

# **The influence of Personalization on marketing effectiveness**

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**Bachelor thesis**

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**Track: Business communication and digital media**

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**Month and year of completion: 06/2023**

## **Abstract**

A literature review was conducted on the topic of personalization in digital marketing, encompassing fifteen articles. The review explored two primary strategies: personalization in emails and personalization in ads. Many companies utilize personalization in digital marketing to engage effectively with their customers. These companies can create tailored advertisements or emails based on individual preferences by gathering customer data. However, the existing literature on this topic can be contradicting. Some studies suggest that personalization can improve customers' attitudes toward advertisements, while others indicate that it can raise privacy concerns and make people uncomfortable.

Moreover, most research focuses on specific personalization strategies rather than considering multiple different personalization strategies. Therefore, further research is necessary to fill this gap in the literature. The findings of this literature review suggest a positive effect of personalization in ads and emails. It appears that personalization has a favorable impact on email effectiveness. Personalized emails lead to: Higher opening rates, increased loyalty, lower unsubscribe rates and higher sales. Furthermore, personalized ads also seemed to have positive influence on consumer behavior. Personalized ads lead to: A higher purchase intention, higher brand loyalty, higher perceived brand quality, higher credibility and a better attitude toward the ad and brand. Consequently, it seems that personalization is an effective way to improve emails or ads.

Nonetheless, it is crucial to acknowledge the potential downsides associated with personalization, particularly privacy concerns that may influence its effectiveness. Additionally, the effectiveness of personalization appears to be influenced by the relevance of the ad or email and the familiarity customers have with the sender.

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## Introduction

The use of digital personalized marketing has been growing steadily over the past decades, for example, the use of personalized social media advertisements on platforms like Facebook and Instagram (Chandra et al., 2022). These ads are designed using information gathered from the platform's users. These data can range from someone's searches on Google to their current location. By using this wide array of data, relevant ads can be shown to users. Companies use these personalized campaigns to increase the value of their ads (Montgomery & Smith, 2009).

This literature review will analyze two types of digital personalized marketing strategies: Personalized advertisements and personalized emails. Both of these strategies are used widely by different firms, especially with the immense growth of internet usage. In January of 2023, there were 5.3 billion internet users, equivalent to 66% of the world's population (Statista, 2023). This implies that the market for personalized advertisements online is large. The literature on this topic can be important to companies and individuals wanting to use personalized ads.

The first personalized marketing strategy that will be analyzed is personalized ads. Personalized advertisements are defined as: "The process of preparing an individualized communication for a specific person based on stated or implied preferences." (M. L. Roberts, 2003). For example, an ad on Instagram featuring dog toys is shown based on earlier Google searches about taking care of dogs. Some studies claim personalized advertisements on platforms like Facebook are more appealing than non-personalized ads and may increase a buyer's intention to purchase a product (Zhu & Kanjanamekanant, 2021). Personalized ads aim to provide customers with a better experience than normal ads. By showing possible customers advertisements that they may show interest in instead of general advertisements that may not be interesting (Chandra et al., 2022). However, there are claims that personalized advertisements on these platforms may generate reactance and a negative attitude toward the ad (Chen et al., 2019; Kim et al., 2022). This may negatively impact buyers' purchase intentions (Zhu & Kanjanamekanant, 2021).

The use of personalized emails is another strategy that firms commonly use to interact and send messages to their customers. For example, by collecting customers' names and birthdays, a personalized email can be sent out to the person. An email can start with "dear John" instead of "dear person," which can lead to an email being opened more frequently and an

increase in sales (Sahni et al., 2018). By using personalized messages in their emails, firms hope to increase their customers' purchase intention. Personalized emails may be useful for companies trying to stay in touch with their customers. However, the literature also claims that personalized emails may lead to a negative customer response because of privacy concerns (Wattal et al., 2012). These contradicting results are the reason why further research may be needed.

Numerous studies have been conducted on personalized marketing; however, most of them stick to a specific personalized marketing strategy. This leads to a need for studies analyzing personalized marketing on a broader spectrum (Chandra et al., 2022). This type of literature might be helpful to companies trying to figure out which personalized marketing strategy would be helpful for them. By having this literature at its disposal, a company may compare multiple strategies and pick what fits best with its vision.

Furthermore, the literature about personalized marketing is contradicting. While some studies found that personalized digital marketing can lead to increased sales (Behera et al., 2020), others claim that there are no or even adverse effects on customer's purchase intention (White et al., 2008). This suggests that these strategies might work like a double-edged sword. Therefore, broader knowledge on this topic may be of significant use to companies adopting or wanting to adopt these strategies. This literature review aims to address this research gap by answering the following research question: "Does personalization improve the effectiveness of marketing strategies? "

## **Theoretical framework**

### **2.1 General intro**

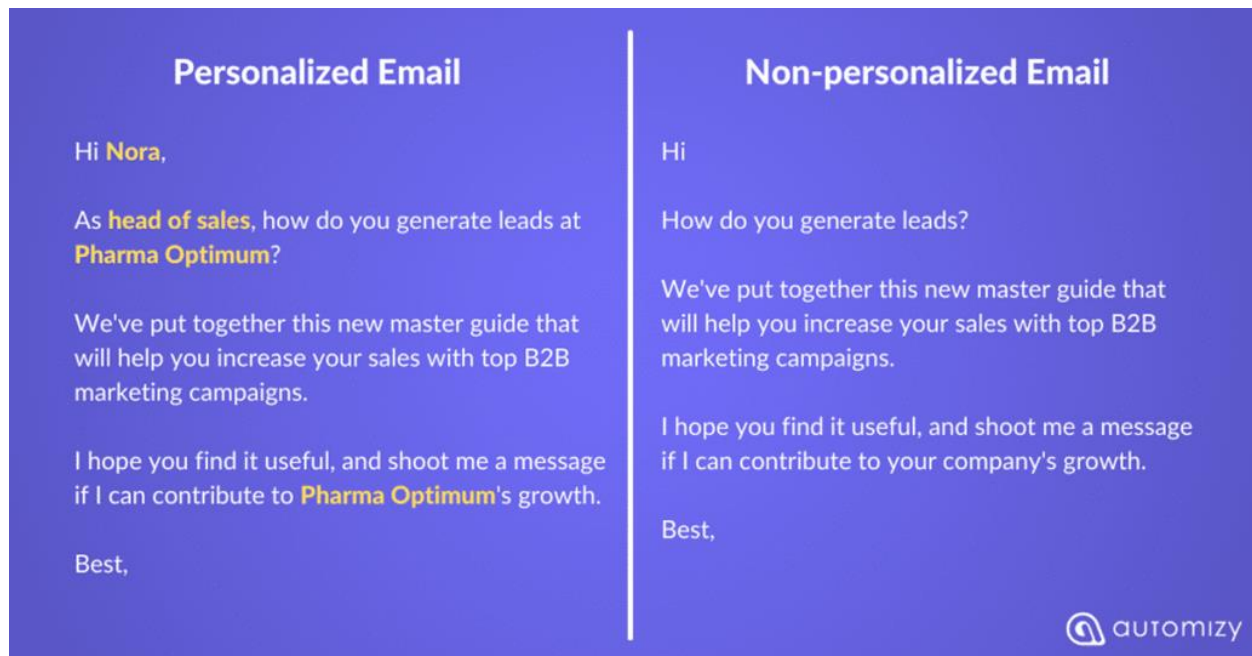
Personalization in marketing entails both advantages and disadvantages. Utilizing personalization can be advantageous for companies looking to improve their marketing plans. Companies employ personalization to create tailored and valuable ads or emails for their customers, leading to a better experience and, consequently, higher profits (Montgomery & Smith, 2009). By using personalization, companies try to benefit from the theory that individuals find familiar information, for example, their name, more appealing to view (Tacikowski & Nowicka, 2010). Furthermore, personalized messages may be more likable and memorable than non-personalized ones, thus more effective (Noar et al., 2009).

However, there seems to be a paradox between personalization and privacy. As big data analytics continue to advance, companies are accumulating an increasingly vast amount of data. (Jain et al., 2016). While personalization may increase engagement with a firm because of the extra value-added, it may also reduce it by causing privacy concerns to their customers (Aguirre et al., 2016). Moreover, collecting customers' data without their consent may also cause them to feel vulnerable, which can lead to customers interacting less with an ad (Aguirre et al., 2015). These privacy concerns can be caused by individuals' unawareness of what is happening with their data (Aguirre et al., 2016; Wattal et al., 2012). As a result, customers may feel uncomfortable due to excessive personalization (Wattal et al., 2012).

### **2.2 Advantages of personalization**

Personalized advertisements are used to send the right message to the right person, which is achieved by collecting customers' data (Tam & Ho, 2006). Personalization might be effective due to humans liking messages in which they can recognize attributes of themselves. This may be why personalized marketing positively influences customers (Sahni et al., 2018). For example, adding a customer's name to an email may positively affect the attention shown to an email (Sahni et al., 2018). This finding can be due to people being attracted to their names when exposed to a distracting environment to receive relevant information (Sahni et al., 2018; Tacikowski & Nowicka, 2010). Moreover, personalized greetings also lead to better responses to personalized emails (Tam & Ho, 2016). A comparison of a personalized email can be seen in Figure 1.

**Figure 1**



**Note:** An example of a *personalized email* using someone's name.

The elaboration likelihood model can explain the positive effect on people that happens when they see something that represents themselves (Petty et al., 1986; Sahni et al., 2018). According to this model, humans have two ways of processing messages. The first is called the central route, which is used for complex messages that require significant cognitive processing. The second route is used when an individual receives either positive or negative cues and is called the peripheral route. When the peripheral route is used, the individual creates an association between the message and the cues received. Thus, an individual seeing their name, which is a positive cue, would lead to a positive association with the message. This route is used most of the time when there is a lack of interest in the topic or when the recipient does not have the ability to process the message. Therefore, the peripheral route relies on general impressions (Petty et al., 1986; Sahni et al., 2018).

Furthermore, personalized ads provide value to the customer by diminishing the number of irrelevant ads and decreasing the amount of search time for products (Malheiros et al., 2012). When personalization is perceived as useful, it can improve a customer's attitude toward personalization (Song et al., 2021). The amount of attention that people pay to an ad can also be increased through means of personalization (Köster et al., 2015). Additionally, the benefits of personalization may be recognized more by a customer when there is a disclosure that explains

the benefits of personalization, which can also lead to customers being more willing to share their data (Kobsa & Teltzrow, 2004).

Another significant factor that may influence the effectiveness of personalization is the trustworthiness of the sender, which increases when the personalization has been perceived by the consumer (Komiak & Benbasat, 2006). When a trusted brand delivers an advertisement, the information in the ad is deemed more valuable, which leads to customers' being more willing to have their personal information used (Hayes et al., 2021). The consumer's relationship with the brand is, therefore, essential to the effectiveness of personalization. In addition, individuals are more likely to purchase a product when it is recommended by someone they deem trustworthy (Behera et al., 2020).

### **2.3 Disadvantages of personalization**

However, studies suggest that using personal information in advertising campaigns may negatively impact consumers' attitudes toward a company (Wattal et al., 2012; Goldfarb & Tucker, 2011). Companies require personal information, data on usage behavior, and purchase histories to use personalized marketing effectively (Lee et al., 2015). This information is collected every time the consumer and the company interact with each other (Aguirre et al., 2016). According to Sultan et al. (2009), consumers weigh the risks of sharing their information and possible privacy concerns with the benefits that, for example, personalization may provide.

Individuals value control over their personal information and may express reluctance towards its sharing or usage without consent. CPM (Communication privacy management) theory argues that this information is protected by a "privacy boundary." This boundary divides an individual's information into two groups: public information and privacy information. An individual may feel vulnerable when this boundary is overstepped by sharing private information (Petronio & Child, 2020). This may lead to reactance, which means that an individual has an adverse reaction toward an online personal advertisement and will try to resist being persuaded, thus leading to a consumer being less interested in purchasing a product or using a service (Chen et al., 2019).

That reaction might be due to privacy concerns. People may be afraid of information leaks or even identity theft. Customers are wary when their personal information is used when they do not expect it, but not when they know they accepted, for example, the terms and agreements to send personalized emails (Wattal et al., 2012). Using customers' data without



consent may also cause a feeling of vulnerability, leading to lower click-through intentions. However, it is argued that this problem can be solved by using informational cues that inform the customer about how the data has been collected and for what reason (Aguirre et al., 2016). Privacy concerns can arise when companies collect data unauthorized, when the secondary use of the data is unauthorized, and when customers feel the company profits from their information (Smith et al., 1996).

Furthermore, when a highly personalized message is not perceived as relevant to a customer, they may also show signs of reactance. Reactance can also occur when a message is perceived as too personal. Although, when the message is well suited for a customer, or it has been justified why the personalization is used, they may not show signs of personalization reactance (White et al., 2008). Moreover, when the sent message aligns with the customer's preferences, it may also reduce a customer's concerns (Simonson, 2005). Thus, justification and relevance can be crucial for the effectiveness of personalization.

## **2.4 Hypotheses**

As previously mentioned, personalization can significantly enhance the effectiveness of emails and advertisements. Nevertheless, it can also have negative consequences, such as privacy concerns arising from using customer data, despite the added value that personalization brings. The effectiveness of using these two personalized strategies is based on multiple variables that personalization can affect.

Email and ad effectiveness are evaluated using various metrics such as the open rate, click-through rate, conversion rate, and unsubscription rate (Budac, 2016). Firstly, the open rate measures how many email receivers open the sent email (Paulo et al., 2022). Secondly, the click-through rate measures the rate people click on the email's links or the ad itself (Kumar & Salo, 2018). Thirdly, the conversion rate is the rate at which someone who opens an email or ad purchases something (McDowell et al., 2016). Lastly, the unsubscription rate is a metric that measures the chance that someone unsubscribes to an email campaign after receiving an email (Sahni et al., 2018).

Furthermore, emails and ads can also influence multiple other facets of consumer behavior, which Solomon (2009) defined as: "consumer behavior is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires.". This literature review will explore multiple

variables of consumer behavior. Some examples are: Brand engagement, purchase intention, brand attachment, customer loyalty, and customer attitude. These categories of consumer behavior are crucial to businesses' marketing plans.

Literature about the effects of personalized ads and emails on the metrics and variables mentioned earlier will be used to analyze the effectiveness of personalized marketing by answering the following two hypotheses:

H1: Personalization increases the effectiveness of an email.

H2: Personalization in ads has a positive influence on consumer behavior.

## **Method**

### **Databases**

Most searches for relevant literature were conducted using Google Scholar because it provides an effective method to find relevant references and contains the "cited by" feature. The other searches were conducted on the Web of Science platform. These searches were conducted with the exact same keywords used in the Google Scholar searches. By doing this, articles that were not on the Google Scholar database could be found.

Two additional strategies were also used. Firstly the snowballing procedure was used. Articles were found by using references from other articles. This created the opportunity to discover articles that did not appear under the search terms used in google scholar. For example, the article by Wattal et al. (2012) was found in Sahni et al. (2018). In addition, Shanahan et al. (2019) article was also found by using snowball sampling. This article was found in Tran et al. (2023). Secondly, the feature "citation by" was used to check if a relevant article was cited in a different article. By doing this, more recent articles could be found about similar topics.

### **Search terms**

Multiple keywords were used to find relevant literature. The searches mainly combined a keyword related to personalization with a keyword related to either email effectiveness or consumer behavior. The "personalization" keywords used were: Personalized marketing, personalized advertising, personalized ads, personalized emails, and personalized emails. Different articles were suggested by the google scholar algorithm when a hyphen was used for the word email/email. Therefore, both keywords were used.

The second pair of keywords consisted of keywords related to email effectiveness. These keywords were: Click-through rate, ctr, open rate, sales increase, sales decrease, effectiveness, customer loyalty, customer response, unsubscribe rate, and purchase intention. The third pair of keywords consisted of those that involved consumer behavior after ad personalization. The following keywords were used: attitude, customer response, purchase intention, loyalty, customer loyalty, and brand loyalty. These keywords were also combined with "Personalized advertising" and "Personalized ads." An example of a search would be: "Personalized advertising" AND "attitude."

### **Selection criteria**

In order to find relevant articles, specific criteria were employed. Firstly, more recent articles were prioritized since they are more up-to-date with current trends, such as the immense growth in social media advertising and data collection by large companies. The articles were recent enough if the findings would remain valid with current trends. For example, two articles were slightly older than the rest by White et al. (2008) and Huang et al. (2009). These articles were still used since they were relevant and were about email marketing. Articles with large sample sizes were also prioritized since their results would be more representative of the population. However, one article by Matic et al. (2017) with a sample size of 17 was still used because it was the only qualitative study found. The qualitative nature of this article seemed interesting because it may add more depth to the overall literature review. Thus, this article was selected. Furthermore, articles that were not peer-reviewed were avoided. This was done to ensure the references were of a high standard. Moreover, articles not written in English were excluded to avoid any possible translation errors and because the largest amount of literature is written English.

## **Results**

Fifteen articles were used for the literature review, from these articles, seven were about personalized email marketing, seven were about personalized advertisements, and one article by Wattal et al. (2012) was about both. Two studies made use of both a survey and an experiment. Nine studies used an experiment, six of a survey, one of a Bayesian analysis, and one was an interview study. Among these fifteen studies: seven were conducted in the United States of America, one in South America, two in Europe, and five in South East Asia (China, India, Taiwan, Japan, and South Korea). Fourteen out of the fifteen studies were quantitative, while only one was qualitative.

### **4.1 Email marketing**

There were several articles about email marketing with very large sample sizes. Four out of the eight articles about emails had a sample size above 30000, which means that these articles received additional attention since they were more likely to be representative of the population. The articles used to analyze email marketing can be found in Table 1.

Five out of the eight studies on personalized emails found that personalization in emails improved the effectiveness of emails. Firstly, two studies found increased sales (Goic et al., 2021; Sahni et al., 2019). Goic et al. (2021) also found this especially true when an email was sent to the target audience. Secondly, two studies also found that personalization in emails led to emails being opened more frequently (Sahni et al., 2019; Singh et al., 2019). This was done by comparing the rate of unpersonalized emails to that of personalized emails. Thirdly, individuals were also less likely to unsubscribe from an email campaign when personalization was used (Sahni et al., 2019). Fourthly, using personalization in emails improved customer loyalty, service quality, and created a better relationship between the customers and the e-retailers (Huang & Shyu, 2009). Lastly, Munz et al. (2020) study found that seeing your name in an email increases the likelihood of interacting with an email,

The remaining three articles contained two that found negative results and one that claimed that personalization had no effect. The first article that contained negative results was by White et al. (2008). This article studied the effect of explicit and implicit personalization in emails. An example of explicit personalization would be when the following was added to an email: "You liked this product in the past, which is why you may like this product as well." In an implicit condition, this would not be mentioned. In the absence of an explicit explanation of why

a specific offer in an email would match an individual's characteristics, it would cause reactance. Thus, White et al. (2008) observed that explicit personalization should be used in emails. Additionally, White et al. (2008) suggested that reactance was also generated when the email was not perceived as useful. White et al. article consisted of two studies. The second study was mainly exploratory and had a sample of primarily students. Thus the generalizability was low.

Wattal et al. (2012) conducted the other study with negative results, which took two types of email personalization into account: Product-based personalization and name-based personalization. Product-based personalization was used for personalized ads, while name-based personalization was for personalized emails. Hence, the findings on product-based personalization will be discussed later in the personalized ads section. Using an individual's name would be an example of name-based personalization. This article had a very large sample size of more than 600,000 participants. Consequently, the findings in this article scored high on generalizability. The findings indicated that when individuals were exposed to their name in an email advertisement, they would feel uncomfortable due to possible privacy concerns. This finding contradicts the results that Munz et al. (2020) found. It also contradicts the theory that individuals like seeing their names (Tadikowski & Nowicka, 2010). However, Wattal et al. (2012) argue that when an individual is familiar with the company that sent the email, this negative response may decrease.

Trespalacios & Perkins (2016) conducted a study wherein students would receive an email with an invitation to fill in a survey. The students were split into four groups, each receiving one email. These emails differed in length and personalization. No effect was found on the response rates. Thus, personalization was ineffective. However, this study was only conducted with students, which are not the same as customers. Thus, the generalizability of this study was low and should be taken into consideration.

The findings in these eight studies suggest the following. It seems that personalization in emails has multiple positive effects on their effectiveness, for example: increased sales, increased customer loyalty, increased open rate, reduced unsubscribe rate, and an improved relationship between customer and e-retailer. However, these benefits may be negated when an email is deemed irrelevant. Privacy concerns seem to also influence customer response. However, these concerns may be reduced when a customer is familiar with the firm. Generally, it seems that

personalization has a positive effect. That is why the literature supports the first hypothesis:  
 "Personalization increases the effectiveness of an email."

**Table 1**

*Articles about personalized emails*

| Author(s)              | Year | N       | Topic                                   | Effect   | Location |
|------------------------|------|---------|---|----------|----------|
| Munz et al.            | 2020 | 30297   | Email interaction                       | positive | USA      |
| Goic et al.            | 2021 | 1907    | Triggered emails                        | positive | Chile    |
| Singh et al.           | 2019 | 250000  | Email open rate                         | positive | India    |
| Trespalcios, & Perkins | 2016 | 1598    | Survey response                         | none     | USA      |
| Huang, & Shyu          | 2009 | 254     | Frequency of personalized emails        | positive | Taiwan   |
| Sahni et al.           | 2018 | 68088   | Effectiveness of personalized emails    | positive | USA      |
| Wattal et al.          | 2012 | 600000+ | Product- and name-based personalization | positive | USA      |

|              |      |            |                          |          |     |
|--------------|------|------------|--------------------------|----------|-----|
| White et al. | 2008 | 86 and 354 | Click through intentions | negative | USA |
|--------------|------|------------|--------------------------|----------|-----|

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## 4.2 Personalized advertisements

Eight articles were used to analyze the effect of personalized advertisements on consumer behavior. Two out of the eight articles used multiple studies for their findings. Summers et al. (2016) used four studies, while Tran et al. (2023) used two. Furthermore, five of the Eight articles used a survey, one used an interview study, three used an experiment, and one used a Bayesian analysis. Among the studies analyzed, there was only one qualitative study. This study was an exploratory interview study about personalized ads conducted by Matic et al. (2017). The aforementioned articles can be found in Table 2.

Out of the Eight studies about personalized advertising, seven found a positive relationship between personalization and consumer behavior. Two studies found that when people received personalized ads, they were more loyal and attached to that brand (Shanahan et al., 2021; Tran et al., 2023). Also, the perceived quality of that brand was deemed higher (Shanahan et al., 2021). Furthermore, two studies found that personalization leads to a better attitude toward the ad, which according to both studies, is an indicator of a higher purchase intention (Tran, 2017; Zhu et al., 2021).

Zhu et al. (2021 ) found that perceived privacy influences ad attitudes and purchase intention. The results indicated that perceived privacy was higher when the personalization was based on internal data than external data. Internal data was data that was shared and collected on the same platform as where the ad was shown, while external data was, for example, someone's browsing history. In addition, the results supported that individuals who personified Facebook had fewer privacy concerns. Furthermore, another study argued that personalization leads to increased purchase intention. However, this depended on the personalization matching well enough with previous behavior from the customer and thus being relevant (Summers et al., 2016). Thus, three studies suggest that personalization leads to a higher purchase intention. Moreover, The interview study's results showed that the participants saw personalization in ads as positive, which seems to be the consensus with the rest of the studies (Matic et al., 2017).



However, this study had a small sample size of seventeen and used snowball sampling to find participants. As a result, the study may score low on generalizability. However, it still provides valuable insight because it is the only qualitative study. Tran et al. (2017) also found that higher credibility leads to a better attitude toward the ad, leading to a higher purchase intention. The findings also claimed that perceived personalization increased credibility while skepticism decreased. Trustworthiness played a crucial role in privacy concerns for both Tran et al. (2017) and Zhu et al. (2021), thus it may be an important factor for the effectiveness of personalization.

The only study with negative findings argued that personalization in ads leads to a lower attitude toward the brand and the ad. Privacy concerns moderated these adverse effects (Kim et al., 2022). Kim et al. (2022) pointed out that this contradicted other literature and suggested this could be due to individuals' awareness of possible privacy invasion. This study also contradicted both Tran et al. (2017) and Zhu et al. (2021), both studies found that personalization in ads lead to a better attitude toward the ad. Moreover, the participants in Kim et al. (2022) were primarily Caucasian undergraduate women, which is a very specific group. Thus, the generalizability of this study may be low.

Finally, one article by Wattal et al. (2012) found positive results. However, these results depended on multiple factors. As mentioned earlier, this article took two types of personalization into account: Product- and name-based personalization. An example of product-based personalization would be a product recommended through email based on customer data. There were three main findings on the topic of product-based personalization. The results were as follows. Firstly, it seemed that product-based personalization in emails caused positive responses from the customers that received such an email. Secondly, this positive response seemed to happen when the personalization was not explicit, which means there was no mention that the recommendation was made using personal data. When the personalization was explicit, there seemed to be a negative response. Thirdly, this negative response was based on the customer's familiarity with the company. Furthermore, when a customer is familiar with a company, they would be less likely to respond negatively to a personalized ad within an email where the personalization is explicit.

According to the literature, personalization in ads seems to lead to more positive consumer behavior. Personalization seems to increase customer loyalty, purchase intention, attitude toward the ad and brand, perceived brand quality, and credibility. However, the

relevance of personalization, perceived privacy, and explicitness seem to moderate the effectiveness of personalized ads. In conclusion, the literature supports the second hypothesis: "Personalization in ads has a positive influence on consumer behavior."

**Table 2**

*Articles about personalized advertisements*

| Author(s)       | Year | N   | Topic                                       | Effect   | Location    |
|-----------------|------|-----|---|----------|-------------|
| Matic et al.    | 2017 | 17  | Emotional reaction to personalized ads      | positive | Slovakia    |
| Kim et al.      | 2022 | 219 | Attitude toward personalized ads            | negative | South Korea |
| Shanahan et al. | 2019 | 242 | Perceived personalization in ads            | positive | Japan       |
| Summers et al.  | 2016 | 832 | Behavioral targeting and purchase intention | positive | UK          |
| Tran et al.     | 2017 | 613 | Effect of personalization in ads            | positive | USA         |

|               |      |             |  |          |       |
|---------------|------|-------------|--|----------|-------|
| Wattal et al. | 2012 | 600000+     | Product- and name-based personalization          | positive | China |
| Zhu et al.    | 2021 | 349         | Personalization in ads and perceived privacy.    | positive | USA   |
| Tran et al. . | 2023 | 275 and 350 | Personalized ads and consumer-brand relationship | positive |       |

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## **Discussion**

This literature review aimed to review whether personalization leads to more effective marketing strategies, which was done by assessing two different strategies: Personalized emails and personalized advertisements. Eight articles were used to examine the effect of personalized emails, and eight were used for Personalized emails. In total, fifteen articles were used. However, one article was used for both strategies as it examined both of them.

The first hypothesis: "Personalization in emails leads to more effective emails," was supported by the literature. Personalized emails seemed to have multiple benefits, examples include increased sales, increased customer loyalty, increased open rate, reduced unsubscribe rate, and an improved relationship between the customer and the e-retailer. However, personalization also raised privacy concerns, which could be moderated by familiarity with the company sending out the email. These findings correspond to the earlier mentioned research in the theoretical framework, where it was argued that people like seeing information that has to do with themselves (Tacikowski & Nowicka, 2010; Sahni et al., 2018). Also, they correspond to the finding that people care about who controls their information (Petronio & Child, 2020).

The second hypothesis: "Personalization in ads has a positive influence on consumer behavior." was also supported. Of the eight articles used to explore this topic, only one found a negative finding. In general, personalizing ads has several advantages. It can result in increased customer loyalty, higher purchase intention, and a more positive attitude toward the ad and the brand it represents. However, several factors appeared to moderate the effectiveness of the personalized ad, such as privacy concerns, relevance, and if it was announced explicitly that the message was personalized. Therefore, personalization in ads is likely beneficial for companies utilizing it.

### **Research question and theoretical implications**

The findings of the literature review provide evidence in support of both hypotheses, indicating that personalization positively impacts the effectiveness of emails and elicits favorable consumer behavior toward ads. Since both hypotheses were supported, the main research question: "Does personalization improve the effectiveness of marketing strategies?" is also supported. It seems that personalization is an effective marketing strategy, which corresponds to the consensus.

However, certain general patterns observed across both personalization strategies will need to be considered. For example, multiple studies argued that personalization could cause privacy concerns. This was the case for personalized ads and personalized emails. These privacy concerns could make customers uncomfortable because they lack knowledge of how companies collect their data. Also, the explicitness of the personalization may have an impact on how customers respond to said personalization.

Furthermore, two studies contradict personalized ads and personalized emails. One study claimed that explicitness in data usage would reduce reactance, making people likelier to interact with the ad (White et al., 2008). In comparison, the other study claimed that personalization led to a positive response when the personalization was not explicit (Wattal et al., 2012). This contradiction may be an opportunity for future research since the explicitness may have a different effect depending on what marketing strategy the personalization was used.

Additionally, both strategies seemed to share a specific pattern. Two articles found some similarities in personalization in emails versus ads. One study argued that personalization in ads led to increased purchase intention. However, this was mediated by how well the ad fit the customer's previous behavior (Summers et al., 2016). This finding is comparable to the earlier discussed findings about email personalization, where it seemed that the personalization in an email needs to be relevant for it to work (Goic et al., 2021; Wattal et al., 2012).

### **Practical implications**

Based on the results of this literature review, some suggestions will be made. Personalization is an effective way to improve a company's marketing strategy due to its many benefits. Personalized adjustments to an email can lead to increased sales, increased customer loyalty, increased open rate, reduced unsubscribe rate, and an improved relationship between the customer and the e-retailer. Thus, it could be a valuable investment for companies seeking to utilize personalization. The same applies to personalization in ads, which can lead to higher purchase intention and improved brand and ad attitude. A company should strive to make its ads relevant since relevance can play a crucial role in the effectiveness of an ad. Social media platforms can help achieve this goal since they collect a large amount of data on their customers. Utilizing personalization can be advantageous for companies seeking to enhance their marketing strategies.

Secondly, privacy concerns should be taken into consideration. Using customers' data without consent may be risky and make personalization less effective. It may be positive for companies to build relationships with their customers before sending them personalized emails. For example, a company could initiate the conversation by addressing the customer with "dear customer"; over time, the customer will be familiar with the company. At that point, companies may reap the greatest benefits from a personalized greeting such as: "Dear (name of person)." Adding an individual's name to an email can be a worthwhile investment due to its low cost. Therefore, companies should consider adding this strategy to their marketing plans.

Lastly, using customers' data for personalized marketing can be a valuable way to increase sales. However, companies should also be aware of ethical and legal concerns attached to using said data. People care about their data and want it to be safe. Using personal information could make customers feel uncomfortable and scared. Companies should care for their customers' well-being by paying attention to how much data they collect and how they do it. Using data without clear consent could be risky and should be avoided. By asking for consent, companies can avoid scaring away their customers. Moreover, terms and agreements need to be clear and concise, allowing customers to learn how their data is processed and utilized.

### **Limitations**

This literature review also had some limitations. Firstly, this study was conducted by analyzing fifteen papers on personalized marketing. Fifteen articles may not be sufficient to showcase all points of view on this topic. Thus, the hypotheses accepted in this review may score low on generalizability. For example, almost all the papers analyzed contained South-East Asian or North American participants. There were barely any participants in these studies from Europe, Africa, Oceania, and South America. These four continents contain a large part of the world population, which could react differently to personalized marketing than the population of the well-represented countries. Hence, it is essential for high generalizability that studies featuring participants from these continents are also employed. Furthermore, strategies may also have different benefits and drawbacks depending on where in the world they are used. Geopolitical differences may come into play; cultures that are widely different may perceive personalization differently. Therefore, future research could explore significantly different cultures and norms, such as examining how Americans and Chinese individuals perceive personalization.

Secondly, the topic of personalized marketing is extensive. That is why the topic was made more specific by focusing solely on personalized email marketing and personalized advertisements. However, two strategies are insufficient to conclude every possible personalized marketing strategy. Therefore, the findings in this review aim to provide insight into these two strategies and if there are any similarities. As stated earlier in this review, more strategies could be analyzed and may have different effects on the effectiveness of personalization. Examples of other strategies that could be analyzed are chatbots that give the customer a personalized experience or loyalty programs that reward customers based on their past interactions with the company.

There is much potential for future research. Firstly, comparing different personalized marketing strategies may lead to finding differences. In this review, the two used strategies were compared slightly, but the main focus was to find the effectiveness of both strategies individually and check for possible similarities or differences. In future research, different strategies could be compared to determine what strategy should be used and when. A two-by-two design could be employed to test whether using an individual's name could make them uncomfortable. This design would involve four groups: group one receives an email with their name, group two receives an email without their name, group three sees an ad with their name, and group four sees an ad without their name. Comparing the results of these groups could determine if using an individual's name in an ad is more or less uncomfortable than using it in an email.

### **Conclusion**

A literature review on the topic of personalized marketing was performed. This literature review analyzed two personalized marketing strategies: Personalized emails and personalized ads. These strategies are often used by companies to improve consumer behavior. Fifteen articles were used for the analysis; eight were about personalization in emails, and seven were about personalization in advertisements. Both strategies seemed to have mostly positive effects, such as increased purchase intention, a better attitude toward the ad and brand, more loyal customers, and higher click rates. However, multiple articles also mentioned that personalization could lead to privacy concerns. Furthermore, the relevance of the personalization and familiarity with the sender seemed to have mediating effects. This review further adds to the vast array of literature on this topic and suggests future research possibilities.

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