

ATTITUDES OF SENIOR MANAGERS IN LARGE AND SMALL BUSINESS TOWARD THE USE OF FACSIMILE TECHNOLOGY AS A MEDIUM FOR ADVERTISING

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Faced with mixed messages from the popular press concerning attitudes toward facsimile (Fax) advertising, this study sought to determine the perceived propriety of using this particular medium for advertising. Managers were found to generally condemn the practice. However, some Fax advertising from public-sector sources was seen as less objectionable. There was weak agreement in favour of restrictive legislation, and a majority of managers thought that Fax advertising raised ethical issues. The response patterns of respondents from large and small businesses were similar for all attitudinal constructs. Implications for practising managers are discussed.

BACKGROUND CONCEPTS AND LITERATURE

Facsimile (FAX) technology has gained rapid popularity in Canada, the United States and Europe. In fact, Canada may be the most prolific user of Fax machines in the Western world (Canada proving, 1988). The industry world-wide, however, currently is in a "laissez-faire" stage, with few constraints on usage. Similarly, the etiquette norms of FAX transmission have not yet been established (Lewis, 1989; Fax follies ..., 1991; How to ..., 1992).

This vacuum has led to wide spread use of the medium for advertising purposes. Potentially, the Fax machine is a cost effective method of reaching a variety of clients (Junk fact proliferates, 1989; NTS Plugging, 1989; using Fax 1990; Kalow, 1991; Coleman, 1991).

Despite the relative explosion of Fax advertising, little systematic research exists regarding its perceived propriety, although the popular press has given the issue some attention. The popular press, however, contributes scant information on the acceptability of Fax advertising because it presents mixed messages as to how recipients regard such communication. Some articles report positive attitudes (Casting ... 1991; Facsimile Marvellous..., 1988; Lacity, 1991; NTS Plugging..., 1989; Direct Merchant..., 1988; Fax network offices..., 1991; Fax to the Max..., 1989) while

others present the opposite view (Angry Dealers..., 1989; How to avoid ... 1991). The spectre of restrictive legislation also has been raised, especially in the United States (Connecticut House..., 1989; Junk Fax Law..., 1989; Tulisano, 1990; Toth, 1992). Indeed, the future of facsimile technology as a marketing tool is still far from clear (Smith, 1988; Greene, 1991; Szwergold, 1992).

As little systematic research has been conducted into the Fax advertising phenomena and articles in the popular press tend to be case specific or based on individual opinion, this paper attempts to clarify attitudes held by high ranking decision makers who, ultimately, define corporate communication policies in both large and small businesses. As well, comparisons of these attitudinal constructs help to determine if the outlook toward Fax advertising differs among managers in these two types of businesses. The results of this exploratory study can be used to develop more effective marketing research strategies and selling practices.

Attitudes toward the use of Fax technology as a marketing tool have received minimal attention among scholars. A number of articles in favour of Fax advertising have appeared in magazines such as the *CMA Management Accounting Magazine*, *Canadian Datasystems*, *Marketing News*, *Modern Office Technology*, and newspapers, e.g., *Daily Commercial News*, *The Globe and Mail*, *Winnipeg Free Press* and the *Calgary Herald*. Conversely, negative views, often in the subsequent edition, also have been expressed (for example, *Angry Dealers...*, 1989; *How to avoid ...* 1991). More thoughtful analyses have been contained in the *Wall Street Journal*, *The New York Times*, *Office* and various specialized publications. These articles

tended to concentrate on the future of the industry, on regulation and on ethical and legal issues (Fax follies ... 1991; Has the Time Come..., 1989; Lewis, 1989; Smith, 1988; Tulisano, 1990; Wenck, 1991).

As the field is changing rapidly, only literature published between 1988 and February, 1992 was reviewed. Moreover, the review was limited to articles which concerned Fax usage rather than technological innovation. The review revealed that research into the facsimile phenomenon as it pertains to advertising was needed because the popular press was presenting a confusing picture, often based upon supposition. A number of working propositions was derived from the popular press, however, to serve as a basis for data collection and evaluation.

RESEARCH METHODOLOGY

This study is based upon three separate surveys using mailed questionnaires. The first was administered to 200 chief executive officers randomly drawn from a rank listing by gross sales or revenues.

second questionnaire was sent to the presidents of 200 small businesses (50 employees or less - Prince, 1987) in the Province of New Brunswick. Gross sales or revenues could not be used as most smaller corporations are privately held. Thus, only numbers of employees are readily available.

In order to check for regional bias, a third nation-wide sample (N= 200) was drawn, randomly. Criteria identical to the provincial sample were used.

As the respondents usually held the senior position in the corporation, the questionnaire was kept extremely short. It was surmised that an appeal for information that would take less time to complete than to delegate or to throw away would garner the best results. This strategy was partially successful in that 130 (65 percent) large business CEO's responded while 88 (44 percent) New Brunswick small business managers responded. Returns from the national small business sample were only 20 percent (n= 40).

RESEARCH MEASURES AND ANALYTICAL METHODS

The final version of the research instrument was designed to determine:

1. respondents' attitudes on the appropriateness of Fax advertising;
2. their perceived need for legislation to control the use of Fax advertising;
3. their view on the propriety of a continuing education unit's use of Fax advertising.

To explore these dimensions, the questionnaire contained the following statements to which respondents were asked to indicate whether they strongly agreed, agreed, disagreed or strongly disagreed:

1. In general, I feel that it is all right for private sector advertisers to use Fax as a means of advertising.
2. I regard Fax advertising by universities as more acceptable than advertising from private sector businesses.
3. The government should pass legislation disallowing the use of Fax for all advertising purposes.
4. I regard the fact that I have to pay for paper and labour to receive unsolicited Fax advertisement as an important ethical question.

Also, the respondents were asked their age, education level, sex, the organization's economic sector, and the organization's size (in terms of number of employees).

The four attitudinal statements use a forced choice Likert scale. Although there are some disadvantages to Likert scaling, a forced choice methodology, "does seem to tend to overcome some of the most serious rating errors" (Helmstadter, 1964, p. 188) and "probably gives a more accurate reading of ... attitude (Backstrom & Hursh-Cesar, 1981, p. 137), with a reliability between .85 (Oppenheim, 1966, p. 140) and .90 (Berger, 1986, p. 310).

Survey responses were analyzed first according to qualitative evaluation methodologies suggested by Patton (1986). The scaled data were condensed into a table that contains raw scores, allowing for a discussion of tendencies to "agree" or to "disagree" with statements designed to elicit attitude.

In addition to the qualitative assessment, a series of Analysis of Variance (ANOVA) tests were executed for

all items, comparing the large business respondents with the combined small business respondents. The national and New Brunswick small business samples were combined because ANOVA's indicated that these two samples did not significantly differ with regard to any of the attitudinal measures, nor with regard to responses to demographic questions. Consequently, there were no regional differences among small business respondents, which allowed pooling of their responses. Finally, the pooling created two groups of nearly equal size (i.e., 130 large business and 128 small business respondents) which simplified the execution of the statistical analyses and made the presentation of their results less cumbersome.

RESEARCH RESULTS

All 258 responses contained useable information. When the data were analyzed graphically, no appreciable differences in response patterns could be found among the various business sectors, age groups, or education completion levels in either sample. Statistical analysis supported this contention, in that, a series of Multivariate Analyses of Variance indicated that there are no significant differences in attitudinal responses by business sector, age, or the education level of the manager/respondent. In all cases the multivariate F was not significant.

General Attitude Toward Fax Advertising

The initial statement was written to determine general attitudes toward Fax advertising. The large majority of both samples (small business[SB], 90.7%; large business [LB], 85.2% tended to disagree with the statement (Table 1). In fact, a majority (SB 61.7%; LB 51.9%) "strongly" disagreed. It would appear, therefore, that advertising through facsimile is a completely unacceptable method of reaching one's customers.

There seems to be no significant difference between the two samples. In percentage terms, the difference is only 5.5% percent. All responses are heavily skewed against Fax advertising (Table 1) suggesting strong agreement across business sectors. This result was confirmed by the ANOVA which showed no significant difference ($F [1, 237] = 2.41, n.s.$) between the small business and large business respondents.

Attitude Toward Public Sector Fax Advertising

The second statement was designed to elicit attitude toward specialized forms of advertising emanating from the public sector. The example of a university level continuing education division was used since these units must market an array of professional learning and management development opportunities to the

TABLE 1
GENERAL ATTITUDES TOWARD USE OF FAX AS AN ADVERTISING
MEDIUM AMONG SMALL BUSINESS¹ AND LARGE BUSINESS² MANAGERS

	Agree		Agree		Disagree		Disagree	
	LB	SB	LB	SB	LB	SB	LB	SB
Fax Advertising is:³								
Generally Acceptable ⁴	1 (0.8)	1 (0.8)	18 (14)	11 (8.5)	43 (33.3)	37 (29.0)	67 (51.9)	79 (61.7)
Acceptable in the Public Sector	5 (4.0)	1 (0.8)	45 (36)	34 (27)	50 (40)	63 (50)	25 (20)	28 (27.2)
In Need of Legislative Restrictions	29 (23.6)	37 (29.1)	37 (30.1)	43 (33.9)	38 (30.9)	33 (26)	19 (15.4)	14 (11)
An Important Ethical Issue	40 (32.8)	54 (42.5)	59 (58.4)	60 (47.2)	21 (17.2)	10 (7.9)	2 (1.6)	3 (2.4)

¹Small business sample = SB (n = 128)

²Large business sample = LB (n = 129)

³Full questions appear in the Text

⁴First row is number of individuals giving each response, percentage of respondents is in the second row

private sector and it was assumed that most managers would be familiar with this kind of advertising. In this instance, although the majority (SB 72.2%; LB 60%) tended to disagree with the statement, unlike the strong condemnation of Fax advertising obtained from statement 1, both samples were more ambivalent about this particular public sector example. Indeed, 40 percent of the large business sample "tended to agree" that Fax advertising by a university was "more acceptable" than similar activity by the private sector (Table 1). While the small business group was not as supportive (only 27.8 percent tended to agree), this is still a substantial number, approaching one third of a potentially significant market. Additionally, the ANOVA (attitude towards public sector use by large versus small business) yielded non-significant results ($F [1, 238] = 2.00$, n.s.) with the small business and large business average responses being nearly equal (2.94 and 2.79, respectively). Taken together, these results suggest that public sector use of Fax advertising, while generally viewed unfavorably, is not disliked as vehemently as "general" Fax advertising.

Even if the attitude toward an "educational" institution is inherently more benign than that toward another type of nonprofit organization, attitudes toward Fax advertising may not be completely rigid. Indeed, there may be other economic sectors, products or companies that enjoy similar support. For example, one respondent wrote that he did not mind receiving Fax announcements of "last minute travel deals" from travel agencies. Unfortunately, the felt necessity of using an abbreviated questionnaire did not allow for further testing of other more business related areas.

Attitude Toward the Need for Legislation Restricting Fax Advertising

Having determined that most executives view facsimile advertising with disfavour (but that some latitude might be given in specialized cases), attitudes toward regulation were probed (statement 3). Despite having expressed general displeasure with the practice, only a small majority (55.7%) of the large business sample would opt for formal government regulation (Table 1). Table 1 shows some support for all 4 stances, from "strongly agree" (23.6%) to "strongly disagree" (15.4%). Perhaps there is a basic distrust in government regulation of yet another facet of business, but there was more divergence among the respondents on this issue than on any other. Similarly, the small business group was divided on this issue. There was a slightly stronger tendency among the small business respondents to either strongly agree or agree that

restrictive legislation was necessary (63%) as opposed to large business respondents (53.7%, see Table 1). The ANOVA testing the difference between the two groups was not statistically significant ($F [1, 238] = 2.27$, n.s.).

Attitude Toward Ethical Considerations of Fax Advertising

Finally, statement 4 was included to determine if senior managers viewed the "captive receiver" problem as an ethical issue, in that the receiver has little choice but to pay for paper and labour when receiving Fax advertisements and cannot use the machine during incoming transmissions. The large majority (81.2% of the large business respondents and 89.7% of the small business respondents) felt that the receipt of unsolicited Fax material was an important ethical issue. However, the ANOVA showed no significant differences between the groups, with the large business respondents showing a mean response of 1.85, and the small business respondents showing a mean response of 1.85, and the small business respondents an average of 1.70, yielding an $F (1, 238)$ of 2.60 (n.s.).

In retrospect, this question may have been poorly phrased. Fifteen spontaneous comments, all similar, were penned in the questionnaire margins. In essence, these respondents regarded Fax advertising not as an ethical issue, but as a nuisance, or worse as a major communication barrier.

An example of this phenomena resulted in a threatened lawsuit when a Fax advertisement prevented the sending of important contract information at 4:58 pm, in time to make a submission deadline (Nigol, R., 1989, Personal Communication). Despite the overwhelming tendency to agree with the statement, some care should be taken when interpreting this portion of Table 1. Although the question was phrased in terms of ethical issues, the high level of agreement on this item may reflect negative attitudes related to being a captive receiver of Fax advertising.

DISCUSSION

The first proposition—that respondents from both large and small businesses would generally condemn the practice of Fax advertising—was supported by both samples. All respondents overwhelmingly "tended to disagree" with a statement suggesting that private sector Fax advertising is appropriate. They somewhat weakly agreed with the statement that legislative restrictions on Fax advertising is needed. Although the

question was likely flawed, respondents tended to agree that Fax advertising raises some ethical issues. Finally, in both qualitative and statistical terms, the difference between samples was negligible.

The second supposition—that small business would be more supportive of facsimile advertising than larger enterprises—was not supported. There was no statistically significant difference between responses attributed to the two samples. Moreover, there was some evidence to indicate that larger businesses would find at least one example of not-for-profit advertising (as represented by a university-level continuing education division) slightly more palatable. It was thought originally that the small business sector, being perhaps the most obvious source of Fax advertising, would support the medium more strongly. Data indicate this supposition to be false.

Thirdly, the statement that there will be exceptions to the general resistance to Fax advertising, is partially supported. Although only one example was used here, where 40 percent of the responding managers representing the largest companies in Canada and 27.8 percent (Table 1) of a wide variety of smaller enterprises indicate they would accept advertising from at least one other source, one wonders if there are other advertisers they would find equally acceptable. More research needs to be conducted.

IMPLICATIONS FOR PRACTISING MANAGERS

While it might seem obvious that the one message to be sent to marketers who advertise via Fax is to desist, the data nonetheless suggest potential opportunities for Fax advertising. First, there appears to be a significant minority (SB 27.8%; LB 40%) that view advertising by universities as "more acceptable" than general private sector marketing. As indicated previously, it seems unlikely that this is the only sector that was found to be "acceptable". Marketers, then, would be wise to determine their perception, prestige and general acceptability in the eyes of potential and existing clients. Indeed, it may be possible to develop selling strategies that reach only those potential clients ready to accept the message.

The etiquette of Fax transmission, however, has only begun to be developed. It may be that Fax-generated advertisements are acceptable to only selected clients and only after asking permission (Lewis, 1989; How to avoid ... 1991). In addition, if future research

determines that forced expenditure of labour and material is not an ethical issue, but machine usage (the nuisance issue) is the major concern, then the timing of advertising messages, not the message itself, may be the primary problem. This facet of Fax advertising may have to be explored on an individual client basis.

In many ways, the facsimile communication practice resembles business in the early 19th century (there are few rules and ethical modes of practice have yet to be delineated). This stage of evolution, however, could rapidly come to a close. Although managers are divided on the acceptability of restrictive legislation, it is more likely that spontaneous mass withdrawal of access through the use of locking devices and unlisted telephone numbers will curb the excesses of the "Fax hacker" and the junk Fax mailer (Password, 1990). The key, then, is for managers to find ways to distance themselves from the "common crowd".

Given that business executives in general, did not accept a reality that includes unfettered access to facsimile equipment, marketers must learn to work by, as yet, undetermined new rules. Executives are, however, concerned about the issue (the high return from the large business sample perhaps was indicative of the importance placed upon this topic). This supposition is further supported by the large number of unsolicited written comments received. Consequently, the marketing sector should be proactive rather than reactive to increasingly diminished access.

For example, managers can become involved with professional and trade societies to help develop codes and ethics and practice. Moreover, individual marketing managers need to know their customers' attitudes about facsimile advertising in much greater detail. Failing to come to terms with the generally negative responses expressed in this paper may mean exclusion from an important communication revolution.

In terms of the small/large business dichotomy, size appears to have very little bearing on attitudes toward Fax usage. There seems to be a general "meeting of the minds", that such advertising generally is unacceptable. Suggestions that exceptions exist, although tantalizing, would require more research to substantiate. At this point, data indicate that managers in both small and large business should proceed with caution when including facsimile in an advertising plan.

LIMITATIONS OF THIS RESEARCH

As with any study, this research is not without its limitations. In order to encourage a high response rate, the tradeoff was made between length of research instrument and the amount of data gathered. Thus, questions probing many basic aspects of the Fax marketing phenomena have been left unasked. In addition, a national sample of small businesses resulted in only 20 percent response rate. These caveats notwithstanding, the respondents represent some of this country's

most influential large corporations and a cross section of smaller organizations. As the "Fax Revolution" runs its course, it is likely that their combined corporate communications policies will have a significant influence on the ultimate shape of this industry.

Finally, this research was conducted using Canadian samples. It is felt, however, that this research provides a base from which to determine if attitudes among managers are sufficiently similar for the "implications" listed here to be valid anywhere.

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