broadest sense, every email sent to a potential or current customer could be considered email marketing. It usually involves using email to send ads, request business, or solicit sales or donations, and any email communication that is meant to build loyalty, trust or brand awareness. Email marketing can be done to either cold lists or current customer database. Broadly, the term is usually used to refer to: sending email messages with the purpose of enhancing the relationship of a merchant with its current or previous customers, to encourage customer loyalty and repeat business, sending email messages with the purpose of acquiring new customers or convincing current customers to purchase something immediately, adding advertisements to email messages sent by other companies to their customers. Email marketing can be carried out through different types of emails:

1. Email Newsletters: Email Newsletters are direct emails sent out on a regular basis to a list of subscribers, customers. The primary purpose of an email newsletter is to build upon the relationship of the company with their customers/subscribers.
2. Transactional Emails: Transactional emails are usually triggered based on a customer's action with a company. Triggered transactional messages include dropped basket messages, purchase or order confirmation emails and email receipts. The primary purpose of a transactional email is to convey information regarding the action that triggered it. But, due to its high open rates (51.3% compared to 36.6% for email newsletters), transactional emails are a golden opportunity to engage customers; to introduce or extend the email relationship with customers or subscribers, to anticipate and answer questions or to cross-sell or up-sell products or services. Many email newsletter software vendors offer transactional email support, which gives companies the ability to include promotional messages within the body of transactional emails. There are also software vendors that offer specialized transactional email marketing services, which include providing targeted and personalized transactional email messages and running specific marketing campaigns (such as customer referral programs).
3. Direct emails: Direct email involves sending an email solely to communicate a promotional message (for example, an announcement of a special offer or a catalog of products). Companies usually collect a list of customer or prospect email addresses to send direct promotional messages to, or they can also rent a list of email addresses from service companies.

1.3 Demographic Factors

Demographic factors are about population features (Shimp1997, as cited in Liu 2011). According to Liu (2011), demographic factors are very important, because buyer needs, wants, desires and usage rates often change with demographic variables, and the demographic variables are easier to measure. Aloom and Lawan (2013) study showed that demographic factors are key factors affecting purchaser buying behavior. Demographic characteristics play an important role in the consumer's purchasing decision process and can cause deviations from general patterns of consumer decision making (Vilčeková and Sabo 2013). Therefore, marketers need detailed information about the

demographic characteristics of consumers so that they can have a better understanding of their behaviour and preferences (Vilčeková and Sabo 2013).

1. **Age Distribution:** Age plays a considerable role in consumer motivation (Dadras 2015). It is obvious that consumers have different choices because of their age, and when their age changes their need, choices and preferences also change (Barat2010; Bryunina and KhodadadSafaei 2011). People purchase different goods and services largely depending on their ages and life cycle stages (Liu 2011). For Ellisavet et al. (2011), consumer purchases are formed throughout their life cycle stages which are the phases the families go through while they develop and mature over time. Also age plays a considerable role in consumer motivation and for marketers to choose a target area.
2. **Gender:** Male and female have different nature, attitude and their behavior. That is why gender segmentation is also used for market segmentation (Aziz and Nas 2013). The roles that gender plays in consumer behavior research are certainly worthy of researchers' attention. Indeed, marketers have been particularly interested in the roles that gender plays as it can have a significant impact upon consumer behavior (Hart C. et al. 2005). Hence, marketers carefully introduce the product on the basis of their gender and metro sexuality (Wyly and Ponder 2011).
3. **Income Levels:** Various economic situations of different people can influence their purchasing behavior. In other words, income and consumption are positively related. Many purchasing habits depend on the economic situation of an individual (Ellisavet et al. 2011). Income implies the purchasing power of a consumer (Wijesundera and Abeysekera 2010). Income represents the money, which household gets from all sources; it is the most important demographic factor that significantly affects the consumption of consumers, selection of the retail store and their sales volume as well (Iqbal et al. (2013).
4. **Education Levels:** Another important demographic factor that influences consumer behavior is education. Based on the education level of a person buying behavior could be different. Education of consumers has significant associated with impulse buying. In addition, interpersonal influence susceptibility on buying behavior among educated people is different on varying educational level. Jafari S. et al. (2013) believed that education level has a positive effect on the importance of various components of email in purchase behavior of buyers.

2. Population and Sample

Data were collected through a questionnaire that was implemented in person through interviews with 600 consumers to randomly chosen ages 20 to 65 at the place where they buy rice and asking them about their experiences of packaging in everyday commodities. The sample was calculated according to the Cochran formula.

$$N = \frac{Z^2 p q n}{d^2 (N-1) + Z^2 p q}$$

N = Statistical population size = 8,500,000

Z = Standard normal variable = 95%

p = Ratio of a trait in the population = 50%

q = Percentage of those without that trait in the population (q = 1-p)

d = Acceptable margin of error = 4%

n = Sample size = 600

Result and Discussion

The Kendall's tau findings, describes the significant correlation between email marketing with demographic factors as follows:

- *Age vs. email marketing.* Elderly consumers do not prefer to use "Email marketing" methods for their daily purchases. Also, younger consumers prefer to use "Email marketing" methods for their daily purchases.
- *Gender vs. email marketing.* Female consumers prefer to use "Email marketing" methods for their daily purchases.
- *Educational levels vs. email marketing.* Consumers with higher education prefer to use "Email marketing" methods for their daily purchases and consumers in the lower education levels do not prefer to use "Email marketing" methods for their daily purchases.
- *Income levels vs. email marketing.* There is any significant correlation between demographic factors and email marketing.

TABLE 1. An Overview of Kendall's tau Correlation Coefficient between Demographic Factors and Graphical Design Elements.

Email Marketing	Demographic Factors							
	Age		Gender		Educational level		Income level	
	.039	-.080*	-.111*	.095	.058*	-.034*	.028	-.035

* Correlation is significant at the 0.05 level (1-tailed).

Conclusion

In today's competitive market, email marketing is a tool that can be useful in attracting and influencing on buyers. As a result, it's the key component of successful sales. Consistent with the changes in demographic factors, it seems natural to be changing buyers' preferences. Therefore, email marketers must have update knowledge of buyers' attitudes and preferences to provide the products or services properly and influence consumer satisfaction. Accordingly, in addition to identifying buyers' attitudes and preferences, the author was able to classify the preferences. Finally, Kendall's tau statistical test evaluates the significant correlation between demographic factors and packaging design elements.

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